

APPROVED BY
Resolution of the General Meeting
of Kazakhstan Chamber of Arbitration
Minutes # 2 dated February 13, 2019

City of Almaty

Kazakhstan Chamber of Arbitration ARTICLES OF ASSOCIATION

1. General Provisions

1.1. Kazakhstan Chamber of Arbitration (hereinafter referred to as the Chamber of Arbitration) is an independent, nonprofit organization, which is a voluntary association of permanent arbitrations and arbitrators.

1.2. The Chamber of Arbitration was established in accordance with the Constitution of the Republic of Kazakhstan, the Civil Code of the Republic of Kazakhstan, the Article 11 of the Law *On Arbitration* of the Republic of Kazakhstan and other legislative acts of the Republic of Kazakhstan and operates on the basis of voluntariness, self-management, publicity and equality of members of the Chamber of Arbitration.

1.3. The Chamber of Arbitration operates in the territory of the Republic of Kazakhstan and abroad.

1.4. The Chamber of Arbitration shall have a perpetual life.

1.5. Full name of the Chamber of Arbitration:

Kazakhstan Chamber of Arbitration

Abbreviated name of the Chamber of Arbitration:

KCA

1.6. The location of the permanent body of the Chamber of Arbitration: 15 B Timiryazev St., office 3, Almaty, Republic of Kazakhstan.

1.7. The Chamber is a nonprofit organization; it was established in a different business category and is a legal entity with independent balance sheet, seal, stamps, letterheads, its own branding, separate property with ownership rights and current accounts in banks of the Republic of Kazakhstan.

2. Purpose, Tasks and Powers of Chamber of Arbitration

2.1. The purpose of the Chamber of Arbitration is to develop the arbitration movement as well as to ensure favorable conditions for the implementation, promotion and support of arbitration operations in the Republic of Kazakhstan in the manner prescribed by the legislative acts of the Republic of Kazakhstan.

2.2. The tasks of the Chamber of Arbitration are:

2.2.1. consolidation of permanent arbitrations and arbitrators;

- 2.2.2. the interaction of the Chamber of Arbitration with governmental authorities and other organizations;
- 2.1.1. facilitating the discussion of bills as well as the development of programs and enactments;
- 2.1.2. assistance in training and further training of arbitrators who are members of the Chamber of Arbitration;
- 2.1.3. ensuring the protection of the rights and interests of the members of the Chamber of Arbitration;
- 2.1.4. cooperation with mass media;
- 2.1.5. provision of a single information space for the members of the Chamber of Arbitration;
- 2.1.6. public outreach;
- 2.1.7. and other tasks stipulated by the legislative acts of the Republic of Kazakhstan.

2.3. Powers of the Chamber of Arbitration:

- 2.3.1. representation and protection of interests of permanent arbitrations and arbitrators who are members of the Chamber of Arbitration, in governmental authorities of the Republic of Kazakhstan, foreign and international organizations;
- 2.3.2 monitoring of the status of arbitration operations in the Republic of Kazakhstan;
- 2.3.3. keeping the register of arbitrators of permanent arbitrations and arbitrators who are members of the Chamber of Arbitration;
- 2.3.4. the appointment of an arbitrators (arbitrator) from among persons who are in the register of the Chamber of Arbitration or permanent arbitration in cases of dispute resolution (through ad hoc);
- 2.3.5. deciding on the termination of the powers of an arbitrator appointed to resolve a particular dispute (through ad hoc);
- 2.3.6. storage of cases considered (through ad hoc);
- 2.3.7. exercise of the powers provided for by the European Convention on International Commercial Arbitration (21/04/1961);
- 2.3.8. trainings, conferences and seminars;
- 2.3.9. establishment of mass media;
- 2.3.10. publishing;
- 2.3.11. establishment of structural units for more efficient operation in various areas;
- 2.3.12. submitting proposals to the governmental authorities of the Republic of Kazakhstan to improve the legislative base;
- 2.3.13. submission of expert opinions on certain issues of the laws of the Republic of Kazakhstan on arbitration and the practice of its application, which are advisory in nature
- 2.3.14. and other operations that do not contradict the laws of the Republic of Kazakhstan.

3.1. Being a nonprofit organization, the Chamber of Arbitration may engage in business only insofar as it meets its statutory goals.

3.2. The Chamber of Arbitration is not entitled to interfere in the professional activities of the members of the Chamber of Arbitration.

4. Membership in Chamber of Arbitration

4.1. Membership in the Chamber of Arbitration shall be open to permanent arbitrations and arbitrators.

4.2. A prospective member of the Chamber of Arbitration must submit an application addressed to the Chairman of the Board. The decision on the application for joining the Chamber of Arbitration shall be made by the Board of the Chamber of Arbitration within 15 days.

4.3. Membership in the Chamber of Arbitration shall commence after full payment of admission and membership fees.

4.4. Membership in the Chamber of Arbitration may be terminated voluntarily after filing an

application for withdrawal from the membership of the Chamber of Arbitration.

4.1. Termination of membership of the Chamber of Arbitration by the decision of the Board shall be made on the following grounds:

4.1.1. failure to pay membership fees within 1 month from the beginning of the corresponding calendar year;

4.1.2. failure to comply with the provisions of the Articles of Association of the Chamber of Arbitration and other requirements established by the general meeting of members of the Chamber.

4. Rights and Liabilities of Members of Chamber of Arbitration

4.1. Members of Chamber of Arbitration shall be entitled to:

4.1.1. participate in the management of the Chamber of Arbitration in accordance with the provisions of its Articles of Association;

4.1.2. take part in events arranged by the Chamber of Arbitration (conferences, workshops, round tables, trainings, etc.);

4.1.3. participate in the work of the structural divisions of the Chamber of Arbitration;

4.1.4. representatives of permanent arbitrations shall be entitled to elect and be elected to the management bodies of the Chamber of Arbitration;

4.1.5. voluntarily withdraw from the members of the Chamber of Arbitration;

4.1.6. take part in operations of other nonprofit and commercial organizations, regardless of membership in this Chamber of Arbitration;

4.1.7. receive information of operations of the Chamber of Arbitration.

4.2. Members of Chamber of Arbitration shall undertake to:

4.2.1. pay admission and membership fees in accordance with this Articles of Association;

4.2.2. comply with the provisions of the Articles of Association of the Chamber of Arbitration and the requirements established by the general meeting of the Chamber;

4.2.3. assist in the implementation of the operations of the Chamber of Arbitration;

4.2.4. not allow violations of current laws.

5. Fees

5.1. Members of the Chamber of Arbitration shall pay binding fees to the current account of the Chamber of Arbitration.

5.2. Admission and membership fees shall be paid when joining the Chamber of Arbitration, within not later than 15 days from the date of the decision of the Board to accept a new member of the Chamber of Arbitration. The admission fee shall be paid by a new member of the Chamber of Arbitration once upon admission.

5.3. The membership fee shall be paid annually within not later than 1 month from the beginning of the corresponding calendar year.

5.4. The amount of the admission and membership fee for permanent arbitrations and arbitrators shall be determined by the decision of the general meeting of the members of the Chamber of Arbitration.

6. Management Bodies of Chamber of Arbitration

6.1. The management bodies of the Chamber of Arbitration are:

6.1.1. The supreme management body is the General Meeting of the Members of the Chamber of Arbitration;

6.1.2. The permanent executive management body is the Board headed by the Chairperson;

6.1.3. The body of internal control over the financial and operating performance of the Chamber of Arbitration is the Audit Committee (an auditor).

6.2. Only an individual may act as a member of the Board of the Chamber, the Executive body of the Chamber, the Revision Committee. Participation as a member of management authorities of persons who are not representatives of members of the Chamber or members of the Chamber shall not be allowed.

6.3. General Meeting of Members of Chamber:

6.3.1. All members of the Chamber shall be entitled to attend the general meeting, to take part in the discussion of the issues on the agenda and to vote when making decisions.

6.3.2. As a representative of a member of the chamber – permanent arbitration, he or she shall be entitled to participate without a power of attorney, or another representative on the basis of a proper power of attorney.

6.3.3. Each member of the Chamber shall have one vote in voting at a general meeting.

6.4. The sole competence of the General Meeting of the Chamber shall include the solution of the following issues:

6.4.1. election of members of the Board and members of the Audit Committee;

6.4.2. approval of the annual financial report of the Audit Committee;

6.4.3. approval of annual reports on the operations of the Board and the Chairperson of the Board;

6.4.4. approval of the budget and action plan of the Chamber of Arbitration;

6.4.5. establishment of permanent structural units of the Chamber of Arbitration;

6.4.6. amendments and supplements to the Articles of Association of the Chamber of Arbitration;

6.4.7. determination of the amount of admission and membership fees for permanent arbitrations and arbitrators;

6.4.8. decision to make additional fees;

6.4.9. solution of other issues related to the operations of the Chamber

6.5. The decisions of the General Meeting on all issues of operation of the Chamber of Arbitration shall be made by 2/3 of the voting members of the Chamber of Arbitration. The presence of more than 2/3 of the members of the Chamber of Arbitration shall constitute a quorum. The decision may be made by voting by e-mail. Arbitrators who are members of the Chamber of Arbitration shall have only a deliberative vote.

6.6. The general meeting of members of the Chamber of Arbitration shall be held at least once per year. Members of the Chamber of Arbitration shall be notified of the General Meeting within 7 days before the General Meeting. Notice of the members of the Chamber of Arbitration shall be carried out through the publication on the website of the Chamber of Arbitration and by e-mail.

6.7. An extraordinary meeting may be initiated by the Board, the Chairman of the Board, the Audit Committee, or at the suggestion of 2/3 of the members of the Chamber of Arbitration. The initiator must agree on the date of the Extraordinary Meeting with the Chairman of the Board. The latter shall undertake to notify the Board and members of the Chamber of Arbitration of the convocation of the Extraordinary Meeting.

6.8. The general meeting of members of the Chamber as well as voting on the approval of the agenda of the meeting and all relevant issues shall be possible using video conferencing or other technical communication means (Skype, e-mail, etc.). The Board of the Chamber shall make a decision on the use of such technical means.

6.9. The Board of the Chamber of Arbitration:

6.9.1. The permanent collegial management body is the Board of the Chamber of Arbitration. The members of the Board shall be elected by the General Meeting from among the representatives of permanent arbitration for a period of 4 years, with the right to re-election. The Board of the Chamber of Arbitration shall consist of 5 persons.

6.9.2. The Board shall operate without any consideration.

6.10. The sole competence of the Board of the Chamber of Arbitration shall include the solution of the following issues:

- 6.10.1. identification of priority areas of the Chamber's operation, development strategy and plan;
- 6.10.2. development of an annual program of operation and development of the Chamber;
- 6.10.3. preparation of the budget of the Chamber;
- 6.10.4. issue of magazines and books published by the Chamber;
- 6.10.5. assistance in further training of members of the Chamber;
- 6.10.6. ensuring the protection of the rights and interests of members of the Chamber;
- 6.10.7. ensuring the interaction of the Chamber with governmental authorities and other organizations in the Republic of Kazakhstan and abroad;
- 6.10.8. admission and expulsion of members of the Chamber;
- 6.10.9. appointment of arbitrators (arbitrator) from among the persons listed in the register of the Chamber or permanent arbitration in cases of dispute resolution (through ad hoc);
- 6.10.10. deciding on the termination of the authority of the arbitrator appointed to resolve a particular dispute (through ad hoc);
- 6.10.11. placing other issues relating to the Chamber operation before the General Meeting;
- 6.10.12. attracting representatives of independent audit companies to conduct audits of the financial and operating performance of the Chamber;
- 6.10.13. appointment of officers of the Chamber. The officers of the Chamber shall carry out activities in the Chamber free of charge, unless otherwise established by the General Meeting of the members of the Chamber;
- 6.10.14. any other issues not related to the sole competence of the general meeting of the members of the Chamber

6.11. Board decisions shall be made by simple majority.

6.12. The Board of the Chamber of Arbitration shall arrange meetings at least twice a year. The members of the Board of the Chamber of Arbitration shall participate in the work of the Board personally; delegation of powers to participate in the meetings of the Board shall not be allowed. Board decisions shall be brought to the attention of all members of the Chamber of Arbitration.

6.13. By the decision of the Chairman of the Board and for the convenience of the members of the Board, meetings may be held using video conferencing or other technical means of communication.

6.14. Chairman of the Board:

6.14.1. The Chairman of the Board shall report to the Board and the General Meeting of the members of the Chamber and shall be responsible to them for the Chamber operation.

6.14.2. The Chairman of the Board shall be an official of the Chamber; it shall perform his or her activities free of charge, therefore: Chairman shall act without a power of attorney on behalf of the Chamber of Arbitration, free of charge, and also shall represent the Chamber of Arbitration before all organizations and government authorities of the Republic of Kazakhstan and abroad.

6.15. The sole competence of the Chairman of the Board of the Chamber of Arbitration shall include the solution of the following issues:

- 6.15.1. coordinating the activities of the administration of the Chamber of Arbitration and structural divisions;
- 6.15.2. representation of the interests of the Chamber of Arbitration in relations with individuals and legal entities;
- 6.15.3. representation of the Chamber of Arbitration before governmental authorities and other organizations of the Republic of Kazakhstan and abroad;
- 6.15.4. entering into contracts for and on behalf of the Chamber of Arbitration;
- 6.15.5. control over submission of statistical, accounting and tax reports in the manner prescribed by the laws of the Republic of Kazakhstan;

- 6.15.6. cooperation with mass media;
- 6.15.7. provision of a single information space for members of the Chamber of Arbitration;
- 6.15.8. informing the registering authority of changes in the location of the office of the Chamber of Arbitration and data on the chiefs of the Chamber of Arbitration.

6.16. The audit committee:

6.16.1. An auditor shall be appointed by the General Meeting of members of the Chamber for a period of 2 years consisting of 1 person from among the members of the Chamber.

6.16.2. The competence of an Auditor shall include the control over the target use of the budget of the Chamber and financial and operating performance.

6.16.3. The Chairman of the Board as well as the members of the Board may not be elected as an Auditor.

6.16.4. The Board shall be entitled to additionally involve the representatives of independent audit companies for auditing the financial and operating performance of the Chamber.

7. Property of Chamber of Arbitration

7.1. The property of the Chamber of Arbitration may be buildings, structures, premises, sites of production, social and cultural purposes, money, securities, land, vehicles and other property that is on the balance sheet of the Chamber of Arbitration and owned by it.

7.2. Sources of property formation of the Chamber of Arbitration shall be:

7.2.1. admission and membership fees of members of the Chamber of Arbitration;

7.2.2. income resulting from the operations of the Chamber of Arbitration;

7.2.3. sponsorship and grants of individuals and legal entities;

7.2.4. voluntary property contributions;

7.2.5. any other sources not prohibited by the current laws of the Republic of Kazakhstan.

7.3. When quitting or expulsion from the members of the Chamber of Arbitration, the paid admission and membership fees shall not be refunded.

7.4. Membership and admission fees, purchased property as well as income resulting from the operations of the Chamber of Arbitration shall be its property.

7.5. The property owned by the Chamber of Arbitration may not be distributed among its members including when they quit or are excluded from the Chamber of Arbitration.

8. Amendments and Supplements to Articles of Association of Chamber of Arbitration

8.1. Amendments and supplements shall be made to the Articles of Association of the Chamber of Arbitration by the decision of the General Meeting of the Chamber of Arbitration and shall be registered in accordance with the current laws of the Republic of Kazakhstan in the state, Russian and English languages.

9. Procedure of Reorganization and Liquidation of Chamber of Arbitration

9.1. The Chamber of Arbitration shall be reorganized in accordance with the laws of the Republic of Kazakhstan.

**Chairman of the Board
Kazakhstan Chamber of Arbitration**



M. K. Suleimenov