

## 1. FURTHER INFORMATION

### A. Incorporation

The Company was incorporated and registered in England and Wales as a limited liability company under the name KCC International PLC on 15 July 2004 and with registered number 05180783. Pursuant to a special resolution dated 23 September 2005, the name of the Company was changed from KCC International PLC to Kazakhmys PLC on 26 September 2005.

The Company became a company listed on the LSE in October 2005. The Shares were also admitted to trading on the KASE in November 2006. The Company's registered office is at 6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, UK, telephone number +44(0)20 7901 7800. The Company has a branch office in Kazakhstan the address of which is 69A Samal 2, Almaty 050059, Republic of Kazakhstan. Kazakhmys Services Limited has a branch office in Kazakhstan, the address of which is 69A Samal 2, Almaty 050059, Republic of Kazakhstan and a further branch office in Kazakhstan the address of which is 28 Samal 1, Almaty 050059, Republic of Kazakhstan. Kazakhmys Sales Limited has a representative office in Urumuchi, China, the address of which is 15F, No. 1 Heng Chung Building, Urumuchi, Xingiang, 830002, China. The Company was registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 3 June 2011 and has a place of business in Hong Kong at Level 28 Three Pacific Place, 1 Queen's Road East, Hong Kong. Lo Yee Har Susan and Seng Sze Ka Me Natalia of Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong have been appointed as the Company's agents for the acceptance of service of process in Hong Kong.

The Registrar of Companies issued the Company with a certificate to commence business and to borrow pursuant to Section 117 CA 1985 on 26 October 2004.

By a resolution of the Directors dated 19 September 2005, Ernst & Young LLP, whose address is 1 More London Place, London SE1 2AF, were appointed as the first auditors of the Company.

The Company is the holding company of the Group.

As the Company is incorporated in England and Wales, it is subject to the relevant laws and regulations of England and Wales. A summary of the Company's Articles of Association is set out above.

Particulars of the Company's subsidiaries are listed in the Accountants' Report set out in Appendix I of this Listing Document.

### B. Changes in the registered capital of the Company

At the time of the establishment of the Company on 15 July 2004, the Company's authorised share capital was £50,000 divided into 50,000 Shares of par value of £1 each.

The following sets out the changes in the Company's share capital within the two years preceding the date of this Listing Document:

	<u>Number</u>	<u>£ million</u>	<u>US\$ million</u>
<b>Authorised—At 31 December 2008</b>			
Ordinary shares of 20 pence each . . . . .	750,000,000	150	—
<b>Allotted and called up share capital</b>			
At 1 January 2008 . . . . .	460,123,288	92	170
Purchase of Company's issued share capital . . . . .	(5,169,000)	(1)	(2)
Shares issued . . . . .	80,286,050	16	32
<b>As at 31 December 2008, 2009 and 2010 . . . . .</b>	<b>535,240,338</b>	<b>107</b>	<b>200</b>

Save as disclosed in this Appendix, there has been no alteration in the Company's share capital since the Company's establishment.

The CA 2006 repealed Section 2(5)(a) of the CA 1985 which required a company to state in its memorandum of association the amount of the share capital with which the company proposed to be registered and the number and nominal value of the shares into which it is divided, and so abolished the concept of authorised share capital. As a result of the changes implemented by the CA 2006, the Company does not have an authorised share capital, but shares in the Company are required, pursuant to Section 542 of the CA 2006, to have a fixed nominal value. The nominal value of the Shares is 20 pence each.

## 2. RESOLUTIONS OF THE COMPANY'S SHAREHOLDERS

At the Annual General Meeting of the Company held on 13 May 2011, the Shareholders passed a resolution granting the Directors authority to allot Shares or grant rights to subscribe for or to convert any security into Shares up to an aggregate nominal value of £35,682,689 (representing 178,413,445 Shares). The Directors were also given additional authority in the case of a rights issue to allot Shares or grant rights to subscribe for or to convert any security into Shares up to a further aggregate nominal value of £35,682,689 (representing 178,413,445 Shares).

The Shareholders also passed a resolution to give the Directors authority to allot equity securities for cash without first being required to offer such securities to existing Shareholders in proportion to their existing holdings, by the limited disapplication of Section 561 of the CA 2006. Other than in the case of a pre-emptive offer or a rights issue, this authority is for the allotment of Shares of a maximum nominal value of £5,352,403 (representing 26,762,015 Shares).

The authorities to allot Shares and for the disapplication of pre-emption rights described above will expire at the earlier of 30 June 2012 or the conclusion of the Company's Annual General Meeting in 2012.

This renewed authority will expire at the earlier of 30 June 2012 or the conclusion of the Company's Annual General Meeting in 2012.

### 3. CHANGES IN SHARE CAPITAL OF THE COMPANY'S SUBSIDIARIES

The Company's subsidiaries are referred to in the Accountants' Report as set out in Appendix I to this Listing Document. The following alterations in the share capital of the subsidiaries of the Company have taken place within the two years preceding the date of this Listing Document:

- Pursuant to a resolution of its sole shareholder dated 2 November 2009, contribution of 796,922,049 Kyrgyzstani Soms in the charter capital of Kazakhmys Gold;
- Pursuant to a resolution of its sole shareholder dated 15 February 2010, the charter capital of Kazakhmys Petroleum was increased to 29,475,000,000 KZT (amendments to the Charter were registered on 3 March 2010);
- Pursuant to a resolution of its sole shareholder dated on 25 August 2009, the charter capital of Kazakhmys Petroleum was increased to 21,975,000,000 KZT (amendments to the Charter were registered on 18 September 2010);
- Pursuant to a resolution of its sole shareholder dated 8 December 2010, the charter capital of Kazakhmys Aktogay LLP was decreased to 12,000,000,000 KZT (the amendment to the charter was registered on 9 March 2011); and
- Pursuant to a resolution of its sole shareholder dated 15 October 2010, contribution of 127,300 KZT in the charter capital of Kazakhmys Bozshakol LLP.

### 4. FURTHER INFORMATION ABOUT THE GROUP'S BUSINESS

#### A. Summary of the Group's material contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of the Group's business) within the two years immediately preceding the date of this Listing Document which are, or may be, material:

- (a) the Sponsors Agreement;
- (b) the Sale and Purchase Agreement dated 9 December 2009 between the Company, Ekibastuz Holdings B.V. and Samruk-Kazyna for the sale by Ekibastuz Holdings B.V. and purchase by Samruk-Kazyna of 50 per cent. of the issued share capital of Ekibastuz Gres-1 LLP for cash consideration of US\$681 million. The Group has undertaken to retain a stake of at least 25 per cent. in Ekibastuz Gres-1 LLP for a period of 18 months from the date of the agreement. If the Group disposes of any of its remaining shares in Ekibastuz Gres-1 LLP during the 18 months from the date of the agreement for a price per share that is less than that paid by Samruk-Kazyna, the Group will make a payment to Samruk-Kazyna for a *pro rata* share of the difference. Ekibastuz Gres-1 LLP is managed jointly by the Company and

Samruk-Kazyna, further details of which are set out in the section of this Listing Document headed “Related Party Transactions”;

- (c) the Facility Agreement dated 30 December 2009 between Kazakhmys Finance and Samruk-Kazyna for the provision of a US\$2 billion unsecured loan to Kazakhmys Finance for the development of the Group’s project at Bozshakol, further details of which are set out in the section headed “Related Party Transactions”;
- (d) the Facility Agreement dated 30 December 2009 between Kazakhmys Finance and Samruk-Kazyna for the provision of a US\$100 million unsecured loan to Kazakhmys Finance for the development of the Group’s project at Bozymchak, further details of which are set out in the section of this Listing Document headed “Related Party Transactions”;
- (e) the Facility Agreement dated 12 January 2010 between Kazakhmys Finance and Samruk-Kazyna for the provision of a US\$200 million unsecured loan to Kazakhmys Finance for the development of the Group’s projects at Abyz and Nurkazgan, further details of which are set out in the section of this Listing Document headed “Related Party Transactions”; and
- (f) the Guarantee dated 30 December 2009 between the Company, Kazakhmys Finance and Samruk-Kazyna in relation to the facility agreements in (c) to (e) above and any future facility agreements to be entered into between Kazakhmys Finance and Samruk-Kazyna whereby the Company guarantees the payment obligations of Kazakhmys Finance under those facility agreements, further details of which are set out in the section of this Listing Document headed “Related Party Transactions”.

## B. The Group’s intellectual property rights

### Trademarks

As at the Latest Practicable Date, the Company was the legal and beneficial owner of the following trademarks:

Trademark	Registrant	Date of Filing	Certificate No.	Place of Registration	Class	Expiry Date	Renewal possibility
	Kazakhmys Corporation LLP	15.12.2008	32115	<b>Kazakhstan</b>	1, 6, 9, 14, 19, 42	<b>15.12.2018</b>	Registration may be renewed for the next ten years, if requested prior to <b>15.12.2018</b>
	Kazakhmys Corporation LLP	15.10.2003	18181	<b>Kazakhstan</b>	1,2,3,4,6, 9,14,19, 39,40,42	<b>15.10.2013</b>	Registration may be renewed for the next ten years, if requested prior to <b>15.10.2013</b>

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**STATUTORY AND GENERAL INFORMATION**

As at the Latest Practicable Date, the Company has applied for registration of the following trademarks, the registration of which has not yet been granted:

<u>Trademark</u>	<u>Registrant</u>	<u>Date of Filing</u>	<u>Certificate No.</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Renewal possibility</u>
	Kazakhmys PLC	11.4.2011	301885537	<b>Hong Kong</b>	6,14,35,37,39,40,42	Registration may be renewed for the next ten years, if requested prior to expiry
						
						
						
KAZAKHMYS Kazakhmys	Kazakhmys PLC	11.4.2011	301885546	<b>Hong Kong</b>	6,14,35,37,39,40,42	Registration may be renewed for the next ten years, if requested prior to expiry

As of the Latest Practicable Date, MKM has applied for the registration of the following trademark, the registration of which has not yet been granted:

<u>Trademark</u>	<u>Applicant</u>	<u>Place of Application</u>	<u>Class</u>	<u>Application Date</u>	<u>Application Number</u>
HETCU-roof	MKM GmbH	Canada	6,9	03.05.07	1345953

As of the Latest Practicable Date, MKM was the legal and beneficial owner of the following trademarks:

<u>Trademark</u>	<u>Registrant</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Expiry Date</u>	<u>Registration Number</u>
	MKM GmbH	Germany	6,9	31.5.2014	W 50 424
	MKM GmbH	Great Britain	6	31.10.2014	1567773
	MKM GmbH	Denmark	6,9	11.11.2014	VR 07.652.1994
	MKM GmbH	Austria	6,9	23.02.2014	617740

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<u>Trademark</u>	<u>Registrant</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Expiry Date</u>	<u>Registration Number</u>
	MKM GmbH	Benelux	6,9	23.02.2014	617740
	MKM GmbH	Espania	6,9	23.02.2014	617740
	MKM GmbH	France	6,9	23.02.2014	617740
	MKM GmbH	Portugal	6,9	23.02.2014	617740
	MKM GmbH	Switzerland	6,9	23.02.2014	617740
	MKM GmbH	Germany	6	29.02.2020	DD643342
	MKM GmbH	Germany	6,9	25.05.2016	R 424936
	MKM GmbH	Austria	6,9	25.05.2016	R 424936
	MKM GmbH	Benelux	6,9	25.05.2016	R 424936
	MKM GmbH	Kroatia	6,9	25.05.2016	R 424936
	MKM GmbH	Hungary	6,9	25.05.2016	R 424936
	MKM GmbH	Italia	6,9	25.05.2016	R 424936
	MKM GmbH	Portugal	6,9	25.05.2016	R 424936
	MKM GmbH	Czech Republic	6,9	25.05.2016	R 424936
	MKM GmbH	Romania	6,9	25.05.2016	R 424936
	MKM GmbH	Slovenia	6,9	25.05.2016	R 424936
	MKM GmbH	Slovakia	6,9	25.05.2016	R 424936
	MKM GmbH	Egypt	6,9	25.05.2016	R 424936
	MKM GmbH	Serbia	6,9	25.05.2016	R 424936
HETCU	MKM GmbH	Germany	6,9	31.05.2014	DE 2092976
HETCU	MKM GmbH	Austria	6,9	27.05.2015	638744
HETCU	MKM GmbH	France	6,9	27.05.2015	638744

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<u>Trademark</u>	<u>Registrant</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Expiry Date</u>	<u>Registration Number</u>
HETCU	MKM GmbH	Slovakia	6,9	27.05.2015	638744
HETCU	MKM GmbH	Czech Republic	6,9	27.05.2015	638744
HETCU	MKM GmbH	Russian F.	6,9	27.05.2015	638744
HETCU	MKM GmbH	Poland	6,9	27.05.2015	638744
HETCU	MKM GmbH	European Union	6	13.07.2018	000873760
HETCU	MKM GmbH	Turkey	6	08.03.2017	2007/11289
Conti-M	MKM GmbH	European Union	6	30.08.2011	002357556
HETCU-roof	MKM GmbH	Germany	6,9	31.01.2017	30702765.1/06
HETCU-roof	MKM GmbH	USA	6	08.07.2018	3.460.299
HETCU-roof	MKM GmbH	Russian F.	6,9	31.01.2017	930706
HETCU-roof	MKM GmbH	Switzerland	6,9	31.01.2017	930706
HETCU-roof	MKM GmbH	European Union	6,9	12.01.2017	005611348
	MKM GmbH	Kazakhstan	6,9	27.10.2015	26418
	MKM GmbH	European Union	6,9	02.05.2015	004417721
	MKM GmbH	Turkey	6	08.03.2017	2007/11290
HETCOOL	MKM GmbH	European Union	6,42	01.11.2015	004693602
HETCOOL	MKM GmbH	Turkey	6	15.08.2018	2008/49047
HETCOOL plus	MKM GmbH	European Union	6,42	15.06.2019	008363327
HETCOOL-2plus	MKM GmbH	European Union	6,42	14.08.2019	008491631

**Domain Names**

As of the Latest Practicable Date, the Group was the holder of the following domain names:

<u>Domain Name</u>	<u>Registrant</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Last Renewal</u>
kazakhmys.com	Kazakhmys plc	23 January 2005	23 January 2012	19 May 2011
kcci.co.uk	KCC International plc (now Kazakhmys plc)	8 September 2004	8 September 2012	8 June 2011
mkm.eu	MKM Mansfelder Kupfer und Messing GmbH	4 June 2006	31 October 2011	24 October 2008

### Patents

As at the Latest Practicable Date, the Group was the holder of the following patents:

<u>Name of invention</u>	<u>Patent Holder</u>	<u>Protection Title</u>	<u>Patent No.</u>	<u>Date of filing</u>	<u>Date of registration</u>	<u>Place of Registration</u>	<u>Expiry Date</u>	<u>Extension possibility</u>
Method of preparation of inert filler for laying mixtures using cyanide mine refuse and installation for implementation of this method	Kazakhmys Corporation LLP	Patent	9847	10.05.1999	08.01.2003	Kazakhstan	<b>10.05.2019</b> , provided annual fees are duly paid	None
Exit gas neutraliser	Kazakhmys Corporation LLP	Patent	4316	12.12.1994	not available	Kazakhstan	<b>12.12.2014</b> provided annual fees are duly paid	None
Twinned inter-chamber pillars extraction method	Kazakhmys Corporation LLP	Preliminary patent	20423	22.01.2007	25.09.2008	Kazakhstan	<b>22.01.2012</b>	Extension is possible until <b>22.01.2015</b> at the request of the patent holder
Inclined thick ore deposits repeated mining method	Kazakhmys Corporation LLP	Preliminary patent	20424	22.01.2007	25.09.2008	Kazakhstan	<b>22.01.2012</b>	Extension is possible until <b>22.01.2015</b> at the request of the patent holder
Thick heavily-inclined ore fields mining method	Kazakhmys Corporation LLP	Innovation patent	22525	09.02.2009	25.03.2010	Kazakhstan	<b>09.02.2012</b>	Extension is possible until <b>09.02.2014</b> at the request of the patent holder
Pillar extraction method	Kazakhmys Corporation LLP	Innovation patent	22191	31.12.2008	25.11.2009	Kazakhstan	<b>31.12.2011</b>	Extension is possible until <b>31.12.2013</b> at the request of the patent holder
Inclined thin ore body mining method	Kazakhmys Corporation LLP	Innovation patent	22059	25.11.2008	26.10.2009	Kazakhstan	<b>25.11.2011</b>	Extension is possible until <b>25.11.2013</b> at the request of the patent holder

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<u>Name of invention</u>	<u>Patent Holder</u>	<u>Protection Title</u>	<u>Patent No.</u>	<u>Date of filing</u>	<u>Date of registration</u>	<u>Place of Registration</u>	<u>Expiry Date</u>	<u>Extension possibility</u>
Inter-chamber pillars mining method	Kazakhmys Corporation LLP	Innovation patent	21133	23.11.2007	25.12.2008	Kazakhstan	<b>23.11.2011</b> ,	Extension is possible until <b>23.11.2012</b> at the request of the patent holder.
Flat-dipping thick deposits of hard ores' mining method	Kazakhmys Corporation LLP	Innovation patent	21018	23.11.2007	25.12.2008	Kazakhstan	<b>23.11.2011</b> ,	Extension is possible until <b>22.01.2012</b> at the request of the patent holder
Pillar extraction method	Kazakhmys Corporation LLP	Innovation patent	20568	07.05.2007	25.09.2008	Kazakhstan	<b>07.05.2011</b>	Extension is possible until <b>07.05.2012</b> at the request of the patent holder

As of the Latest Practicable Date, the Group has applied for the following invention patents:

<u>Name</u>	<u>Applicant</u>	<u>Application Number</u>	<u>Date of Filing</u>	<u>Place of Registration</u>	<u>Status</u>
Twinned inter-chamber pillars mining method	Kazakhmys Corporation LLP	2010/0053.1 (innovation patent application)	18.01.2010	Kazakhstan	Committee for Intellectual Property Rights (CIPR) issued a decision to issue innovation patent; patent issuance state duty and fees of an expert organization for patent documents' preparation and publication have been paid. Patent certificate has not been issued yet.

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<u>Name</u>	<u>Applicant</u>	<u>Application Number</u>	<u>Date of Filing</u>	<u>Place of Registration</u>	<u>Status</u>
Thick ore deposits mining method	Kazakhmys Corporation LLP	2009/0711.1 (innovation patent application)	26.05.2009	Kazakhstan	Committee for Intellectual Property Rights (CIPR) issued a decision to issue innovation patent; patent issuance state duty and fees of an expert organization for patent documents' preparation and publication have been paid. Patent certificate has not been issued yet.
Hard ores mining method	Kazakhmys Corporation LLP	2009/0736.1 (innovation patent application)	01.06.2009	Kazakhstan	Committee for Intellectual Property Rights (CIPR) issued a decision to issue innovation patent; patent issuance state duty and fees of an expert organization for patent documents' preparation and publication have been paid. Patent certificate has not been issued yet.
Pillar (barrier) extraction method	Kazakhmys Corporation LLP	2010/0954.1 (innovation patent application)	21.07.2010	Kazakhstan	Committee for Intellectual Property Rights (CIPR) issued a decision to issue innovation patent; patent issuance state duty and fees of an expert organization for patent documents' preparation and publication have been paid. Patent certificate has not been issued yet.

As at the Latest Practicable Date, MKM has claimed or applied for the following patents:

- Application number WO 2008/087002—Method and Device For Casting Of Nonferrous Metal Molten Masses, In Particular Copper and Copper Alloys—European Patent Office, International Patent Cooperation Union, Peru, Chile, China, U.S., Canada, Ukraine, Russia
- Application number EP 1932605 A1—Method and Device For The Production Of Wide Strips Of Copper Or Copper Alloys—European Patent Office, International Patent Cooperation Union, Peru, Chile, China, U.S., Canada, Indonesia, Norway, Ukraine, Russia
- Application number EP 1506827—Casting System And Method For Pouring Nonferrous Metal Molten Masses—European Patent Office, U.S., Mexico, China, Canada, Chile, Argentina, Japan, Kazakhstan, Russia
- Application number 10 2009 060004.3\*—Method of Measuring Layer Thicknesses of noble metals on less noble metals—Germany

#### **Firm Names**

As at the Latest Practicable Date, the Group has exclusive rights to the following firm names:

- Kazakhmys Corporation—11 May 2001
- Ekibastuz GRES-1 named after Bulat Nurzhanov Limited Liability Partnership—12 June 2010
- Kazakhmys Drilling Limited Liability Partnership—28 July 2010
- Kazakhmys Insurance Company Joint Stock Company—12 May 2005
- Charaltyn Joint Stock Company—6 June 2003
- Kazakhmys Petroleum Limited Liability Partnership—6 June 2003
- KazBelAZ JV Limited Liability Partnership—31 March 2010
- Kazakhmys Exploration Limited Liability Partnership—23 May 2010
- Zhezkazgan Switch Electro Company Joint Stock Company—2 November 2005
- KSI Limited Liability Partnership—24 September 2007
- Andas-Altyn Mining Company Limited Liability Partnership—31 July 1995

\* Joint application.

- DANK Limited Liability Partnership—3 July 2003
- Kazakhmys Project LLC Limited Liability Partnership—9 July 2007
- Kazakhmys Satpaev Limited Liability Partnership—29 June 2010

## 5. FURTHER INFORMATION ABOUT THE COMPANY'S DIRECTORS

### A. Particulars of Directors' Contracts

The Company's policy is that executive Directors will be employed on a contract that can be terminated by the Company on giving no more than one year's notice, with the executive Director required to give six months' notice of termination.

The contracts of Vladimir Kim and Oleg Novachuk are terminable by either the Company or the executive on three months' notice. These were granted to them on 26 September 2005. The Company retains the right to terminate these contracts immediately, in accordance with the terms of their service agreement, on payment of a sum equal to the contractual notice entitlement of three months. The Company reserves the right on termination to make phased payments which are paid in monthly instalments and subject to mitigation through a legal obligation on the part of the outgoing executive Director to seek new employment. Eduard Ogay has a fixed-term contract which terminates on 15 January 2012.

### B. Remuneration of Directors

The aggregate amounts of remuneration (including fees, salaries, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to the Directors for the three years ended 31 December 2008, 2009 and 2010 were approximately US\$7,751 thousand, US\$8,838 thousand and US\$8,626 thousand, respectively.

Save as disclosed above, no other payments have been paid or are payable by the Company to the Directors in respect of the three years ended 31 December 2010.

There is no arrangement under which any Director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments by any Director during the current financial year.

## 6. SHARE PLANS

The following is a summary of the principal terms of the Long Term Incentive Plan (LTIP), the Deferred Share Bonus Plan (DSBP), the UK Executive Share Option Plan 2010, the UK Sharesave Plan 2010, the International Sharesave Plan 2010, the UK Share Incentive Plan 2010 and the International Share Incentive Plan 2010 (together, the "Plans"). The Plans are discretionary benefits offered by the Company for the benefit of its employees. The main purpose is to increase the interest of the employee's in Kazakhmys' long-term business goals and performance through share ownership. They represent incentives for employees' future performance and commitment to be aligned with the goals of the Group. The shares issued under these

plans are ordinary shares as the Company purchased 379,825 shares at a cost of US\$7 million during 2009 and 206,384 shares at a cost of approximately US\$4 million during 2010 through an Employee Benefit Trust. For any future awards, the Company may issue new shares to the Employee Benefit Trust rather than purchase the shares in the open market.

The total expense for the year ended 31 December 2010 arising from the Plans was US\$3.1 million (2009: US\$1.1 million, 2008: US\$1 million).

### Long Term Incentive Plan

Under the LTIP, awards over shares are granted to senior management of the Company at nil cost. The vesting of the shares is dependent on the total shareholder return (TSR) of the Group as compared to a group of listed comparator companies, as well as a requirement for the recipients of awards to remain in employment with the Group over the vesting period. Cash settlement is available under certain circumstances at the discretion of the Remuneration Committee.

The first awards under the LTIP, granted on 3 December 2007, were made with either a two-year vesting period or a three-year vesting period. Awards over 11,226 shares were granted with a two-year vesting period and awards over 37,862 shares were granted with a three-year vesting period. The awards did not vest and so lapsed.

On 7 April 2008, awards over 66,202 shares were granted with a three-year vesting period. The awards did not vest and so lapsed.

On 7 April 2009, awards over 262,987 shares were granted with a three-year vesting period. On 26 November 2009, an award over 74,240 shares was granted with a three-year vesting period.

On 9 April 2010, awards over 94,277 shares were granted with a three-year vesting period. On 17 May 2010, an award over 116,532 shares was granted with a three-year vesting period.

On 6 April 2011, awards over 367,315 shares were granted with a three-year vesting period. Details of outstanding options under the LTIP, including names of the option holders who are Directors, the senior management of the Company and persons connected with them (within the meaning of Section 96B(1) of and Schedule 11B to the Financial Services and Markets Act 2000), numbers of options held and exercise prices, are set out in paragraph 7 of this Appendix VI.

As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Shares subject to the outstanding options granted to them, vesting period and exercise price of the options are listed below:

Aggregate Number of Grantees	Total Number of Shares subject to the outstanding options granted to them	Vesting Period	Exercise Price (£)
11	349,277	3 years	Nil

### Deferred Share Bonus Plan

Deferred share bonus options are awarded under the DSBP, under which each year up to one-half of the total bonus earned by eligible executives is deferred and invested in the Company's shares to be held by the Employee Benefit Trust. Provided the executive remains in employment, the shares normally vest after two years.

On 7 April 2008, 11,403 shares were granted to 17 employees based on an average share price at the date of grant of £15.95 with a two-year vesting period. Under the DSBP, the awards were based on the deferred amount of an employee's 2007 bonus.

On 7 April 2009, awards over 63,470 shares were granted to 20 employees based on an average share price at the date of grant of £4.22 with a two-year vesting period. Under the DSBP, the awards were based on the deferred amount of an employee's 2008 bonus.

On 9 April 2010, awards over 23,262 shares were granted to 27 employees based on an average share price at the date of grant of £15.80 with a two-year vesting period. Under the DSBP, the awards were based on the deferred amount of an employee's 2009 bonus.

On 6 April 2011, awards over 30,921 shares were granted to 33 employees based on an average share price at the date of grant of £14.14 with a two-year vesting period. Under the DSBP, the awards were based on the deferred amount of an employee's 2010 bonus.

The DSBP is also used for certain senior executives, whereby 40 per cent. of earned bonus is deferred and invested in shares, with half deferred for one year and the other half deferred for two years. On 9 April 2010, awards over 8,237 shares with a one-year vesting period and awards over 8,237 shares with a two-year vesting period were granted to seven senior executives.

On 6 April 2011, awards over 12,452 shares with a one-year vesting period and awards over 12,452 shares with a two-year vesting period were granted to nine senior executives.

As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Shares subject to the outstanding options granted to them, vesting period and exercise price of the options are listed below:

Aggregate Number of Grantees	Total Number of Shares subject to the outstanding options granted to them	Vesting Period	Exercise Price (£)
9	18,567	1 year	Nil
43	96,181	2 years	Nil

**UK Executive Share Option Plan 2010**

The Kazakhmys UK Executive Share Option Plan 2010 (ESOP) is an HMRC approved discretionary company share option plan that provides for the grant of market value options up to a value of £30,000 to executive Directors and certain selected UK-based senior executives. Options will normally vest three years from the date of grant, subject to the satisfaction of a performance condition and the participant being a Director or employee of the Group at that time. Options granted to executive Directors and senior executives under the ESOP will count towards the individual limits under the LTIP and will normally be subject to the same performance condition as awards granted under the LTIP. The ESOP was approved by the Board on 3 March 2010 and approved by Shareholders on 14 May 2010.

On 9 April 2010, options over 11,388 shares were granted to six employees with a three-year vesting period and at an exercise price of £15.80.

On 6 April 2011, an option over 2,122 shares was granted to an employee with a three-year vesting period and at an exercise price of £14.14.

As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Shares subject to the outstanding options granted to them, vesting period and exercise price of the options are listed below:

<u>Aggregate Number of Grantees</u>	<u>Total Number of Shares subject to the outstanding options granted to them</u>	<u>Vesting Period</u>	<u>Exercise Price (£)</u>
5	9,490	3 years	15.80
1	2,122	3 years	14.14

**UK Sharesave Plan 2010 and International Sharesave Plan 2010**

The Kazakhmys UK Sharesave Plan 2010 is an HMRC approved all employee share plan which provides an opportunity for all UK employees including executive Directors to save over a period of either three or five years and to use their accumulated savings (and any interest) to exercise an option to acquire ordinary shares in the Company at a predetermined exercise price. It permits the grant of options to acquire ordinary shares in the Company (at a discount of up to 20% of the share price at the time of invitation) and is linked to a Sharesave contract, with a maximum savings limit of £250 per month.

The terms of the Kazakhmys International Sharesave Plan 2010 are substantially the same as those for the Kazakhmys UK Sharesave Plan 2010, save that under the Kazakhmys International Sharesave Plan 2010 the Remuneration Committee will have a greater degree of discretion to determine who of its 61,000 plus employees will be eligible to participate and to permit eligible employees to save in a currency other than pounds sterling.

The Kazakhmys UK Sharesave Plan 2010 and the Kazakhmys International Sharesave Plan 2010 were approved by shareholders on 14 May 2010 and the first options were granted on 23 September 2010 as follows:

- Options over 20,629 shares were granted to 27 employees under the Kazakhmys UK Sharesave Plan 2010 with an exercise price of £9.70 with a vesting period of either three or five years.
- Options over 32,641 shares were granted to 56 employees under the Kazakhmys International Sharesave Plan 2010 with an exercise price of £9.70 with a vesting period of either three or five years.

To satisfy the above options awarded, the Company purchased 39,953 shares at a cost of US\$1 million through an Employee Benefit Trust.

As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Shares subject to the outstanding options granted to them, vesting period and exercise price of the options are listed below:

Aggregate Number of Grantees	Total Number of Shares subject to the outstanding options granted to them	Vesting Period	Exercise Price (£)
64	35,358	3 years	9.70
12	13,061	5 years	9.70

#### UK Share Incentive Plan 2010 and International Share Incentive Plan 2010

The Kazakhmys UK Share Incentive Plan 2010 is an HMRC approved all employee share plan which provides an opportunity for all UK employees including executive Directors to contribute up to a maximum of £125 per month or 10 per cent. of their gross monthly salary, whichever is the lower, to be used to purchase shares in the Company on a monthly basis ('Partnership Shares'). For every Partnership Share that a participant purchases the Company will purchase the equivalent number of shares ('Matching Shares') on behalf of the participant with all Partnership Shares and Matching Shares held in Trust for a specified holding period. The Partnership Shares and Matching Shares held in Trust are entitled to receive dividends when a dividend is paid by the Company to its Shareholders. The amount of dividend payable on the Partnership Shares and Matching Shares held in Trust is re-invested into further shares ('Dividend Shares') which are also held in Trust for a specified holding period.

The terms of the Kazakhmys International Share Incentive Plan 2010 are substantially the same as those for the Kazakhmys UK Share Incentive Plan 2010, save that under the Kazakhmys International Share Incentive Plan 2010 the Remuneration Committee will have a greater degree of discretion to determine who of its 61,000 plus employees will be eligible to participate and to permit eligible employees to contribute in a currency other than pounds sterling. Also, when the Company pays a dividend to its Shareholders, participants in the Kazakhmys International Share Incentive Plan 2010 will receive a cash payment in the form of a

dividend equivalent rather than the amount of dividend payable being re-invested into further Dividend Shares (see above).

The Kazakhmys UK Share Incentive Plan 2010 and the Kazakhmys International Share Incentive Plan 2010 were approved by shareholders on 14 May 2010 and both plans were launched in April 2011. As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company participating in the plans are 19 (five in the Kazakhmys UK Share Incentive Plan 2010 and 14 in the Kazakhmys International Share Incentive Plan 2010).

## 7. DISCLOSURE OF INTERESTS

### A. Disclosure of Interests

The interests of the Directors, the senior management of the Company and persons connected with them (within the meaning of Section 96B(2) of and Schedule 11B to the FSMA) in the issued share capital of the Company (all of which are beneficial) as at the date of this document are as follows:

Name	As at the date of this document	
	Number of Ordinary Shares	Approx. percentage of voting rights
Vladimir Kim	149,306,795	27.90
Oleg Novachuk	34,923,423	6.52
Eduard Ogay	3,834,427	0.72
Simon Heale	5,000	0.00
Daulet Yergozhin	—	—
Lord Renwick of Clifton, KCMG	4,000	0.00
Philip Aiken	4,000	0.00
Clinton Dines	—	—
Matthew Hird	—	—
<b>Total</b>	<b>188,077,645</b>	<b>35.14</b>

The interests of Directors and the senior management of the Company in options over Shares under the Plans as at the date of this document are set out in the following tables:

### Long Term Incentive Plan

Name	Date of grant	Number of Shares subject to the options	Share price at date of grant (£)	Current exercise price (£)	Vesting period
Matthew Hird	7 April 2009	72,531	4.22	Nil	3 years
Eduard Ogay	26 November 2009	74,240	12.87	Nil	3 years
Matthew Hird	9 April 2010	33,944	15.80	Nil	3 years
Oleg Novachuk	17 May 2010	116,532	12.904	Nil	3 years
Oleg Novachuk	6 April 2011	117,006	14.14	Nil	3 years
Matthew Hird	6 April 2011	39,836	14.14	Nil	3 years
Eduard Ogay	6 April 2011	73,623	14.14	Nil	3 years
Sergei Diachenko	6 April 2011	38,362	14.14	Nil	3 years

**UK Executive Share Option Plan**

<u>Name</u>	<u>Date of grant</u>	<u>Number of Shares subject to the options</u>	<u>Share price at date of grant (£)</u>	<u>Current exercise price (£)</u>	<u>Vesting period</u>
Matthew Hird .....	9 April 2010	1,898	15.80	15.80	3 years

**UK Sharesave Plan**

<u>Name</u>	<u>Date of grant</u>	<u>Number of Shares subject to the options</u>	<u>Share price at date of grant (£)</u>	<u>Current exercise price (£)</u>	<u>Vesting period</u>
Matthew Hird .....	23 September 2010	927	9.70	9.70	3 years

**B. Disclaimers**

Save as disclosed in “History and Corporate Structure—Corporate and Shareholding Structure of the Group prior to the Introduction” and “Related Party Transactions” in the Listing Document and in this paragraph 7:

- (a) none of the Directors is interested in the promotion of the Company, or in any assets which have been, within the two years immediately preceding the date of this Listing Document, acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company;
- (b) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this Listing Document which is significant in relation to the Group’s business; and
- (c) none of the parties in the aforesaid paragraph:
  - (i) is interested legally or beneficially in any of the Shares or any shares in any of the Company’s subsidiaries; or
  - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Company’s securities.

**8. OTHER INFORMATION****A. Estate Duty**

The Company’s Directors have been advised that as at the Latest Practicable Date, no liability for estate duty in Hong Kong is likely to fall on the Company or any of its subscribers.

**B. Litigation**

Other than as set out below, no member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

The tax audit being conducted for the years 2006 to 2008 within Kazakhmys LLC identified a potential exposure related to environmental pollution charges ("EPC") resulting from a difference in interpretation on the applicability of the "Law on Foreign Investment" dated 27 December 1994 (the "Law"). The Law grants foreign investors stability, inter alia, over taxes and related legislative matters, for a period of 10 years from the date of investment by a foreign investor or from the commencement of the relevant operating licence being awarded to a foreign investor. In 1999, the relevant state agency confirmed that the predecessor company to Kazakhmys LLC was eligible for stabilisation under the Law, and consequently Kazakhmys LLC applied stabilised EPC rates in earlier years when calculating its EPC liabilities to 2008. The tax authorities have challenged the eligibility of Kazakhmys LLC to apply stabilised EPC rates under the Law.

The Directors have assessed the position of Kazakhmys LLC and made a provision reflecting the probability that a settlement will be negotiated with the tax authorities following agreement being reached on the interpretation of the Law. The risk remains that the tax authorities or courts may take a different position with regard to the interpretation of the Law and its applicability to Kazakhmys LLC, and additional charges may arise over and above the provision recognised in the financial statements as at 31 December 2010.

In addition to the legal proceedings relating to the historical environmental pollution tax rate mentioned above, members of the Group are involved in other litigation and regulatory issues. While the outcome of such matters cannot be predicted with certainty, the Company believes that the ultimate outcome of such litigation and regulatory issues will not have a significant effect on the Company's and/or the Group's financial position or profitability.

**C. Joint Sponsors' interests in the Company**

Each of the Joint Sponsors, except for J.P. Morgan Securities (Asia Pacific) Limited, has declared its independence pursuant to Rule 3A.07 of the Hong Kong Listing Rules.

Pursuant to Rule 3A.07 of the Hong Kong Listing Rules, JPMorgan Securities (Asia Pacific) Limited is not or does not expect to be independent of the Company because Lord Renwick of Clifton, a member of the Company's board of directors, is also Vice Chairman, Investment Banking of JP Morgan Europe and of JP Morgan Cazenove, two affiliates of JPMorgan Securities (Asia Pacific) Limited. J.P. Morgan also has a lending relationship with the Group under the US\$2.1 billion PXF facility agreement as part of a syndicate of banks and with MKM through short dated trading

instruments. See “Financial Information — Bank Debt”. In addition to the above, J.P. Morgan Broking (Hong Kong) Ltd. and its affiliates have been appointed as Designated Dealer to assist in ensuring an orderly market in the Shares following the Introduction. See “Listings, Registration, Dealings and Settlement — Liquidity Arrangements”.

The Joint Sponsors have made an application on the Company’s behalf to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the Shares. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

#### D. Preliminary expenses

The preliminary expenses in relation to the Introduction are approximately US\$10 million and are payable by the Company.

#### E. Qualification of experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this Listing Document or whose names are referenced in this Listing Document, are as follows:

<u>Name</u>	<u>Qualification</u>
China International Capital Corporation Hong Kong Securities Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO
J.P. Morgan (Asia Pacific) Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities as defined in the SFO, and a restricted license bank under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong)
Citigroup Global Markets Asia Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities as defined in the SFO
Ernst & Young LLP	A member firm of The Institute of Chartered Accountants in England & Wales
Ernst & Young GFMS Limited	Certified Public Accountants Industry expert
Salans LLP	Legal advisors as to Kazakh law
IMC Consulting	Competent Person

Except as disclosed in “C. Joint Sponsors’ interests in the Company” in this Appendix:

None of these experts has any shareholding in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.

None of the experts named above is interested in the promotion of the Company, or in any assets which have been, within the two years immediately preceding the date

of this Listing Document, acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

None of the experts named above is materially interested in any contract or arrangement subsisting at the date of this Listing Document which is significant in relation to the business of the Group.

#### **F. No material adverse change**

The Directors confirm that there has been no material adverse change in the Company's financial or trading position since 31 December 2010.

#### **G. Compliance adviser**

The Company has appointed Anglo Chinese Corporate Finance, Limited as compliance adviser in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, the compliance adviser will advise the Company in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where appropriate, where a transaction is contemplated including share issues;
- where the Hong Kong Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Hong Kong Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

#### **H. Miscellaneous**

- (a) Except as disclosed in "6. Share Plans" in this Appendix, the Company has not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) except as disclosed in "6. Share Plans" in this Appendix, no share or loan capital of the Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) the Company has not issued any founder or management or deferred shares;
- (d) the Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this Listing Document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of the Company;

- (f) within the two years preceding the date of this Listing Document, no commission has been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in the Company;
- (g) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this Listing Document to any of the Company's promoters nor is any such amount or securities or benefit intended to be paid or allotted or given;
- (h) except with respect to the Employee Benefit Trust, which has waived its right to receive dividends, there is no arrangement under which future dividends are waived or agreed to be waived; and
- (i) there has been no interruption in the Company's business which may, or have had, a significant effect on the financial position in the last 12 months.

**I. Consents**

Each of the Joint Sponsors, Ernst & Young LLP and Ernst & Young, as the Company's independent reporting accountants, GFMS, as the Company's industry expert, Salans LLP, as the Company's legal advisors as to Kazakh law, and IMC Consulting, as the Competent Person, has given and has not withdrawn its respective written consents to the issue of this Listing Document with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

**J. Related party transactions**

The Group entered into the related party transactions within the two years immediately preceding the date of this Listing Document as mentioned in the section headed "Related Party Transactions" and in note 38 of the "Accountants' Report" in Appendix I to this Listing Document.