



# CORPORATE ISSUES

INDUSTRY AND LEGAL UPDATE

**KALIKOVA &**  
ASSOCIATES  
*law firm*

*Information for effective business solutions*

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## Industry Update

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10 January 2013

### **New appointments to the executive board of the National Bank**

Timur Djolchuevich Djusupov and Aijan Medetovna Sadyrkulova are appointed as the members of the executive board of the National Bank of the Kyrgyz Republic.

10 January 2013

### **Sale of 100% shares of Akylinvestbank**

Georgiy Chesnokov sold his 5,100,000 ordinary registered shares representing 100% of the total amount of shares to Nurjan Tentimishova.

21 December 2012

### **Gazprom plans to buy 100% shares of Kyrgyzgaz instead of 75%**

Russian company, Gazprom, plans to buy 100 % shares of Kyrgyzgaz instead of 75 %, as was planned before. This was reported by General Director of Kyrgyzgaz OJSC, Turgunbek Kulmurzaev.

At present, 87% shares of Kyrgyzgaz belong to the state, 4.5 % – to the Social Fund, and the rest - to private persons.

20 December 2012

## Legal Update

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26 December 2012

### **State Financial Supervision Authority approved the code of corporate governance in Kyrgyzstan**

The Executive Board of State Financial Supervision Authority, by its decree of December 18, 2012, approved the Code of Corporate Governance in the Kyrgyz Republic. This was reported by the press services of the agency.

The code of corporate governance is a set of rules and recommendations for joint stock companies, legal structure of which suggests the deepest among business companies degree of separation between property (participation in capital) and control (participation in management).

The code's provisions are based on the internationally recognized principles of corporate governance developed by the Organization for Economic Cooperation and Development (OECD), which became a model for national codes of corporate governance adopted by a number of other states.

The purpose of the Code is to establish the principles and recommendations whose observance will allow to lay a solid foundation for the practice of corporate relations forming in the Kyrgyz Republic. The recommendations contained in the code are designed to increase efficiency of governance in a joint stock company ensuring high level of protection of rights and interests of shareholders, formation of mutual trust among all participants of corporate relations, removal of factors which may threaten stable development of joint stock companies and achievement by the national

## **Process of purchase of Kyrgyzgaz by Russian Gazprom will take 3 months**

It will take about 3 months to purchase Kyrgyzgaz by Russian Gazprom. This was reported by first deputy CEO of Kyrgyzgaz OJSC Kuralbek Naskeev.

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20 December 2012

## **Kyrgyzgaz was evaluated at 1 dollar**

Deloitte & Touche recommended Russian Gazprom to buy Kyrgyzgaz OJSC for 1 dollar. This was reported by first deputy CEO of Kyrgyzgaz OJSC Kuralbek Naskeev.

The evaluation of our company was done at Gazprom's request. It was recommended to buy Kyrgyzgaz at a symbolic price of 1 dollar considering the debt of 38 million dollars, he said.

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11 December 2012

## **Changes in executive management at ZUM Holding OJSC**

ZUM Holding OJSC announces changes in the executive management of the company. By decision of the Board of Directors of December 10, 2012 (Minutes №12), General Director Chigrinova G.A. was dismissed, and Marina Ivanovna Vlasova was appointed as General Director of ZUM Holding OJSC.

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10 December 2012

## **Outcomes of the extraordinary meeting of shareholders of EIWest KA OJSC**

On December 5, 2012, the extraordinary general meeting of shareholders of EIWest KA OJSC was held which adopted a decision to reorganize from EIWest Kyrgyz-American public company open joint stock company into EIWest OJSC.

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04 December 2012

## **Changes in the Board of Directors**

economy of high growth indicators.

The provisions of the Code are not mandatory and apply to joint stock companies on a voluntary basis. Based on the recommendation of this Code, any joint stock company may develop and adopt its own code of corporate governance which will get a status of internal document of the company and thus will become mandatory.

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21 December 2012

## **President Atambaev approved amendments to the law on state registration of legal entities and branches**

President Almazbek Atambaev signed the Law on amendments and modifications to the law «On state registration of legal entities and branches (representative offices)». This was reported by the press service of the president.

The law was adopted by the Jogorku Kenesh on November 1, 2012.

The law is adopted to facilitate the collection of information on all legal entities, branches (representative offices) to be included in the Single state registry of legal entities, branches (representative offices) as well as to facilitate the filling of gaps in the law on state registration of legal entities, branches (representative offices)».

In particular, the amendments are about the following:

- all legal entities, branches (representative offices) registered (re-registered) before January 1, 1997:

a) going through the procedure of state re-registration or registration of termination must additionally submit the document containing the data about the legal entity, branch (representative office) issued by the state statistics authority;

b) must go through state re-registration or registration of termination in the prescribed manner before January 1, 2015. The entities which failed to go through state re-registration or registration of termination in the prescribed manner before January 1, 2015, are subject to forcible liquidation by the court order at the request of the Social Fund and(or) tax authority.

## of UniCreditBank OJSC

Romeo Kollina was removed from office of the Chairman of the Board of Directors of UniCreditBank at his request; Pavel Borisovich Reshetnikov was appointed as the Chairman of the Board of Directors of UniCreditBank OJSC.

29 November 2012

## Finance Credit Bank KAB OJSC announces changes in the Board of Directors

Cholponbek Melsovich Osmonov has been elected to fill the vacancy on the Board of Directors, by the decision of the Board of Directors until the next general meeting of shareholders.

13 November 2012

## Election of the General Director of EIWest KA OJSC

Ilmer Efim, at his request for resignation, was removed from office of the General Director of EIWest K A OJSC. By a majority vote of the Board of Directors of EIWest KA OJSC, Elmer Igor was elected as the General Director of the company.

12 November 2012

## Commission for evaluation of Pyramid Media Holding LLC

The State Property Management Fund has ordered to approve the commission for evaluation of 100% shares of Pyramid Media Holding. The members of the commission include deputies of the Jogorku Kenesh from each faction, representatives of state bodies, the Counting Chamber, non-government organizations and business communities.

9 November 2012

## Centerra Gold will pay quarterly dividends to Kyrgyzstan

Centerra Gold Inc. will pay quarterly dividends of more than 3 million US dollars. Dividends for the third quarter will be paid on December 6 to

07 December 2012

## The Government approved the regulation on privatization of state property by sale through auction

The Government approved the regulation on privatization of state property through auction. The respective decree of November 29 was signed by Prime Minister Jantoro Satybaldiev.

According to the regulation, auction will be conducted in the ordinary form or via electronic trade system. The process of conducting the auction in electronic format is determined by the Government of the Kyrgyz Republic.

The seller will be the auction organizer and, in case of the auction in electronic format, a specialized organization acting under the agreement with the seller and on his behalf will be the auction organizer.

The auction will be held for the sale of:

- the state owned shares (interests) in the share capital of business partnerships and companies;
- state enterprises as property complexes;
- production and non-production subdivisions of state enterprise created as a result of reorganization (liquidation) of the state enterprise;
- separate components of the state property.

For each asset put on auction the seller forms the privatization commission. The seller determines the members of the commission, appoints its chairman and secretary. The chairman and secretary of the commission are appointed from among the representatives of the seller. There must be not less than five persons, with the general number of members of the commission being uneven.

To participate in the auction, the applicant must pay a security deposit. The amount of the security deposit is determined as 10% of the starting price of the asset put on auction.

The security deposit will be returned to all applicants and participants of the auction (except the winner of the auction) within 10 banking days from the moment of signing the minutes describing the results of the auction. The security deposit of the winner of the auction will be credited against the payment for the

all shareholders registered at the Toronto stock exchange on November 22 of the current year. The Board of Directors of the company ordered to assess dividends of 0.04 Canadian dollars per ordinary share. To remind, Kyrgyzstan, represented by Kyrgyzaltyn OJSC, is the holder of the biggest stake in Centerra - 77,401,766 shares representing about 33%.

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18 October 2012

### **Upper Naryn HPPs CJSC to be established within one month**

Within one month, RusHydro OJSC and Electric Stations OJSC will establish a joint venture for construction of four hydro power plants of Upper Naryn Cascade. Upper Naryn HPPs CJSC will be formed with equal distribution of capital shares between both parties.

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16 October 2012

### **Reemtsma Kyrgyzstan OJSC announces election of the General Director**

By the Minutes of the meeting of the Board of Directors of Reemtsma Kyrgyzstan OJSC of September 28, 2012, Mr. Berger was elected as the General Director of Reemtsma Kyrgyzstan OJSC for one year term, from October 1, 2012 to October 1, 2013.

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03 October 2012

### **Changes of holders of securities of Finance Credit Bank OJSC**

Finance Credit Bank OJSC announces that on October 2, 2012 as a result of the share purchase transaction, a Kyrgyz citizen, Janybek Askarovich Kadyrov became the holder of shares of Finance Credit Bank OJSC representing 7.72% of the total amount of shares.

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property acquired at the auction.

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