

**ARTICLES OF ASSOCIATION  
of the Chamber of Auditors of the Republic of Kazakhstan  
Professional Audit Organization**

**ARTICLE 1. GENERAL PROVISIONS**

1. The “Chamber of Auditors of the Republic of Kazakhstan” Professional Audit Organization (hereinafter referred to as - ‘the Chamber of Auditors’) is incorporated by reorganization of the “Chamber of Auditors of the Republic of Kazakhstan” Public Association. The chamber of Auditors is non-profit organization associating auditors and audit organizations of the Republic of Kazakhstan.
2. Full and abbreviated name of the Chamber of Auditors if:
  - Full name in the state language is: «Қазақстан Республикасы Аудиторлар Палатасы» кәсіби аудиторлық ұйымы;
  - abbreviated name in the state language is: «ҚР Аудиторлар Палатасы» КАҰ, Аудиторлар Палатасы;
  - Full name in the Russian language is: Профессиональная аудиторская организация «Палата аудиторов Республики Казахстан»;
  - Abbreviated name in the Russian language is: ПАО «Палата аудиторов РК», Палата аудиторов.
3. Legal organizational form of the Chamber of Auditors is professional audit organization (PAO).
4. Legal address of the Chamber of Auditors is: offices 33 and 34, 56, 6<sup>th</sup> micro-district, city of Almaty, 050036, the Republic of Kazakhstan.
5. In its activity the Chamber of Auditors is governed by the current legislation of the Republic of Kazakhstan and these Articles of Association.
6. Period of activity of the Chamber of Auditors is unlimited.
7. The Chamber of Auditors shall acquire legal capacity of legal entity when it had been registered in the state authority in accordance with the applicable legal procedure. The Chamber of Auditors owns the separate estate and has an autonomous balance sheet, accounts in the banks and a seal. The Chamber of Auditors has an own marks (an Emblem) approved by the superior body of the Chamber of Auditors.

*Description of the marks:* the Emblem is represented by two halves of an open book located one above the other and shaping a human eye.  
The Emblem symbolizes the profession (auditing activity), business activity related to audit of the financial statements and other information and provision of other services within the activity profile.  
Colour of the marks is blue against white background and ratio between the height and width is two by three.  
The Emblem is located on the flag, headed note-paper, identity cards and seals of the Chamber of Auditors.  
*Description of the flag:* rectangular cloth of white colour sized two by one as to horizontal by vertical lines.
8. The Chamber of Auditors shall be accredited in accordance with the applicable legal procedure and shall be validated by a Certificate of accreditation.
9. The Chamber of Auditors of the Republic of Kazakhstan professional audit organization is a legal successor with respect to all rights and obligations of the Chamber of Auditors of the Republic of Kazakhstan registered by the Almaty municipal justice department with a state registration of legal entity No. 24991-1910-ПА dated 12 March 1999.

## **ARTICLE 2. OBJECTS AND PURPOSE OF ACTIVITY OF THE CHAMBER OF AUDITORS**

1. Objects of activity of the Chamber of Auditors is improvement and increase of professional capabilities of auditors' community, representation and protection of legitimate interests of the members of the Chamber of Auditors in the state authorities, governmental agencies, and commercial, nonprofit, foreign, international and other organizations.
2. The purpose of activity the Chamber of Auditors is to facilitate development, improvement and harmonization of auditing activity in the Republic of Kazakhstan.

## **ARTICLE 3. RIGHTS AND OBLIGATIONS OF THE CHAMBER OF AUDITORS**

1. The Chamber of Auditors shall have a right to:
  - 1) Carry out outside control of quality for audit organizations;
  - 2) Arrange qualification courses for auditors and issue certificates of completion in accordance with a procedure prescribed by an authorized agency;
  - 3) Analyze, generalize and share the experience of the auditors and audit organizations;
  - 4) Represent interests of auditors and audit organizations in the governmental, public, foreign and international organizations;
  - 5) Adjudicate disputes of auditors and audit organizations, which are the members of the Chamber of Auditors, if such disputes are related to carrying out of the auditing activity;
  - 6) Prepare ratings of the audit organizations and publish them in periodical printed editions;
  - 7) Participate in work of international accounting and auditing organizations;
  - 8) Develop, issue and distribute training literature, methodical recommendations, and periodical printed editions in the sphere of auditing activity;
  - 9) Give recommendations with regard to the auditing standards and other issues of auditing activity;
  - 10) Exclude the persons from the Chamber of Auditors committed any violation of auditing standards and the Code of Ethics by results of outside quality control;
  - 11) Develop and approve training programs of advanced training of auditors;
  - 12) Acquire and execute property and personal non-property rights;
  - 13) Create other legal entities unless the otherwise is provided by the law of the Republic of Kazakhstan;
  - 14) Open branches and representations;
  - 15) Enter into associations and unions and take part in their activity;
  - 16) Apply any means to achieve purposes provided by the Articles of Association;
  - 17) Be both a complainant and defendant in the court; and
  - 18) Execute other rights not contradicting the legislation in force.
2. The Chamber of Auditors shall be obliged to:
  - 1) Comply with the legislation of the Republic of Kazakhstan concerned auditing activity, auditing standards and the Code of Ethics;
  - 2) Create a Qualifications Commission within six months upon accreditation;
  - 3) Provide its members with the normative legal acts of the Republic of Kazakhstan related to the sphere of auditing activity;
  - 4) Develop and approve the Code of Ethics;
  - 5) Promote development of audit, increase of its efficiency, organization and coordination of activity of auditors and audit organizations;
  - 6) Ensure compliance of auditors and audit organizations with the requirements of the auditing standards and the Code of Ethics;
  - 7) Notify the competent authority about all cases of admission (retirement or exclusion) of members and changes in manning of the administration;
  - 8) Provide the competent authorities with information about its activity according to the procedure provided by the law of the Republic of Kazakhstan;
  - 9) Pay taxes and other duties to the treasury in accordance with the applicable procedure;
  - 10) Be liable regarding all the property owned by the Chamber of Auditors; and
  - 11) Bear responsibility in accordance with the legislation of the Republic of Kazakhstan.

#### **ARTICLE 4. CONDITIONS AND PROCEDURE OF ADMISSION TO AND SECESSION FROM THE CHAMBER OF AUDITORS**

1. Membership in the Chamber of Auditors consists of two following categories: full members and associate members. Neither full members nor associate members of the Chamber of Auditors may be the members of the other accredited audit organizations.
2. Only an auditor who has auditor's qualification certificate and is not a member of the other accredited professional audit organization may be a full member of the Chamber of Auditors.
3. Only an audit organization that has a license for auditing activities and is not a member of the other accredited professional audit organization may be an associate member of the Chamber of Auditors.
4. Ground for admission to be a full member of the Chamber of Auditors is a written application submitted by the auditor, which is affixed by own seal of this auditor and signed by him. Ground for admission to be an associate member of the Chamber of Auditors is a written application submitted by the audit organization, which is affixed by corporate seal of this auditor and signed by CEO of this organization.
5. Effective date of membership in the Chamber of Auditors shall be deemed a date when the Council of the Chamber of Auditors made an appropriate decision unless otherwise is provided by the decision of the Council of the Chamber of Auditors.
6. The Council of the Chamber of Auditor shall have a right to impose appropriate disciplinary measures to any member of the Chamber in a manner of warning or exclusion in according to the reasons provided by these Articles of Association.
7. Grounds for termination of membership in the Chamber of Auditors are as follows:
  - 1) Exclusion by initiative of a member of the Chamber of Auditors;
  - 2) Exclusion by initiative of the Chamber of Auditors; and
  - 3) Death of an auditor.
8. A ground for exclusion from membership by initiative of a member of the Chamber of Auditors shall be:
  - For full member, an application of an auditor about termination of membership in the Chamber of Auditors signed and affixed with an own seal of the auditor; and
  - For associate member, an application of an audit organization about termination of membership in the Chamber of Auditors signed by its CEO and affixed with a corporate seal.
9. Grounds for exclusion from membership by initiative of the Chamber of Auditors shall be:
  - 1) Revocation of qualification certificate of auditors;
  - 2) Termination of license for auditing activities; and
  - 3) Liquidation of an organization.

The circumstances specified by this Item may serve as grounds for termination of membership in the Chamber of Auditors by initiative of its member in case of application.
10. Grounds for exclusion from membership by initiative of the Chamber of Auditors may be as follows:
  - 1) Violation or non-compliance with the legislation of the Republic of Kazakhstan on auditing activities, as well as the international auditing standards, the Code of Ethics and these Articles of Association;
  - 2) Inaccurate information in the documents provided by an auditor / audit organization in application for membership in the Chamber of Auditors;
  - 3) Violation or non-execution of the regulations and resolutions of the administration of the Chamber of Auditors;
  - 4) Inappropriate actions regarding to the Chamber of Auditors and / or its members;
  - 5) Failure to pay or delay in payment of dues more than 3 months; and
  - 6) Re-organization of the audit organization.
11. Date of termination of membership shall be considered as a date when the Council of the Chamber of Auditors made a corresponding decision, unless otherwise is provided by the decision of the Chamber of Auditors.
12. Termination of membership in the Chamber of Auditors except the case when exclusion occurred due to the death of an auditor shall not exempt the excluded person to pay a membership subscription for the period of membership in the Chamber of Auditors.

13. The membership dues paid and / or property made over to the Chamber of Auditors shall not be returned to the persons who were excluded from the Chamber of Auditors.
14. In case a license for auditing activity had been suspended, the membership in the Chamber of Auditors shall be also suspended for the period of suspension of the license.
15. The Council of the Chamber of Auditors may restore a membership of an auditor / auditing organization excluded before. The following circumstances may be the grounds for restoration:
  - 1) redemption of debts regarding membership dues and fulfillment of all other obligations against the Chamber of Auditors as for the moment of exclusion; and
  - 2) removal of causes of exclusion from the membership of the Chamber of Auditors.
16. The Council of the Chamber of Auditors the following Statements in the following cases:
  - In case of exclusion of a member by his /her / its initiative or by initiative of the Chamber of Auditors – the Statement on exclusion from the Chamber of Auditors;
  - In case of death of an auditor – the Statement on termination of membership in the Chamber of Auditors;
  - In case of suspension of a license for auditing activity – the Statement on suspension of membership in the Chamber of Auditors; and
  - In case of restoration of membership – the Statement on restoration of membership in the Chamber of Auditors.
17. The Council of the Chamber of Auditors shall make decisions on admission to, exclusion from, termination of, suspension of and restoration of the membership in the Chamber of Auditors by simple majority of votes, except the decision on exclusion of an auditor / auditing organization from the Chamber of Auditors caused by inappropriate actions with regard to the Chamber of Auditors and / or its members.
18. A member of the Chamber of Auditors shall be released with a document confirming his membership in the Chamber of Auditors PAO. After termination of membership in the Chamber of Auditors this document shall be considered as invalid and subject to be returned to the Chamber of Auditors.
19. Information about joining to the Chamber of Auditors as well as about termination, cessation and restoration of membership in the Chamber of Auditors shall be included in:
  - the *List of Auditors – Full members of the Chamber of Auditors PAO*;
  - the *List of Auditing organizations – Associate members of the Chamber of Auditors PAO*;
  - the *List of Auditors terminated membership in the Chamber of Auditors PAO*; and
  - the *List of Auditing organizations excluded from the membership in the Chamber of Auditors PAO*.
20. Forms of documents confirming membership in the Chamber of Auditors PAO, samples of applications for joining to the Chamber of Auditors PAO, for exclusion, cessation, suspension and restoration in the Chamber of Auditors PAO and forms of lists stated in an Item 19 of this Article shall be approved by the Council of the Chamber of Auditors.
21. Size of subscription dues for auditors and auditing organizations shall be determined by the General Meeting of the Chamber of Auditors.

## **ARTICLE 5. RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE CHAMBER OF AUDITORS**

1. The full members of the Chamber of Auditors shall have a right to:
  - 1) Be informed about activity of the Chamber of Auditors ;
  - 2) Take part in General meeting of the Chamber of Auditors with a right of vote;
  - 3) Elect and be elected for any position in the administration of the Chamber of Auditors; and
  - 4) Appeal any decision of the Chamber of Auditors in court.
2. The full members of the Chamber of Auditors shall be obliged to:
  - 1) Rigorously observe the international standards of audit, the Code of Ethics and the legislation of the Republic of Kazakhstan;
  - 2) Rigorously observe all provisions of these Articles of Association;
  - 3) Comply with and execute regulations and decisions of the administration of the Chamber of Auditors;
  - 4) Take part in activities of the Chamber of Auditors;

- 5) Respond to the answers of the Chamber of Auditors and provide the requested information in due time as well as submit written explanations to the Chamber of Auditors regarding any claims, complaints and other appeals to the Chamber of Auditors;
  - 6) Pay membership dues for the current year in due time and in full scope as well as in according to the procedure and within the terms established by the Chamber of Auditors except for the cases of transfer to the public services and exemption from payment of dues defined for the member of the Chamber of Auditors by its Council; and
  - 7) Perform other obligations provided by the current legislation of the Republic of Kazakhstan.
3. The associate members of the Chamber of Auditors shall have a right to:
    - 1) Take part in General meeting of the Chamber of Auditors without a right of vote; and
    - 2) Be informed about activity of the Chamber of Auditors.
  4. The associate members of the Chamber of Auditors shall be obliged to:
    - 1) Rigorously observe all provisions of these Articles of Association;
    - 2) Comply with and execute regulations and decisions of the administration of the Chamber of Auditors;
    - 3) Observe the international standards of audit, the Code of Ethics and the legislation of the Republic of Kazakhstan;
    - 4) Take part in activities of the Chamber of Auditors;
    - 5) Pay membership dues for the current year in due time and in full scope as well as in according to the procedure and within the terms established by the Chamber of Auditors;
    - 6) Not hinder external quality control performing by the Chamber of Auditors; and
    - 7) Perform other obligations provided by the current legislation of the Republic of Kazakhstan.

#### **ARTICLE 6. PROBATIONERS OF THE CHAMBER OF AUDITORS**

1. An employee of an audit organizations working in the accounting or auditing spheres may be admitted to the Chamber of Auditors as a probationer (candidate member) of the Chamber of Auditors.
2. A probationer of the Chamber of Auditors shall have a right to:
  - 1) Take part in General meeting of the Chamber of Auditors without a right of vote; and
  - 2) Take part in activities of the Chamber of Auditors
3. A probationer of the Chamber of Auditors shall be obliged to:
  - 1) Pay dues for participation in activities of the Chamber of Auditors in due time and in full scope; and
  - 2) Comply with and execute regulations and decisions of the administration of the Chamber of Auditors.
4. The Council of the Chamber of Auditors shall make a decision on admission and exclusion of a probationer to the Chamber of Auditors.
5. Grounds for admission of a person to the Chamber of Auditors as a probationer shall be its application.
6. Grounds for exclusion of a probationer from the Chamber of Auditors are as follows:
  - 1) Application of the probationer;
  - 2) Non-fulfillment or improper fulfillment of obligations stated in the Item 3 of this Article by the probationer of the Chamber of Auditors; and
  - 3) Violation of the legislation of the Republic of Kazakhstan, the international auditing standards, the Code of Ethics and these Articles of Association.
7. Information about probationers of the Chamber of Auditors shall be included in the list of probationers of the Chamber of Auditors PAO, form of which is to be approved by the Council of the Chamber of Auditors.
8. Size of dues for probationers for participation in activities of the Chamber of Auditors shall be determined by the Council of the Chamber of Auditors.

#### **ARTICLE 7. STRUCTURE OF THE ADMINISTRATION OF THE CHAMBER OF AUDITORS**

Administration of the Chamber of Auditors includes:

- 1) Superior body is the General Meeting of the members of the Chamber of Auditors (General Meeting);

- 2) Collegial executive body is the Council of the Chamber of Auditors;
- 3) Supervising body is the Internal Audit Commission; and
- 4) Other bodies are the President of the Chamber of Auditors and the Chief Executive Officer.

#### **ARTICLE 8. GENERAL MEETING**

1. All members of the Chamber of Auditors are included in the General Meeting.
2. The following is related to the exclusive competence of the General Meeting:
  - 1) Approval of the Articles of Association and amendments to the Articles of Association;
  - 2) Voluntary reorganization and liquidation of the Chamber of Auditors;
  - 3) Definition of competence, organizational structure, procedure of creation and termination of authorities for management of the Chamber of Auditors;
  - 4) Definition of procedure and regularity of submission of the financial statements of the executive body as well as auditing procedure of economical activity by the Internal Audit Commission, and approval of the results thereof;
  - 5) Making decision within the limits stipulated by the legislative acts regarding participation of the Chamber of Auditors in creation or activity of other legal persons as well as own branches and representations;
  - 6) Election of the President and Vice-presidents of the Chamber of Auditors, the Chairman of the Council of the Chamber of Auditors, its deputies, the members of the Chamber of Auditors, and the members of the Internal Audit Commission as well as early termination of their authorities;
  - 7) Appointment of the liquidation commission and approval of a liquidation balance-sheet;
  - 8) Determination of quantitative composition of the Council of the Chamber of Auditors and the Internal Audit Commission;
  - 9) Determination of size of dues for auditors and auditing organizations;
  - 10) Exclusion of members from the Chamber of Auditors for inappropriate actions regarding the Chamber of Auditors and / or its members;
  - 11) Formation of composition of the Qualifications Commission of the Chamber of Auditors;
  - 12) Substitution of a member of the Qualifications Commission when the member terminates its membership in the Chamber of Auditors or when the Chairman of the Qualifications Commission of the Chamber of Auditor makes an offer; and
  - 13) Other issues, decision of which is considered by the legislation of the Republic of Kazakhstan as related to the exclusive competence of the General Meeting.
3. Decisions for issues stated in the sub-items 1 and 2 of the Item 2 of this Article shall be made by 2 / 3 of total number of votes of the full members of the Chamber of Auditors attended at the General Meeting.

Absentee and combined voting shall not be allowed regarding these issues.  
Decisions on other issues shall be made by simple majority of votes of the full members of the Chamber of Auditors attended at the General Meeting.
4. General meetings are divided into ordinary and extraordinary ones.

The ordinary general meeting shall be called minimum once a year. Date and place of the meeting as well as tentative agenda are set forth by the Council of the Chamber of Auditors.  
The extraordinary meeting may be called by written demand by minimum 1 / 3 of all full members of the Chamber of Auditors, or by decision of the Council of the Chamber of Auditors, or by initiative of the President of the Chamber of Auditors.
5. The General Meeting shall be considered as qualified if not less than 50 % of the full members of the Chamber of Auditors take part in it.
6. The full member of the Chamber of Auditors shall have a right to delegate a right of vote to another full member by means of power of attorney certified by own seal of the auditor. The right of vote delegated by means of such power of attorney shall be taken into account to define quorum and make decisions.
7. Decisions of the extraordinary General meeting may be made by a meeting in absentia. The meeting in absentia may be applied either together with voting of the full members attended at the General Meeting (combined voting), or without a session of the General Meeting. In case of the combined voting, the session of the General Meeting shall be held with participation of the arrived members of the Chamber of Auditors.

In case of the meeting in absentia, voting polls shall be sent (rendered) to the full members of the Chamber of Auditors.

If the full member who had sent a poll for absentee voting, arrived for participation and voting personally at the General Meeting, where the combined type of voting is used, then such poll sent earlier shall not be taken into account for determination of quorum and count of votes for the issues of agenda.

8. Decisions of the General Meeting shall be made by open voting. Decisions of the General Meeting shall be made by secret voting when minimum 1 / 5 of total number of votes of full members of the Chamber of Auditors attended at the General Meeting.
9. The representatives of the associate members of the Chamber of Auditors and probationers of the Chamber of Auditors attended at the General Meeting shall have a right to take part in discussion of agenda items but not to take part in voting and making decisions.
10. Issues regarding preparation, organization and holding of the General Meeting not stipulated by this Articles of Association shall be defined by the *Statement on procedure of holding of General meeting* approved by the Chamber of Auditors.

### **ARTICLE 9. COUNCIL OF THE CHAMBER OF AUDITORS**

1. The Council of the Chamber of Auditors is a continuing collegial executive body of the Chamber of Auditors responsible for routine management for activities of the Chamber of Auditors, except for the cases considered by these Articles of Association as that related to the competence of the General Meeting.
2. The Council of the Chamber of Auditors shall report to the General Meeting.
3. The members of the Council of the Chamber of Auditors shall be elected from among the full members of the Chamber of Auditors at the General Meeting by open voting for a period of four years. The Council of the Chamber of Auditors shall include the President as its member and, also the Executive Director of the Chamber of Auditors in accordance with its capacity. The Council of the Chamber of Auditors shall consist of 15 persons including the specified functionaries.
4. The Council of the Chamber of Auditors shall be led by its Chairman elected by the General Meeting for a period of four years. The deputy chairmen of the Council of the Chamber of Auditors shall be elected from among the members of the Council of the Chamber of Auditors by the General Meeting for a period of four years.
5. The Council of the Chamber of Auditors shall be responsible for the following issues:
  - 1) Planning and organization of arrangements aimed to achievement of objectives of the Chamber of Auditors stated in these Articles of Association;
  - 2) Approval of the By-laws of the Chamber of Auditors, including the Rules, Statements and Instructions, but except for documents regulating labour relations;
  - 3) Identification of priority activities of the Chamber of Auditors;
  - 4) Deciding on admission to membership and probation in the Chamber of Auditors, on termination, suspension and restoration of membership in the Chamber of Auditors as well as on exclusion of probationers from the Chamber of Auditors;
  - 5) Deciding on exclusion of a member from the Chamber of Auditors except for a case when a member is to be excluded for inappropriate actions regarding the Chamber of Auditors and / or its members;
  - 6) Deciding on warning of the members of the Chamber of Auditors;
  - 7) Implementation of actions regarding protection of legitimate interests of the Chamber of Auditors in accordance with the applicable legal procedure;
  - 8) Establishing of procedures and terms of payment of membership dues as well as sizes of dues, of exemption from and of suspension of payment of membership dues;
  - 9) Establishing of procedures and terms of payment of probationers' dues for participation in the activities of the Chamber of Auditors;
  - 10) Approval of estimate of costs and reports of their completion as well as notification of the Chamber of Auditors about incoming and outgoing cash flows;
  - 11) Organization of issue of methodical, scientific, teaching and other textbooks and materials;
  - 12) Deciding on awarding (deprivation of) a rank of a Honorary Member of the Chamber of Auditors of the Republic of Kazakhstan;

- 13) Deciding on issues of professional development of auditors;
  - 14) Creation of special Committees acting under the Statements;
  - 15) Approval of the Statements on Committees; and
  - 16) Appointment of the Chairmen of the Committees from among the members of the Council of Chamber of Auditors and approval of the composition of the Committees.
6. Authorities of the Chairman and the members of the Council of the Chamber of Auditors shall be terminated in case of application for cessation of membership in the Council of the Chamber of Auditors, exclusion from Chamber of Auditors or death of an auditor.  
In case of cessation of membership in the Council of the Chamber of Auditors, the Council of the Chamber of Auditors shall made a decision on a nomination of a new member of the Council of the Chamber of Auditors to the General Meeting.  
In case of early termination of authorities of the Chairman of the Council of the Chamber of Auditors, until a new Chairman is elected by the General Meeting, authorities of the Chairman shall be executed by one of the deputies by decision of the Council.
7. The Chairman of the Council of the Chamber of Auditors shall:
- 1) Take charge of the meetings of the Council of the Chamber of Auditors;
  - 2) Supervise implementation of decisions of the General Meeting and the Council of the Chamber of Auditors;
  - 3) Represent the Chamber of Auditors regarding issues of current management without power of attorney;
  - 4) Conclude and sign civil law treaties and other contracts for and on behalf of the Chamber of Auditors, except for the contracts with the International Federation of Accountants, non-governmental, international and foreign organizations and governmental bodies;
  - 5) Issue power of attorney;
  - 6) Determine scheme of payment, establish size of salaries and personal benefits as well as decide on issues of awards;
  - 7) Approve the manning schedule of the employees of the Chamber of Auditors;
  - 8) Issue the statements on employment, assignment to a position, on transfer to another position or discharge;
  - 9) Take measures for the purpose of award and take disciplinary actions for the employees of the Chamber of Auditors;
  - 10) Enter into an terminate labour agreements, as well as makes decisions regarding staff issues regarding the employees of the Chamber of Auditors;
  - 11) Sign Completion Reports, Acceptance Certificates and Delivery-Acceptance Acts;
  - 12) Open current accounts and other account in the banks and administer the estate and funds of the Chamber of Auditors;
  - 13) Approve job descriptions and dress codes for the employees of the Chamber of Auditors;
  - 14) Define terms and conditions for use of property of the Chamber of Auditors;
  - 15) Decide on financing of mass media and various events;
  - 16) Assign and dismiss the Chief Executive Officer by representation of the President of the Chamber of Auditors; and
  - 17) Be able to make decisions regarding other questions of current management of activities of the Chamber of Auditors not related to competence of the General Meeting and the President.
8. The Chairman of the Council of the Chamber of Auditors shall have a right to delegate a part of his authorities to other officers of the Chamber of Auditors.
9. The labour agreement with the Chairman of the Council of the Chamber of Auditors shall be concluded by the President of the Chamber of Auditors. Deputy Chairmen and members of the Council of the Chamber of Auditors shall carry out their activities on a voluntary basis and they shall not enter into the labour agreements. The Chairman of the Chamber of Auditors may hold the salaried offices in other organizations only upon authorization of the General Meeting.
10. Meetings of the Council of the Chamber of Auditors shall be held as and when necessary but minimum four times a year.  
The Chairman of the Council of the Chamber of Auditors shall preside at the meetings of the Council of the Chamber of Auditors. In case of absence of the Chairman of the Council of the Chamber of Auditors, one of his or her deputies shall fill in for him or her. In case of absence of one of the deputy chairmen, the other shall preside instead of the absent one by decision of the members of the Council of the Chamber of Auditors attended at the meeting.



Meeting of the Council of the Chamber of Auditors shall be considered as qualified if not less than 50 % of total number of members of the Council of the Chamber of Auditors are attended. Every member of the Council of the Chamber of Auditors shall have one vote. Decision of the Council shall be made by simple majority of total number of votes of the attended members of the Council of the Chamber of Auditors. In case of equality of votes, the vote of the president of the Chamber of Auditors shall be decisive.

The Executive Director of the Chamber of Auditors shall be responsible for duties of the meeting's secretary. If he is absent, then – a person elected by the members of the Council at the meeting.

11. By initiative of the Chairman of the Council or the President of the Chamber of Auditors decisions may be made by means of absentee voting.

The absentee voting may be applied together with voting of members of the Council of the Chamber of Auditors attended at the meeting (combined voting), or without holding a meeting. In case of combined voting a meeting of the Council of the Chamber of Auditors shall be held together with the arrived members.

In case of absentee voting the Chairman of the Council or the President of the Chamber of Auditors shall define the agenda and raise a voting issue, and then define the period for voting. Administration of the Chamber of Auditors shall send or allocate the voting bulletins to all members of the Council of the Chamber of Auditors.

Upon receipt of the voting bulletin the members of the Council shall fill them in (affixing their own seal and signature) and send them to the responsible employee of the administration of the Chamber of Auditors by mail, by fax or other means (by courier or etc.), but not later than the date and time defined by the Chairman of the Council or the President of the Chamber of Auditors.

If a member of the Chamber of Auditors, who had earlier sent his voting bulletin, arrived to the meeting for participation and voting and at that the combined voting is used at this meeting, then the bulleting sent earlier shall not be taken into account for definitions of quorum of the meeting and count of votes regarding the agenda items.

12. The minutes of meeting shall be executed for each meeting of the Council of the Chamber of Auditors. When decision is made by absentee voting or combined voting, method of voting, results of absentee or combined voting shall be specified in the minutes of meeting as well as the bulletins or other documents confirming declaration of intent of the members of the Chamber of Auditors shall be attached to it. The minutes of meeting shall be signed by the Chairman of the Council of the Chamber of Auditors and the secretary of the meeting.
13. Decision of the Chairman of the Council of the Chamber of Auditors shall be executed as an order. Decisions of the Council of the Chamber of Auditors shall be executed as a resolution or statement.

#### **ARTICLE 10. INTERNAL AUDIT COMMISSION**

1. For the purpose of control of business and financial performance of the Chamber of Auditors and cash audit an Internal Audit Commission shall be elected for a period of three (3) years. A Chairman shall take the lead of the Internal Audit Commission who is to be elected by the members. The Internal Audit Commission shall consist of three persons.
2. Members of the Internal Audit Commission may be as follows: President, vice-presidents, Chairman of the Council of the Chamber of Auditors and his deputies, members of the Council of the Chamber of Auditors, Executive Director and employees of the Chamber of Auditors.
3. The Internal Audit Commission shall report to the General Meeting of the Chamber of Auditors.
4. If a member of the Internal Audit Commission terminates his membership in the Chamber of Auditors, his authorities shall also be terminated.
5. If authorities of a member of the Internal Audit Commission are terminated earlier, the General Meeting shall elect a new member of the Internal Audit Commission.
6. The Internal Audit Commission shall audit business and financial performance of the Chamber of Auditors for an each year expired.
7. Audit procedure for business and financial performance of the Chamber of Auditors shall be defined by the Statement on the Internal Audit Commission.

8. The Internal Audit Commission shall make a report about the results of audit of business and financial performance of the Chamber of Auditors. A member of the Internal Audit Commission shall have a right to declare his special opinion in written form to be applied to the report.

#### **ARTICLE 11. PRESIDENT OF THE CHAMBER OF AUDITORS**

1. The President of the Chamber of Auditors shall be elected by the General Meeting and be accountable to the General Meeting. A term of office shall be four (4) years.
2. The Vice-presidents accountable to the President shall be elected by the General Meeting by representation of the President. A term of office of a vice-president shall be four (4) years.
3. Authorities of the President of the Chamber of Auditors shall be as follows:
  - 1) Deciding on issues of perspectives of development of the Chamber of Auditors, introduction of new methodologies of audit, studying and application of international standards of audit and financial reporting;
  - 2) Consideration of issues of improvement of quality of work of auditing organizations, as well as professional development and advanced training of auditors;
  - 3) Representation of the interests of the Chamber of Auditors without power of attorney regarding matters included in his competence;
  - 4) Conclusion and signing of the agreements with the International Federation of Accountants, nongovernmental, international and foreign organizations and governmental authorities;
  - 5) Cooperation to the benefit to the Chamber of Auditors with the International Federation of Accountants, nongovernmental, international and foreign organizations and other organizations;
  - 6) Cooperation with all governmental agencies to the benefit of the Chamber of Auditors regarding issues of development of the auditing activities;
  - 7) Approval of the Statement on the Review Group;
  - 8) Deciding on the issued related to the Review Group;
  - 9) Initiation of convention of extraordinary General Meeting of the Chamber of Auditors;
  - 10) Participation in the meetings of the Chamber of Auditors with a deciding vote;
  - 11) Making a proposal for consideration of the Chamber of Auditors on awarding (deprivation of) a rank of Honorable Member of the Chamber of Auditors of the Republic of Kazakhstan, incentive of persons assisted in activities of the Chamber of Auditors by other means;
  - 12) Nomination of candidates to the General Meeting for the posts of Vice-presidents, Chairman of the Council of the Chamber of Auditors and his deputies as well as proposal regarding their dismissal;
  - 13) Nomination of a candidate to the General Meeting for the post of Executive Director as well as proposal regarding his dismissal;
  - 14) Coordination of decisions of functionaries of the Chamber of Auditors (consent or refusal) regarding issues of human resources, incentives and disciplinary actions.
4. In case of absence of the President, his authorities stipulated by the Items 2, 5, 6, 9 and 13 of this Article shall be executed by one of the Vice-presidents under a commission of the President.
5. The President may appoint and dismiss a Consultant from amongst of the auditing practitioners. The Consultant shall be regulated by the President of the Chamber of Auditors.
6. Decisions of the President of the Chamber of Auditors shall be executed as orders.
7. The President and Vice-presidents of the Chamber of Auditors shall carry out their activity on a voluntary basis.

#### **ARTICLE 12. EXECUTIVE DIRECTOR**

1. The Executive Director shall be subordinated to the Chairman of the Council of the Chamber of Auditors and be accountable to him and the President of the Chamber of Auditors.
2. The Executive Director shall take the lead of the administration of the Chamber of Auditors, which is responsible for current activity of the Chamber of Auditors.
3. The Executive Director shall be appointed for and dismissed from his position by the Chairman of the Council of the Chamber of Auditors by representation of the President of the Chamber of Auditors.
4. The Executive Director shall:

- 1) Take the lead and organize work of the administration of the Chamber of Auditors;
  - 2) Cooperate with auditors and auditing organizations of the Chamber of Auditors;
  - 3) Cooperate with the governmental agencies, institutions as well as with commercial and nonprofit organizations and other entities as may be agreed with the President of the Chamber of Auditors;
  - 4) Cooperate with the Committees of the Chamber of Auditors and assist them in their activities;
  - 5) Organize and support execution of acts and statements of the administrative bodies of the Chamber of Auditors; and
  - 6) Organize accounting of payment of membership dues and dues for participation in the activity of the Chamber of Auditors to be made in timely and complete manner.
5. Matters of the Chamber of Auditors not stipulated by the Item 4 of this Article shall be settled by the Executive Director on the basis of the power of attorney.
  6. The Executive Director shall issue an order regarding the issues related to his competence.

### **ARTICLE 13. PROPERTY OF THE CHAMBER OF AUDITORS**

1. Sources of creation of property of the Chamber of Auditors shall be as follows:
  - 1) Receipt of membership dues from the members of the Chamber of Auditors;
  - 2) Voluntary property contributions and donations;
  - 3) Receipts (revenue) gained from realization of goods, works and services within the spheres provided by the legislation;
  - 4) Dividends (revenues and benefits (interests) gained from shares, bonds and other securities and deposits); and
  - 5) Other proceeds allowed by the legislation.
2. Funds of the Chamber of Auditors shall be used in accordance with the current legislation for arrangements provided by these Articles of Association, for financing and logistic support of outside control of the Chamber of Auditors and its chartered objectives.
3. Funds and proceeds of the Chamber of Auditors shall not be allocated among its members.

### **ARTICLE 14. MANAGEMENT OF AMENDMENTS OF THE ARTICLES OF ASSOCIATION OF THE CHAMBER OF AUDITORS**

1. Amendments to these Articles of Association shall be approved by the General Meeting.
2. The amendments to be done in the Articles of Association of the Chamber of Auditors shall be registered in accordance with the procedure set forth by the legislation.
3. Amendments to these Articles of Association shall be effective upon their state registration in the institutions of justice.

### **ARTICLE 15. REORGANIZATION AND LIQUIDATION OF THE CHAMBER OF AUDITORS**

1. The Chamber of Auditors shall be reorganized or liquidated by decision of the General Meeting or the court in cases provided by the legislation of the Republic of Kazakhstan.
2. The Council of the Chamber of Auditors shall have a right to raise a question about reorganization or liquidation of the Chamber of Auditors by its own initiative or by request of not less than one-third of the members of the Chamber of Auditors.
3. The Chamber of Auditors shall be reorganized or liquidated in accordance with the legislation of RK.
4. In case of reorganization of the Chamber of Auditors, the residual property and funds shall be transferred to a legal successor, as in case of liquidation of the Chamber of Auditors, the property shall be allocated for the purposes provided by these Articles of Association.
5. The Chamber of Auditors shall be considered as ceased its activity since a day of its removal from the state register of legal entities.

A. O. Tuleuov  
Chairman of the Council  
Chamber of Auditors of RK