



**JSC “Astana medical University”**

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**Regulation on the Board**

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**Approved by the Board of Director of  
JSC “Astana medical university”  
Protocol № 9, from 25 September, 2010**

## Regulation on the Board of JSC “Astana medical university”

**Astana, 2010**

Regulation on the Board of

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## JSC “Astana medical university”

### 1. General statements


1. This Regulation on the Board of JSC “Astana Medical University” (hereinafter – Regulation) is developed in accordance with the Law of the Republic of Kazakhstan “On joint-stock companies”, Charter of JSC “Astana Medical University” (hereinafter – Company) defines the status, procedure of forming and responsibilities of the Board.
2. Board is a collegial executive body of the company, governing the current activity of the Company and taking decisions on any matters of the Company’s activity which are not attributed by normative juridical acts of the Republic of Kazakhstan and Charter to the competence of other bodies and officials of the Company.
3. Board is guided in its activity by the Law of the Republic of Kazakhstan, Company’s Charter, decisions of the Sole shareholder and Board of Directors, internal regulations of the Company, orders and instructions of the Board Chairman – Company’s Rector and this Regulation.
4. The Board is obliged to implement the decisions of the Only shareholder and the Board of Directors. The Board is liable to the Board of Directors and the Only shareholder in implementing its duties.
5. Board rules and owns the Company’s assets according to the requirements of the current legislation, Company’s Charter, decisions of the Board of Directors, of the Only shareholder and this Regulation.

### 2. Board’s composition and appointment of its members

6. The Board consists of 5 members: Chairman of the Board – Rector, 4 Board members – Company’s vice-rectors.
7. Board members are appointed by the Board of Directors for a year. The people, elected in the Board, can be re-elected for several times, unless otherwise provided by law and the Company’s Charter.

Determining the quantitative composition, duration of Board responsibilities, elections of its Chairman and members as well as termination of their powers is an exclusive competence of the Company’s Board of Directors.

8. Election is considered to be done since the moment of taking decisions by the Company’s Board.
9. According to the decision of the Board of Directors, responsibilities of any or all Board members may be terminated at any time at any reasons, found to conform to Law and the Company’s Charter.
10. Board member has the right to work in other organizations only with the agreement of the Board of Directors.

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11. Board Chairman does not have the right to get the position of Board Chairman of another juridical body.
12. In order to manage documentation of the Board, Board secretary is appointed. Board Secretary can be appointed from among the Company’s personnel who are not members of the Board. In this case, he/she has no powers of the Board member and does not participate in considering matters in agenda and taking decision.

### **3. Benefits for Board members**


13. Board of Directors determines the sizes of salaries and terms of remuneration and awarding bonuses for Board Chairman and members.
14. Board Members are to decide all terms of remuneration and bonus awarding set out in the Company’s internal documents unless otherwise provided by the decisions of the Board of Directors.
15. Decisions of the Board of Directors may set extra bonuses and compensations for the Board Members.

### **4. Competences of the Board and powers of the Board members**


16. All matters of providing the Company’ activity are related to the Board’s competences. These matters are not related to the exclusive competence of the Only shareholder and Board of Directors, determined by existing legislation, Company’s Charter or rules, other documents adopted by the Company’s Only shareholder and Board of Directors.
17. Board of Directors has the right to contest the validity of a deal, made by the Board with breaking the settled limitations and rules.
18. Competence of the Board:
  - 1) To take decisions to achieve the Company’s aims which are not exclusive competence of the Only shareholder and the Board of Directors,
  - 2) To implement decisions of the Only shareholder and the Board of Directors,
  - 3) To adopt the Company’s remuneration system,
  - 4) To adopt the Company’s structure and staff’s number,
  - 5) To adopt the Company’s staffing table,
  - 6) To adopt the Company’s and its branches duty instructions,
  - 7) To issue decisions and orders that must be implemented by all Company’s workers, except the workers of internal audit service and Corporate Secretary,
  - 8) To adopt the documents aimed at organizing the Company’s work, and which are not the documents adopted by the Board of Directors,

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- 9) To submit medium-term plans of financial and economic activities of the Company and reports of implementing them to the Board of Directors for approving,
- 10) To co-work with the Only shareholder when working out and implementing the development strategy of the Only shareholder,
- 11) To take decisions on operational matters of the Company’s internal activities,
- 12) To take decisions on making financial support (charity) by the Company,
- 13) To take decisions on the Company’s participation in forming or in activities of juridical bodies by giving a part or several parts of shares, totally which amount to ten percent from all the Company assets,
- 14) To submit proposals on creating subsidiaries to the Board of Directors,
- 15) To provide the Only shareholder with copies of documents, which are kept by the Board,
- 16) To document the Board’s activity,
- 17) To make decisions on any matters of the Company’s activity which are not considered to be the competence of other bodies and officials of the Company in accordance with the Law of the Republic of Kazakhstan “On joint-stock companies”, other juridical acts of the Republic of Kazakhstan and Company’s Charter.
19. Board’s decisions are taken by a simple majority vote. If the votes are equal, the Chairman’s vote is decisive.
20. Responsibilities are shared between the Board members by the Board Chairman – Company’s Rector. Responsibilities are determined in accordance with labor contract and duty instruction.
21. Board of Directors must implement their responsibilities in good faith and use proper ways which reflect the interests of the Company and the only Shareholder.
22. Board Members inform the Board Chairman – Company’s Rector on the state of implemented activities under his/her responsibility.
23. Other functions, rights and duties of Board members are determined by the Law of the Republic of Kazakhstan, Charter and Labor contract, concluded between Board members and the Company. Labor contract on behalf of the Company with Board Chairman – Rector is concluded by the Chairman of the Board of Directors. Labor contract with the other Board members is concluded by the Board Chairman – Rector.
24. Board Chairman – Rector is the first head and manages the Company.
25. Board Chairman – Rector implements the following functions:
  - 1) Leads the Board;
  - 2) Presents candidates to the Board of Directors to elect them as Board members;

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- 3) Organizes implementing decisions of the Only shareholder and Board of Directors,
- 4) Participates in the working meetings of the Only shareholder with right to be changed if necessary;
- 5) Makes deals on behalf of the Company as prescribed by the Law of the Republic of Kazakhstan;
- 6) Acts on behalf of the Company with the third bodies without attorney letter;
- 7) Gives trust letter to represent the Company to the third bodies;
- 8) Implements admission, transfer and firing the Company’s workers (except the cases, set up by these laws); uses the methods of stimulating them and imposing penalties, determines the size of salaries of the Company’s workers and personal extra-bonuses to salaries according to the staff table of the Company, determines the sizes of bonuses of the Company’s workers, except the Board members;
- 9) In the case of absence, gives responsibilities to one of the Board vice-chairmen;
- 10) Allocates duties and powers’ fields between the Board members;
- 11) Sets up the Company’s work schedule;
- 12) Approves internal normative documents excepting those approval of which is the competence of the Sole shareholder and Board of Directors of the Company;
- 13) Accounts to the Company’s Board of Directors in accordance with the Law of the Republic of Kazakhstan;
- 14) Provides implementing current and perspective plans and programs of the Company,
- 15) Opens bank and other kinds of accounts of the Company;
- 16) Within his/her competence gives orders and instructions;
- 17) Convenes a Board Meeting and submits necessary materials;
- 18) Provides forming technical, informative-communicational and juridical policy, corporate development policy and the Company’s assets management;
- 19) Manages the Company assets and sources in order determined by the Law of the Republic of Kazakhstan;
- 20) Within his/her competence manages financial sources of the Company with the right of the first signature in all the documents (including payment documents);
- 21) Takes decisions of opening and closing bank and other kinds of accounts of the Company;

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- 22) Makes decisions on other matters, concerning the current Company’s activity necessary to implement the objectives which are not in the competence of the Only shareholder and Board of Directors.
26. By the decision of the Board Chairman – Rector of the Company, some of his/her duties may be transferred to the Board members.


#### **5. Responsibility in the case of violations of official duties**

27. Board Members are obliged to keep any confidential information, as well as commercial and official, about the Company during 3 years after the termination of their powers.
28. Board Members have no right when implementing duties:
- 1) To take part in the activities of other juridical bodies except the cases permitted by the decision of the Board of Directors,
  - 2) To receive indirectly or directly bonuses for affecting Board decisions.
29. If a Board member has a personal financial interest in a deal, one party of which is or is going to be the Company, or there are another interests’ conflicts on existing or presumable deal he/she ought to announce about it before making the deal.
30. Board member is obliged to inform the Board of Directors, Board Chairman on:
- 1) That he/she is one of the deal party, or participates in it as a representative or mediator, where the Company is or is going to be a party,
  - 2) Juridical bodies with whom he/she is affiliated , as well as on juridical bodies where he/she possesses independently or together with his affiliated bodies with ten or more percent of voting shares and on juridical bodies where he holds a position,
  - 3) On existing or presumable deals known to him/her where he may be acknowledged as an interested body.
31. Board member, who has informed about his/her interests in the indicated way, may participate neither in discussions, nor in voting on the matters concerning this deal.
32. Board member is obliged to have material responsibility in cases when his/her actions (inactions) are contrary to the norms of the law of the Republic of Kazakhstan, Charter, Company’s internal regulations or this Regulation or cause harm to the Company.
33. Board member, who is conclusively found to violate his/her official duties, has the right to submit evidences that his/her actions that caused harm, have arisen by the decisions of the Only shareholder or of the Board of Directors which he/she implemented with good faith.
34. Reclamations for compensation of damage in the cases considered in this part can be applied during the period of limitation of actions.

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## 6. Board meetings and decision-making orders

35. Board meetings are held when necessary but not less than once a month.
36. Minutes (protocols) are taken during Board meetings which are signed by the Board Chairman – Rector, Board members and secretary of a Board meeting.
37. The right to submit matters to the Board Chairman – Rector, Board members, Only shareholder, Board of directors, internal auditor of the Company.
38. Board Chairman has the right to convene a Board Meeting or to present a matter for voting by Board members in any case on his/her personal initiative, on application of a Board member or a head of a structural division. Board has the right to consider and make decisions on agenda if no less than a half of Board members participate in the meeting, also absent Board members who voted on agenda in written by correspondence.
39. Determining duration, convocation, determining agenda, chairmanship in it, organizing taking minutes is a competence of the Board Chairman-Rector. Minutes and Board decisions are formed as independent documents. Book of protocol registration, Board decisions and interesting decisions must be presented to the Only shareholder at his/her first request.
40. The initiator submitting a matter to the Board meeting is responsible for timely and qualitative preparation of materials.
41. At the request of any Board member, other matters may be added to an agenda.
42. Necessary materials on the matters of agenda are given beforehand by operating units to Board Chairman-Rector and Board Members.
43. If a Board member cannot participate in a meeting, he/she has the right to express his/her opinion in written form. Written opinion must be presented by a Board Member no later than a calendar day before Board Meeting.
44. The Board Chairman is obliged to present a written opinion of the Board member, who is absent in the Board Meeting, before the start of voting on agenda, on which this opinion is presented.
45. The matter on agenda of the Board Meeting can be postponed in the case of absence of a Board member who is responsible for the matter relating to the field of the Company’s activity. The absent member is informed about the decision in a short period.
46. Board members may object the Protocol in written form no later than the next day and in the case of his/her absence in this meeting – next day after being introduced with the minutes.
47. Protocols and Board decisions are formed into separate documents and are kept in the juridical department during 10 years.

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## 7. Requirements to the minutes of Board meeting

48. Minutes of Board Meetings indicate to:

- 1) Place and time of a Board Meeting (when voting in person);
- 2) Board members participating in the meeting ( in the case of absentee voting), people invited;
- 3) Meeting agenda;
- 4) Voting type (in person, absentee);
- 5) Matters to be voted, results of voting;
- 6) Decisions taken.

49. Registration of Board Meeting minutes, forming them into appropriate documents are made by Board Secretary. After registrations, copies of minutes of Board Meeting and attached adopted documents are delivered to Board members.

50. Company’s structural units are forbidden to make extra-copies of Board Meeting minutes. By the written order of the Company’s head or at the written request of a head of structural unit of the Company, Board Secretary gives extracts from minutes of Board meetings.

## 8. Reports to the Board of directors

51. Board’s activity is controlled by the Board of Directors. Board provides preparation and submission of reports including the following matters to the Board:


- 1) Plan of financial and economic activities of the Company for a perspective period;
- 2) Suggested policy of the Company and other basical questions for future management (at least once every year, if changes do not require urgent report presentation);
- 3) Status of the case in the Company;
- 4) The activity which is significant for profitability and liquidity of the Company (in the term necessary for the Board of Directors to form an opinion on it before the start of this activity and to present conclusion or permission).

52. Board of Directors has the right to require at any time from the Board a report about the status of cases and connections of the Company with other dependent organizations as well as about situations in these organizations, if it can influence the Company’s situation itself.

53. Board has the right, with justification of the reason and goals, to put a question to the Board of Directors on the convention of a Board meeting.

## 9. Preparation and approving an annual balance



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54. After preliminary approving an annual financial report for the last year, the audit of which was held in accordance with the legislation of the Republic of Kazakhstan on audit activity, sends it to the Sole shareholder for discussing and approving.
55. According to the legislation of the Republic of Kazakhstan “On joint-stock companies”, the report on the results of annual financial and economic activities is submitted to the Board of Directors for preliminary approving after confirming it by the independent auditor.
56. If there is no any protest, Board of Directors approves the report documents and submit them to the Only shareholder for confirmation.
57. Annual report including book-keeping balance sheet, report on incomes and outcomes, report on financial motion, on changes in property capital must be adopted by Board members, must be signed by the Board Chairman-Rector and senior accountant of the Company and must be presented to the Only shareholder.

#### **10. Record-keeping and accounting, notification on registration in registry**

58. Board is obliged to declare the Only shareholder about juridical and property changes of the Company’s status in the registry system of security holders.

#### **11. Enforcement of decisions**

59. Leading and control of the enforcement of decisions is implemented by the Board member who is responsible for this matter.
60. At request of the Only shareholder, the Board prepares and carries out measures falling within the competence of the Only shareholder or according to which he/she makes decisions within his/her competence.

#### **7. Coordination of leaves, substitution in the case of absence of a board member for reasons of illness**

61. Board Chairman – Rector of the Company coordinates the terms of leaves of Board members according to the leave schedule and appropriates their intersubstitutability. This rule is valid in the case of absence of a Board member for other reasons.

#### **8. Functions of representation in Board Meetings**

62. Board Chairman - Rector represents the Company in the Board of Directors. He coordinates his acts in the cases covered by the law, Charter or appropriate decisions of the Board of Directors. He constantly informs Board of Directors about the situation in the Company.
63. Board Chairman – Rector is obliged to report immediately to the Board of Directors in oral or in written form about all the matters significant for the Company.



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JSC “Astana Medical University”  
Minutes № 9, 25 September, 2010

**Rules for holding meetings of the Board  
of joint-stock company “Astana Medical University”**

**Astana, 2010**

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### **1. Place and time of Board meetings**

1. Place of Board meetings: Astana city, Saryarka district, Beitbitshilik street 49A.
2. Time of Board meetings: weekly, every Friday, 15:00.

### **2. Frequency of Board meetings**

3. Board meetings are divided into regular and extraordinary.

### **3. Regular Board meetings**

4. Regular Board meetings are held on regular basis, depending on the number of matters, submitted to Board’s consideration, at least once a month.
5. If the agenda is not set due to the lack of matters to discuss, the Academic secretary should inform all Board members about the cancellation of a meeting no later than 1 working day before the meeting.

### **4. Extraordinary Board meetings**


6. Extraordinary Board meetings can be held on a Board member’s initiative. Board member, an initiator of the extraordinary meeting should inform the Board Chairman – Rector about the necessity of holding it no later than 1 day before the meeting.
7. The decision to hold an extraordinary Board meeting is taken by the Board Chairman-Rector or simple majority of votes of Board members.
8. Academic secretary should inform Board members and persons invited to the meeting about its place and time during the day from the moment of informing on the meeting.

### **5. Duration of Board Meetings**

9. Duration of Board meetings is not more than 2 hours.
10. In case if matters mentioned on the Board Meeting agenda are not considered during the allotted time, it can be prolonged or considering them can be postponed to the next Board Meeting by the decision of the Board Chairman –Rector.

### **6. Documentation.**

11. Matters falling within the competence of the Board are shown in the Appendix of the present rules.
12. According to the Regulation on the Board, as a result of Board Meetings, a Meeting protocol is made, where all decisions taken are fixed.

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Appendix to the rules of holding  
meetings of Board of joint-stock  
company “Astana Medical University”

### **The matters within the competence of the Board**

#### **Plans**


1. Confirmation (approval of conceptions, policy, code, strategic and function plans, development programs, except the documents, the approval of which falls within the competence of the Company’s Board of Directors),
2. Approval of key indicators of the Company’s development.

#### **Organization structures**

1. Formation and change of the Company’s organization structures,
2. Formation of suggestions to create a committee of the Board of Directors and submitting them to the consideration of the Board of Directors,
3. Consideration of suggestions about trust management,
4. Approval to create branches,
5. Taking decisions to create consultative-deliberative bodies of the Company including working groups and commissions,
6. Approval of regulations on structural units of the Company.

#### **Staff**

1. Approval of staff numbers and staff table of the Company,
2. Admission, transfer and firing of the Company’s workers except Board members, Corporative Secretary and workers of internal audit service),
3. Approval of duty instructions of the Company’s workers,
4. Agreement of motivating systems/ bonus payment for the Company’s workers,
5. Labor contracts with special labor conditions for the Company’s workers,
6. Corporate awards.

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### **Finances, investments**

1. Approval of the Company’s financial-economical activities plan,
2. Correction of financial-economical activities plan in the frame of the approved sum of planned sub-group indicators. It is allowed to correct different classes, articles of sub-groups no more than 20 % of approved planned sums in classes and articles of sub-groups,
3. Adoption of the Company’s budget,
4. Adoption of key investment decisions and programs,
5. Approval of big deals,
6. Approval of the price-list for paid services.

### **Corporate governance**

1. The matters submitted to the consideration of the Board of Directors.

### **Advertisement, PR**

1. Adoption of an emblem, logo,
2. Approval of a firm style.