

**On Sovereign Wealth Fund**

***Unofficial translation***

The Law of the Republic of Kazakhstan dated 1 February, 2012 № 550-IV.

      Unofficial translation

      Footnote. Throughout the text, the words "industrial-innovative", "industrial-innovative" shall be replaced by the words "industrial-innovative", "industrial-innovative" respectively; in accordance with the Law of the Republic of Kazakhstan dated December 27, 2021 № 87-VII (shall be enforced ten calendar days after the day of its first official publication).

      This law defines the legal status, procedure of activity, goals, tasks and powers of the sovereign welfare Fund, the procedure of interaction of the sovereign welfare Fund and state bodies, as well as individual particularities of legal status of legal entities, the shares (equity stake) of which belong to the sovereign welfare Fund, and other organizations, included into the group of sovereign welfare Fund.

**Chapter1. General provisions**

**Article 1. Basic definitions, used in this Law**

      The following basic definitions shall be used in this Law:

      1) indirect ownership - ownership of each subsequent organization of the shares of the Fund (equity stake in charter capital) of another organization on the right of ownership or entrusted management;

      2) the company - the national development institutions, national companies and other legal entities, more than fifty percent of voting shares (equity stakes) of which belong to the Fund of the right of ownership or entrusted management;

      3) Development plan of the Fund - a document defining and substantiating the mission, vision, goals and objectives of the Fund for managing companies aimed at increasing the long-term cost (value) of organizations included in the Fund's group, effective management of assets included in the Fund's group;

      4) the group of the Fund - the Fund, companies, their subsidiaries, more than fifty percent of voting shares (equity stakes) of which are owned by the companies, as well as legal entities, more than fifty percent of voting shares (equity stakes) of which is owned by the specified subsidiaries of companies in respect of which this Law establishes a special legal status.

      The group of the Fund shall not include:

      legal entity shares (equity stakes) which has gone into the property of the bank, included in the group of the Fund, upon the announcement of the auction sale of the pledged shares (equity shares) failed in accordance with the civil legislation of the Republic of Kazakhstan;

      banks, shares of which has entered in the property of the Fund by the decision of the Government of the Republic of Kazakhstan in accordance with legislation of the Republic of Kazakhstan in order to protect the interests of creditors of the bank and to ensure the stability of the banking system of the Republic of Kazakhstan;

      5) the sovereign welfare Fund (hereinafter – the Fund) - a national managing holding.

      Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication).

**Article 2. The legislation of the Republic of Kazakhstan on the Fund**

      1. The legislation of the Republic of Kazakhstan on the Fund shall be based on the Constitution of the Republic of Kazakhstan, shall consist of this Law and other regulatory legal acts.

      2. If an international treaty ratified by the Republic of Kazakhstan establishes different rules than those contained in this Law, the rules of an indicated treaty shall be applied.

      3. The legislation of the Republic of Kazakhstan on joint stock companies and the legislation of the Republic of Kazakhstan on state property shall be applied to the group of the Fund, unless otherwise provided by this Law.

      4. The legislation of the Republic of Kazakhstan on investment funds shall not be applied to the companies, included in the list approved by the Government of the Republic of Kazakhstan.

      Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 04.07.2018 № 174-VІ (shall be enforced upon expiry of ten calendar days after the day its first official publication).

**Article 3. Issues on the property of shares of the Fund**

      The shares of the Fund shall be owned inclusively by the state and shall not be subjected to alienation.

**Article 4. Purpose and tasks of the Fund**

      1. The purpose of the Fund shall be to increase the national wealth of the Republic of Kazakhstan by increasing long-term denomination (value) of the organizations, included into the group of the Fund, effective management of assets, belonging to the group of the Fund.

      2. The tasks of the Fund shall be:

      1) increase of competitiveness, market value and profitability of the organizations, included in the group of the Fund;

      2) the introduction in the group of the Fund of the best practices of corporate governance;

      3) stimulating the development and implementation of innovative processes and technologies in the Fund’s group, as well as assistance in the development of innovative activities;

      4) participation in attraction of investments to the Republic of Kazakhstan, creation of conditions for investment activity of the organizations, included in the group of the Fund, as well as improving the investment climate in the Republic of Kazakhstan taking into account the main directions of state policy;

      5) development and implementation of strategic investment projects of national, sectoral and regional levels, participation in development and realization of programs of modernization and diversification of economy of Kazakhstan;

      6) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

      7) participation in realization of socially important, industrial-innovative projects that promote sustainable development of the economy of the Republic of Kazakhstan, taking into account the peculiarities of their implementation by the Fund, established by this Law.

      Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.05.2024 № 86-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

**Article 5. The principles of activity of the Fund**

      The activity of the Fund shall be based on the following principles:

      1) observance of interests of the state as the sole shareholder of the Fund;

      2) the earning capacity, efficiency, transparency and accountability of the Fund, and other organizations, included into the group of the Fund;

      3) consistency and efficiency in decision making and their realization;

      4) social responsibility of the Fund;

      5) legality.

**Chapter 2. Particularities of management of the Fund**

**Article 6. Bodies of the Fund**

      Bodies of the Fund shall be:

      1) the highest body - the sole shareholder;

      2) the managing body - board of directors;

      3) the executive body – administrative board;

      4) other bodies in accordance with the charter of the Fund.

**Article 6-1. Fund Management Council**

      Footnote. Chapter 2 is supplemented by Article 6-1 in accordance with the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 16.11.2023 № 40-VIII (shall be enforced from 01.01.2024).

**Article 7. The only founder and shareholder of the Fund**

      1. The only founder and shareholder of the Fund shall be the Government of the Republic of Kazakhstan.

      2. The exclusive competence of the sole shareholder of the Fund shall include the following issues:

      1) making changes and additions in the charter of the Fund or approval of its new version;

      2) approval of the annual financial statements of the Fund;

      3) approval of the Fund’s development plan and entering amendments and additions to it;

      4) voluntary reorganization or liquidation of the Fund;

      5) the decision about increase of number of announced shares of the Fund or change of the type of unplaced announced shares of the Fund;

      6) determination of the term of office of the board of directors, election of its members and early termination of their powers;

      6-1) determination of amount and terms of payment of remuneration to independent directors of the Fund;

      7) alienation of shares (participatory interests) of companies according to the list determined by the sole shareholder of the Fund, as well as the transfer of these shares (participatory interests) to trust management;

      8) making decisions on liquidation, reorganization of companies according to the list, defined by the sole shareholder of the Fund;

      9) appointment and early dismissal of the chairman of the board of the Fund;

      10) approval of the procedure of distribution of net income of the Fund for the reporting financial year, taking decision about dividends payment on common shares and approval of dividend rate per ordinary share of the Fund;

      11) taking decision on non-payment dividends on common shares upon the occurrence of events provided by the Law of the Republic of Kazakhstan "On joint stock companies";

      12) determination of the dividend policy of the Fund;

      13) approval of the decision of the board of directors of the Fund, adopted in accordance with subparagraph 19) of paragraph 3 of Article 8 of this Law;

      14) the acquisition and alienation of shares of banks, and also transfer of specified shares into entrusted management;

      15) approval of the corporate governance code, as well as changes and additions to it;

      15-1) consideration of the report on activities of the Board of Directors of the Fund;

      15-2) making decisions on financing of projects by the Fund on behalf of the President of the Republic of Kazakhstan, reflecting the amount of financing in the financial statements in accordance with the Legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards;

      15-3) approving the regulations for the Public Council of the Fund;

      16) other issues in accordance with this Law and (or) the charter of the Fund.

      3. Decisions on issues, specified in subparagraph 8) of paragraph 2 of this Article, in respect of companies in which the Fund the sole shareholder (participant) shall be adopted by the sole shareholder of the Fund to determine the position of the Fund as a shareholder (participant) in order to vote by authorized representatives of the Fund at general meetings of shareholders (participants) of companies.

      3-1. is excluded by the Law of the Republic of Kazakhstan dated 16.11.2023 № 40-VIII (shall be enforced from 01.01.2024).

      4. Decisions on issues assigned by this Law, other laws of the Republic of Kazakhstan and (or) by the charter of the Fund to the competence of the sole shareholder shall be made by the Government of the Republic of Kazakhstan in the form of individual decisions.

      The order of adoption of decisions of the sole shareholder of the Fund shall be determined by the Government of the Republic of Kazakhstan.

      Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 406-VI of 03.01.2021 (shall come into force ten calendar days after the date of its first official publication); dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 № 40-VIII (shall be enforced from 01.01.2024).

**Article 8. Board of directors of the Fund**

      1. The board of directors of the Fund consists of the chairman and members elected by the sole shareholder of the Fund.

      2. Is excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

      3. To the exclusive competence of the board of directors of the Fund shall include the following issues:

      1) approval of the Fund's action plan;

      2) determining the procedure for developing, approving, monitoring, evaluating the implementation, submitting progress reports on the Fund's action plan, as well as requirements for its content;

      3) monitoring and analysis of implementation, evaluation of the progress of the Fund's action plan;

      4) determination of the Fund’s key performance indicators within the framework of the Fund's action plan;

      5) approval of procedure of development, approval, execution and monitoring of the annual budget of the Fund;

      6) approval of the annual budget of the Fund;

      7) decision-making on liquidation, reorganization of companies, with the exception of companies, the decision on liquidation, reorganization of which is assigned by this Law to the competence of the sole shareholder of the Fund;

      8) the decision making on the placement (realization), including on the number of being placed (realized) shares within the number of declared shares, the method and price of their placement (realization);

      9) making a decision on redemption of the Fund's outstanding securities, except for shares, and the price of their redemption;

      10) approval of the Fund's policies: on risk management, charitable assistance, social responsibility, information disclosure, credit, industrial and other policies;

      11) determination of audit organization, carrying out the audit of the Fund, and limits on the amount of payment for its services within the approval of the annual budget;

      12) making a decision on submitting issues for consideration by the sole shareholder, with the exception of the issue provided by Subparagraph 15-2) of Paragraph 2 of Article 7 of this Law;

      13) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication);  
      14) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

      15) making decisions on creation of committees under the board of directors of the Fund;

      16) determination of quantitative composition, term of office of the board, election of board members and early termination of their powers, with the exception of the chairman of the board of directors;

      17) definition of salary amounts and conditions of remuneration and bonuses of the chairman and members of the management board;

      18) determination of quantitative composition, term of office of the internal audit service, the appointment of its director, and early termination of their powers, determination of the order of work of the internal audit service, the amount and conditions of remuneration and bonuses of employees of the internal audit service;

      19) decision-making on price, quantity, structure of placement of shares of the companies, included in the group of the Fund, placed on organized securities market in order to implement the decisions of the Government of the Republic of Kazakhstan;

      20) approval of documents regulating internal activities of the Fund. The list of documents, subjected to approval by the board of directors shall be determined by them independently;

      21) determination of the order of conclusion of deals between the organizations, included the group of the fund, in respect of the commitment of which by the Law of the Republic of Kazakhstan “On joint stock companies set” are set special conditions;

      22) approval of the procedure of assessment of corporate governance of the Fund;

      23) participation of the Fund in creation or activities of other legal entities by transfer of part or several parts of assets, in the amount of twenty-five and more percent from the all-owned by the Fund assets;

      24) the increase of the liabilities of the Fund on the size making ten and more percent of the size of its own capital;

      25) acquisition (alienation) by the Fund of ten and more percent of shares (participatory interests in the charter capital) of other legal entities;

      26) the determination of the conditions of issue of bonds, derivative securities of the Fund and attract Fund other borrowings amounting to one percent or more of the size of own capital of the Fund;

      27) Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

      28) conducting an annual assessment of activities of the Board of Directors of the Fund;

      29) adoption of the decisions, provided by internal documents approved by the board of directors, except decisions relating in accordance with this Law to the exclusive competence of the sole shareholder, the management board or the chairman of the board of the Fund;

      29-1) appointment of corporate secretary and early termination of his powers, determination of the term of powers of corporate secretary, requirements for corporate secretary, his functions, operating procedures, size of the salary of corporate secretary and conditions for remuneration to corporate secretary;

      29-2) approval of the procurement procedures for the Fund and organizations, fifty percent or more of the voting shares (participatory interest in the authorized capital) of which the Fund directly or indirectly owns;

      30) other issues in accordance with this Law and (or) the Charter of the Fund.

      4. Decisions on issues specified in subparagraph 7) and 19) of paragraph 3 of this Article, in respect of companies in which the Fund is not the sole shareholder (participant) shall be adopted by the board of directors of the Fund to determine the position of the Fund as a shareholder (participant) in order to vote by authorized representatives of the Fund at general meetings of shareholders (participants) of companies.

      4-1. Based on the decision of the Board of Directors of the Fund, the policies specified in Subparagraph 10) of Paragraph 3 of this Article may be extended to companies or organizations that are members of the Fund’s group, all of which shall be owned directly or indirectly by the Fund.

      5. The activities of the board of directors of the Fund shall be provided by the corporate secretary, including shaping the agenda of the meeting of the board of directors and shall guide a notice to members of the board of directors of the Fund about holding a meeting, and the Fund.

      Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 48-VII of 08.06.2021 (shall come into force on 01.01.2022); dated 27.12.2021 № 87-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 16.11.2023 № 40-VIII (shall be enforced from 01.01.2024).

**Article 9. Committees of the board of directors**

      1. To consider the most important issues and preparation of recommendations to the Board of Directors of the Fund may be created constant committees under the Board of Directors of the Fund.

      To consider issues of strategic planning, a strategy committee shall be created, the leader of which shall be the First Head of the central authorized agency for state planning.

      If the issue, submitted for consideration of the Board of Directors of the Fund, it shall be the authority of a committee, it shall in obligatory manner preliminary discuss the relevant issue and shall prepare according to its conclusion.

      A specialized committee, provided by Article 14 of this Law, shall be created on compulsory basis.

      2. Committees of the board of directors of the Fund shall consist of members of the board of directors and experts having necessary professional knowledge for work in a particular committee.

      Chairman of the board of the Fund may not be a chairman of the committee of the board of directors of the Fund.

      3. In order to improve the quality of decision making by the Board of Directors of the Fund in the framework of the annual budget of the Fund shall be allocated funds for consultants, including international, on matters considered by the Board of Directors or its Committees.

      4. The procedure of formation and work of committees of the board of directors of the Fund, their powers, the quantitative composition shall be established by internal documents, approved by the board of directors of the Fund.

      Footnote. Article 9 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

**Article 10. Administrative board of the Fund**

      1. The administrative board shall consist of a chairman, his deputies and other persons.

      2. To the exclusive competence of the board of directors shall be included the following issues:

      1) determination of the conditions and procedure for conversion of securities of the Fund, as well as their change;

      2) determination of the size of payment of services for the appraiser on market valuation of the property transferred in payment of shares of the Fund or that is subject of major deal;

      3) making decisions on issues related in accordance with the Legislation of the Republic of Kazakhstan and (or) the charter to the competence of the general meeting of shareholders (participants), another authority of the company or other legal entity in relation to which the Fund shall be a shareholder, participant or shall has the right to share in property, with the exception of decisions on issues adopted by the sole shareholder or the Board of Directors of the Fund in accordance with this Law;

      4) approval of appointment issues and early termination of powers of heads of executive authorities of the National Companies, as well as legal entities, all voting shares (participatory interests) of which are owned by the Fund on the basis of ownership and (or) trust management;

      5) taking appropriate measures regarding companies to prevent disruption to the completeness and terms of realization of investment decisions and investment projects;

      6) the formation of a unified (including by branches of activity of companies) financial, investment, production-economic, scientific-technical, cash management, personnel, social and other policies in respect of companies;

      6-1) approval of Corporate Governance Code of organizations included in the Fund group, as well as amendments and additions to it;

      7) approval of methodological recommendations and standards in respect of legal entities, more than fifty percent of voting shares (stakes of participation) of which directly or indirectly are owned by the Fund;

      8) approval of the rules of development, coordination, approval, adjustment, execution and monitoring of the company action plans’ progress;

      9) approval of the dividend policy and standards dividends for companies;

      10) approval of certain types of standards and limits of administrative expenses of the Fund, on the proposals made by the Government of the Republic of Kazakhstan, as well as companies, all of the voting shares (participatory interests) of which are owned by the Fund;

      11) approval of the staffing, staff schedule and organizational structure of the Fund;

      12) making decisions on establishing branches and representative offices;

      13) making decisions on creation of committees under the board of the Fund, consisting of employees of companies and other persons in order to make proposals to the board of the Fund;

      14) information about the Fund or its activities, constituting official, commercial or other secret protected by the Law;

      15) determine the conditions of issue of bonds, derivative securities of the Fund and attract Fund other borrowing in the amount of not more than one percent of the size of own capital of the Fund;

      16) approval of documents regulating internal activities of the Fund, except as provided by subparagraph 20) of paragraph 3 of Article 8 of this Law;

      17) establishment of centralized services in accordance with paragraph 1 of Article 24 of this Law;

      18) hearing on an annual basis the performance of companies and presentation of reports on the results of the companies to the board of directors of the Fund;

      18-1) ensuring the integration of the procurement information system with the information system of the National Chamber of Entrepreneurs of the Republic of Kazakhstan in order to form a single point of access to procurement conducted in accordance with the legislation of the Republic of Kazakhstan;

      19) other issues, not attributed by this Law and (or) by the Charter of the Fund to the competence of other bodies of the Fund.

      2-1. The Board of the Fund shall has the right to determine the list of issues from the number provided by Subparagraph 3) of Paragraph 2 of this Article, decisions on which may be taken by the Chairman of the Board of the Fund, as well as the procedure for making such decisions.

      3. The decisions specified in Subparagraphs 3) and 9) of Paragraph 2 of this Article, on the issues of activities of companies in which the Fund shall not be the sole shareholder (participant) shall be adopted by the Board or the Chairman of the Board of the Fund in order to determine the position of the Fund as a shareholder (participant) for subsequent voting by authorized representatives of the Fund at general meetings of shareholders (participants) of the company.

      4. Along with the issues provided by the Law of the Republic of Kazakhstan "On joint stock companies" to the competence of the chairman of the board of the Fund shall be related:

      1) taking decisions on appointment of inspections (revision) in companies and other legal entities, fifty and more percent of voting shares (participatory interests) directly or indirectly owned by the company;

      2) giving direct (operational) orders for the execution by companies, all voting shares (stakes of participation) which belong to the Fund on their activities;

      3) bringing to disciplinary liability of heads of executive authorities of legal entities in relation to which the Fund shall be the sole shareholder or person holding all voting shares, the only participant or the only person entitled to the property of a legal entity;

      3-1) preparation of the annual public report on the results of the fund’s activities, which is located on the Internet resource of the Fund;

      3-2) holding on a regular basis of meetings with a business community and foreign investors on the activities of the Fund;

      4) making decisions on other issues in accordance with this Law and (or) the Charter of the Fund.

      5. Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

      6. In case of transfer by the Fund on the basis of the decision of the Government of the Republic of Kazakhstan of shares (stakes of participation) of companies under entrusted administration the powers provided by subparagraph 4) and 5) of paragraph 2 and paragraph 4 of this Article shall not be implemented by the Fund (by its bodies and officials) and the trustees.

      Footnote. Article 10 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 202-VI (shall be enforced from 01.01.2020); dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

**Article 11. The internal audit service of the Fund**

      1. The internal audit service of the Fund shall be created by the board of directors of the Fund for exercising control over financial and economic activity of the Fund, the assessment of internal control, risk management system, execution of documents in the field of corporate management and advisory services in order to improve the activities of the Fund.

      2. The internal audit service of the Fund shall report directly to the board of directors of the Fund and shall report to it on its work.

**Article 11-1. Public Council of the Fund**

      The Fund shall establish an advisory and consultative body - the Public Council of the Fund to represent the interests of civil society and to consider public opinion when discussing and making decisions, to increase accountability and transparency in the activities of the Fund and its national companies.

      Public control can be carried out in accordance with the Law of the Republic of Kazakhstan “On Public Control”.

      Footnote. Chapter 2 is supplemented by Article 11-1 in pursuance of Law of the RK № 406-VI of 03.01.2021 (shall be enacted ten calendar days after the date of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.10.2023 № 31-VIII (shall be enforced six months after the date of its first official publication).

**Chapter 3. PARTICULARITIES OF MANAGEMENT IN THE GROUP OF THE FUND.**

**Article 12. Interaction between the Government of the Republic of Kazakhstan and the Fund**

      1. Interaction between the Government of the Republic of Kazakhstan and the Fund shall be in accordance with this Law, other laws of the Republic of Kazakhstan and the agreement on cooperation between the Government of the Republic of Kazakhstan and the Fund.

      The agreement on cooperation between the Government of the Republic of Kazakhstan and the Fund shall contain:

      1) the main principles of interaction between the Government of the Republic of Kazakhstan and the Fund;

      2) issues of cooperation between the Government of the Republic of Kazakhstan and the Fund, including the requirements of the Government of the Republic of Kazakhstan to the Fund on issues of its activity;

      3) the issues of interaction between state bodies, both in the structure of the Government of the Republic of Kazakhstan, and the Fund.

      2. The Government of the Republic of Kazakhstan, as the owner of shares of the Fund, shall contribute to the Fund aims at increasing national wealth of the Republic of Kazakhstan by ensuring conditions for the effective management by the Foundation of its bodies.

      3. The Government of the Republic of Kazakhstan, as a collective body, head the system of executive authorities, shall not interfere into operational (current) activity of the Fund, except for cases provided by laws and acts of the President of the Republic of Kazakhstan.

      4. The Government of the Republic of Kazakhstan shall carry out management of the Fund exclusively through the implementation of powers of the sole shareholder as stipulated in this Law and (or) the Charter of Fund, and also of representative office of the Government of the Republic of Kazakhstan in the board of directors of the Fund.

      General management and the management of current activity of the Fund shall be carried out, accordingly, by the board of directors and the administrative board, who make decisions on issues within their competence.

      Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

**Article 13. Interaction of state bodies with the Fund and member organizations of the group of the Fund**

      1. The interaction between state bodies and the Fund, the member organizations of the group of the Fund that are not related to the interaction in the framework of the activity of the sole shareholder of the Fund, membership of the heads of state bodies in the board of directors of the Fund shall be governed by the laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan.

      1-1. Deputies of the Parliament of the Republic of Kazakhstan shall be provided with any requested information on the activities of the Fund in accordance with the laws of the Republic of Kazakhstan.

      2. Intervention of state bodies in the operational (current) activity of the Fund organizations that are members of the Fund, except for cases provided by laws of the Republic of Kazakhstan shall not be allowed.

      3. Provision of accounting by the Fund and member organizations of the group of the Fund, the state bodies, except for reporting, provision of which is directly provided for by laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan shall be carried out by means of placement of relevant information on the Internet resource of the Fund.

      The Central Authorized Body for State Planning shall approve the Regulations for Placing Reports Required by State Authorities on the Fund's Internet resource, as well as the list, forms and periodicity of placing reports.

      Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 223-VII of 19.04.2023 (shall enter into force ten calendar days after the date of its first official publication).

**Article 14. The procedure of analysis of influence of activity of the organizations, included in the group of the Fund for the development of the economy or particular sector of economy**

      1. Comprehensive and objective analysis of the impact of the activities of the organizations, included in the group of the Fund for the development of the economy or particular sectors of the economy (hereinafter - analysis), except for issues related the use of the National Fund of the Republic of Kazakhstan, the Republican budget, and also guarantees and assets of the state, shall be carried out within the scope of the activities of specialized committee under board of directors of the Fund.

      2. By a permanent member of the specialized committee under the board of directors of the Fund - an expert with the right to vote is a representative of the supreme audit chamber of the Republic of Kazakhstan, who initiates the mandatory conduct of the external audit of organizations included in the Fund group within the limits of finances budgeted by the Fund, as well as analysis with the formulation of issues determined by the supreme audit chamber of the Republic of Kazakhstan.

      The results of the external audit of organizations included in the Fund group shall be provided to the Supreme audit chamber of the Republic of Kazakhstan.

      3. The Board of directors shall have the right to instruct the chairman of the board to form an audit group for analysis, which includes a representative of the Supreme audit chamber of the Republic of Kazakhstan, or on the conduct of an external audit of organizations that are part of the Fund group.

      4. The results of the analysis of the organization included in the Fund group shall be drawn up by an act that shall be submitted to the board of directors of the Fund and the Supreme audit chamber of the Republic of Kazakhstan.

      5. Upon revealing of cases of inefficient activities of the organization, a member of the group of the Fund, the bodies of the Fund shall adopt the measures necessary to improve the efficiency of the activities of such organization.

      6. The Supreme audit chamber of the Republic of Kazakhstan shall have the right to use the information received during the work of the specialized committee in the board of directors of the Fund in their activities, taking into account the compliance with the secrecy regime, official, commercial or other secrets protected by the law.

      Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 № 157-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

**Article 15. Particularities of the implementation of the Fund of social and industrial-innovative projects**

      1. The Fund and the organizations belonging to the group of the Fund may participate in realization of socially significant and innovative industrial projects taking into account the main directions of the state policy in the innovative industrial, socio-economic and other spheres, the activities of the Fund.

      2. Implementation by the Fund or by the organizations of the Fund, of socially significant and (or) industrial-innovative projects initiated by the Government of the Republic of Kazakhstan, which is low-profitable, may be carried out with the full or partial budget financing and (or) in state guarantees on non-state loans in accordance with the procedure and on conditions, provided by budget legislation of the Republic of Kazakhstan.

      The rules for referring of socially important and (or) industrial-innovative projects implemented by the Fund or organization that is a member of the Fund, to low-profitable shall be approved by the Government of the Republic of Kazakhstan.

      3. The Fund or an organization that is part of the Fund's group carrying out industrial- innovative activities, shall be provided with measures of state stimulation of industry and state support for innovative activities in accordance with the legislation of the Republic of Kazakhstan on industrial policy and the Entrepreneur Code of the Republic of Kazakhstan.

      Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 27.12.2021 № 87-VII (shall be enforced ten calendar days after the date of its first official publication).

**Article 16. Development plans and action plans of the Fund and national companies included in the Fund's group**

      Footnote. The heading of Article 16 as amended by the Law of the Republic of Kazakhstan dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication).

      1. The Fund’s development plan shall be drawn for ten years, taking into account the main directions of the state policy in industrial- innovative, socioeconomic and other areas in the Fund's activity directions.

      2. To implement the development plan, the Fund’s action plan for five years shall be drawn up. The requirements for the content of the Fund's development plan shall be determined by the Fund’s board of directors on the basis of the minimum requirements for its content, approved by the authorized state planning body. Companies shall be involved in making of the Fund's action plan within their field of activity.

      3. In companies on the basis of the Fund’s development plan, plans for the development of companies for a period of ten years shall be drawn up. The company's development plan shall be approved by its board of directors.

      To implement their development plans, the companies’ boards of directors shall approve action plans drawn for a period of five years.

      Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 30.12.2021 № 95-VII (shall be enforced ten calendar days after the date of its first official publication).

**Article 17. Principles of management in the group of the Fund**

      Management in the group of the Fund shall be carried out in accordance with best practice of corporate governance and on the basis of the following principles:

      1) increase in market value of the assets of companies;

      2) the effectiveness of the system of corporate governance;

      3) the effectiveness of the dividend policy;

      4) disclosure of information and transparency.

**Chapter 4. PARTICULARITIES OF LEGAL REGULATION OF THE ACTIVITY OF THE GROUP OF THE FUND**

**Article 18. Special powers of the Fund to ensure national welfare**

      1. In order to enhance competitiveness and sustainability of the national economy, providing national welfare Fund shall have the following special powers:

      1) priority right to acquire by decision of the Government of the Republic of Kazakhstan strategic objects in cases of intention of individuals or private legal entity to make a transaction on the alienation of a strategic object, and repossession of strategic object or alienation of the strategic object of the rehabilitation or bankruptcy manager or implementation of the sale of mortgaged property (strategic object) by a pledgee without legal proceedings or foreclosure on the strategic object on the basis of a judicial act;

      2) priority right to acquire by decision of the Government of the Republic of Kazakhstan of the estate in bankruptcy of organizations, packages of shares (stakes of participation in authorized capital, shares) of which are attributed to strategic objects in accordance with the legislation of the Republic of Kazakhstan, or organizations having the important strategic value for the economy of the Republic;

      3) the right to purchase shares of banks in the order provided by the legislation of the Republic of Kazakhstan.

      2. In accordance with the procedure and on conditions, provided by the Law of the Republic of Kazakhstan "On subsoil and subsoil use", in case of intention of the person, having the right to subsoil use (shares in subsoil use right) and (or) object, associated with the subsoil use right, to dispose of the right to subsoil use (shares in subsoil use right) and (or) object, associated with the subsoil use right, the state through the Fund, the National Company or an authorized state agency shall has the priority right of acquiring the right of alienated subsoil use right (shares in subsoil use right) and (or) object, associated with the subsoil use right.

      Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 07.03.2014 № 177-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.12.2017 № 126-VI (shall be enforced upon expiry of six months after its first official publication).

**Article 19. Procurement of goods, works and services**

      The Fund and organizations, fifty percent or more of the voting shares (stakes in the authorized capital) of which are directly or indirectly owned by the Fund, shall procure goods, works and services in compliance with the legislation of the Republic of Kazakhstan on the procurement of certain quasi-public sector entities.

      Footnote. Article 19 as reworded by Law of the RK № 48-VII of 08.06.2021 (shall take effect on 01.01.2022).

**Article 20. Money management**

      1. The Fund shall implement a common policy on management of funds of the Fund and legal entities, all of the voting shares (stakes of participation) of which belong to the Fund, approved by the board of directors of the Fund.

      2. Organizations belonging to the group of the Fund shall be entitled to provide to other organizations, included in a member of the group of the Fund credits (loans) in monetary form on the terms of payment, urgency and refundability.

      3. The procedure and conditions of granting of credits (loans), specified in paragraph 2 of this Article shall be determined by the internal credit policy approved by the board of directors of the Fund.

      4. The Fund and organizations belonging to the group of the Fund may provide charitable assistance in accordance with the charitable program approved by the Board of Directors of the Fund, in which it provided limit for amounts of providing charitable assistance.

      5. By the decision of the sole shareholder and in the manner determined by him/her, the Fund annually allocates finances in the amount of at least seven percent of the net income of the Fund to a non-commercial organization represented by the public fund "Kazakhstan Khalkyna".

      Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

**Article 21. The transaction for the commitment of which the Law of the Republic of Kazakhstan “On joint stock companies” set special conditions**

      Transactions between organizations, included into the group of the Fund, in respect of the commitment of which the Law of the Republic of Kazakhstan “On joint stock companies” is established special conditions, shall be concluded without applying them in the accordance with the procedure, determined by the board of directors of the Fund.

**Article 22. The acquisition of shares (stakes of participation in the authorized capital) of other legal entities by organizations included in the group of the Fund**

      1. The procedure for acquiring thirty or more percent of voting shares of joint-stock companies established by the Law of the Republic of Kazakhstan “On Joint-Stock Companies” in the secondary market, shall not be applied in relation to the Fund or legal entities, voting shares of which are directly or indirectly owned by the Fund.

      2. An organization included in the Fund group, which independently or in combination with its affiliated persons owns ninety-five or more percent of voting shares of the company, shall have the right to demand from other shareholders of the company to sell to an organization the voting shares of this company belonging to them. Such a request for the sale of voting shares owned by other shareholders can be declared in respect of all types of voting shares of the company.

      A request to shareholders on the sale of their voting shares of the company must contain the data on the person (s) who declared this request, including names (names), place of residence (location), the number of voting shares of the company owned by him (them) and about the proposed price of the acquisition of voting shares of the company, determined in accordance with paragraph 4 of this Article.

      3. The joint-stock company within three working days after the date of receipt of the request, specified in paragraph 2 of this Article shall ensure its placement on the Internet resource of the financial reporting depository. The remaining shareholders shall be obliged to sell the shares of the company belonging to them within a period of not more than sixty calendar days after the date of placement of the requirements on the Internet resource of the financial reporting depository. It is prohibited for shareholders to make other civil transactions with the company's shares during the period specified in this paragraph.

      4. The price of sale by shareholders of voting shares belonging to them at the request of the persons specified in paragraph 2 of this Article shall be determined on the date of submission of the request as the highest price from the following:

      1) in relation to shares included in the representative list of the stock exchange functioning in the territory of the Republic of Kazakhstan:

      the weighted average price of shares that has developed on the organized securities market over the past six months preceding the date of the transaction, as a result of which the persons specified in part one of paragraph 2 of this Article became owners of ninety-five or more percent of voting shares of the company;

      or the price of shares on the transaction, as a result of which the persons specified in part one of paragraph 2 of this Article became owners of ninety-five or more percent of voting shares of the company;

      2) in relation to shares not specified in subparagraph 1) of this paragraph:

      the market price of shares determined by the appraiser in accordance with the legislation of the Republic of Kazakhstan on valuation activities;

      or the price of shares on the transaction, as a result of which the persons specified in part one of paragraph 2 of this Article became the owners of ninety-five or more percent of voting shares of the company.

      5. The organization specified in part one of paragraph 2 of this Article shall be obliged to pay for voting shares of the company redeemed from other shareholders at the proposed purchase price determined in accordance with paragraph 4 of this Article.

      The money intended to pay for the voting shares of the company redeemed by the organization specified in part one of paragraph 2 of this Article from the other shareholders shall be transferred to the bank accounts of these shareholders who have current details in the system of registers of holders of securities and (or) the system of accounting for nominal holding.

      In the absence of information about the current details of the shareholder in the system of registers of securities holders, and (or) the system of accounting for nominal holding, the money intended to pay for the acquired shares of the company shall be transferred to the account opened in the central depository for accounting unclaimed money in the manner prescribed by a regulatory legal act of the authorized body for regulation, control, and supervision of the financial market and financial organizations.

      Footnote. Article 22 is in the wording of the Law of the Republic of Kazakhstan dated 12.07.2022 № 138 -VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

**Article 23. Termination of state ownership of the property by making it in payment of placed shares of the Fund**

      1. Property owned by the state shall be transferred, by decision of the Government of the Republic of Kazakhstan, as payment for the shares placed by the Fund.

      2. Property that is in state ownership, by decision of the Government of the Republic of Kazakhstan may be transferred into the ownership of the Fund in exchange for other property owned by the Fund in accordance with the civil legislation of the Republic of Kazakhstan.

      Footnote. Article 23 as amended by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall be enforced sixty calendar days after the date of its first official publication).

**Article 24. Management of organizations, included in the group of the Fund**

      1. In the group of the Fund may be created on a single centralized internal audit service, as well as a centralized security service of the Fund which carries out activities in respect of the Fund and legal entities, fifty and more percent of shares (stakes of participation) of which is directly or indirectly owned by the Fund. The decision on creation of centralized internal audit service, a centralized security service may be taken by the administrative board of the Fund.

      2. In the Charter of the company, all voting shares of which belong to the Fund on the basis of ownership and (or) trust management, the issues falling within the exclusive competence of the general meeting of shareholders in accordance with the Law of the Republic of Kazakhstan "On joint stock companies", may be attributed to the competence of the Board of Directors of such company, except for issues:

      1) making amendments and additions to the Charter or approval of the Charter in new edition;

      2) voluntary reorganization or liquidation;

      3) definition of quantitative composition, term of office of the board of directors, election of its members and early termination of their powers;

      4) determination of the amount and terms of remuneration of members of the board of directors;

      5) introduction and annulment of the “golden share”.

      3. In the Charter of the company, all voting shares of which belong to the Fund on the basis of ownership and (or) trust management, the issues falling within the exclusive competence of the Board of Directors in accordance with the Law of the Republic of Kazakhstan "On joint stock companies", may be attributed to the competence of the executive authority of the company, except for issues:

      1) Determination of priority areas of business;

      2) the decision on the placement (sale), including on the number of being placed (being sold) shares within the number of declared shares, the method and price of their placement (sale);

      3) the decision to repurchase by the company of placed shares or other securities and their repurchase price;

      4) determination of quantitative composition, term of office of the executive body, election of its head and members (a person individually exercising functions of executive body), as well as early termination of their powers;

      5) determining the size of the official salary and conditions of remuneration and bonuses of the head and members of the executive body (a person individually exercising functions of executive body);

      6) determination of quantitative composition, term of office of the internal audit service, the appointment of its director, and early termination of his powers, determination of the order of work of the internal audit service, the amount and conditions of remuneration and bonuses of employees of the internal audit service;

      7) appointment, determination of the term of office of the corporate secretary, early termination of his powers, as well as determination o the amount of official salary and conditions of remuneration of the secretary;

      4. The decision on conclusion a transaction by the National Company, more than fifty percent of the voting shares belonging to the Fund on the basis of ownership, or a set of interrelated transactions, as a result of which the National Company shall acquire or alienate (can be acquired or alienated) property, the value of which less than ten percent of the total value of the assets of the National Company shall be adopted by the Board of the National Company.

      By the charter of the National Company, more than fifty percent of the voting shares belonging to the Fund on the basis of ownership, the issue of concluding a transaction or a set of interrelated transactions, as a result of which the National Company shall acquire or alienate (can be acquired or alienated) property, the value of which is one or less percent of the total value of the assets of the National Company may be attributed to the competence of the head of the executive authority of the National Company.

      5. Members of the Government of the Republic of Kazakhstan and other civil servants shall be prohibited from joining the boards of directors or supervisory boards of organizations included in the Fund group, except for the case provided for in paragraph 1 of Article 8 of this Law.

      Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 16.11.2023 № 40-VIII (shall be enforced from 01.01.2024).

**Article 24-1. Transfer to competitive environment of the assets of the Fund and organizations, more than fifty percent of voting shares (participatory interests) of which are directly or indirectly owned by the Fund on the basis of ownership**

      1. The procedure for transferring the assets of the Fund and organizations to competitive environment, more than fifty percent of the voting shares (participatory interests) of which are directly or indirectly owned by the Fund on the basis of ownership shall be determined by the Board of Directors of the Fund.

      2. The list of assets of legal entities specified in Paragraph 1 of this Article recommended for transfer to competitive environment shall be determined by the Government of the Republic of Kazakhstan.

      3. Assets shall be transferred to the competitive environment by means of an open two-stage tender, direct targeted sale, electronic tender, auction, on the stock exchange, in other ways not prohibited by the Laws of the Republic of Kazakhstan, and shall be carried out:

      1) with involvement of independent consultants on assets of socio-economic importance, ownership and (or) use, and (or) disposal of which will affect the state of national security of the Republic of Kazakhstan. The method for sale of such assets shall be determined by the Board of Directors of the Fund on the basis of proposals of independent consultants in compliance with the requirements of the Legislation of the Republic of Kazakhstan;

      2) for other assets - in the manner determined by the Board of Directors of the Fund, as provided by Paragraph 1 of this Article.

      4. The auction shall be conducted by way of price increase, with the starting price set at the initial price determined by the seller, in the amount of either the book value or the appraised value, whichever is higher.

      The sale of assets at auction through the method of price reduction shall not be permitted.

      Auctions with only one participant shall be deemed valid, provided that the participant has offered a price not less than the initial price determined in accordance with the first part of this paragraph.

      Each subsequent bidding shall be carried out within the period of twenty working days.

      5. Excluded by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall be enforced sixty calendar days after the date of its first official publication).  
      6. Excluded by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall be enforced sixty calendar days after the date of its first official publication).

      7. The sale of assets by auction by legal entities provided by Paragraph 1 of this Article shall be carried out on the web portal of the state property registry.

      8. Excluded by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall be enforced sixty calendar days after the date of its first official publication).

      9. Unsold assets based on the results of three tenders shall be subject to liquidation or reorganization in the manner established by the Legislation of the Republic of Kazakhstan.

      10. The procedure for direct targeted sale of assets of legal entities provided by Paragraph 1 of this Article shall be determined by the Board of Directors of the Fund.

      Footnote. Chapter 4 is supplemented by Article 24-1 in accordance with the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.06.2025 № 196-VIII (shall be enforced sixty calendar days after the date of its first official publication).

**Chapter 5. Final provisions**

**Article 25. Responsibility of the Fund and its officials**

      The Fund, other organizations, included into the group of the Fund, and their officials shall bear responsibility in accordance with the procedure and on the grounds provided by the laws of the Republic of Kazakhstan.

**Article 26. The order of the entry into force of this Law**

      1. This Law enters into force upon expiry of ten calendar days after its first official publication.

      2. Shall be declare to be no longer in force the Law of the Republic of Kazakhstan dated 13 February 2009 “On sovereign wealth Fund” (The Bulletin of the Parliament of the Republic of Kazakhstan, 2009, № 2-3, Article 17; № 24, Article 133; 2011, № 5, Article 43).

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| *The President* |
| *of the Republic of Kazakhstan* | *N. Nazarbayev* |

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