

Part XIII: Additional information

1. Responsibility statement

The Directors, whose names are set out on page 26 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and Registration

- 2.1 The Company was incorporated and registered in England and Wales on 8 December 2006 as a public company limited by shares under registered number 06023510. The name of the Company on incorporation was "Eurasian Natural Resources Company PLC" and on 11 December 2006, the name of the Company was changed to "Eurasian Natural Resources Corporation PLC".
- 2.2 On 15 December 2006, the Registrar of Companies issued a certificate under section 117 of the 1985 Act (defined below) enabling the Company to do business or exercise any borrowing powers, whose issue was subject to the Company's allotted paid-up share capital being not less than the authorised minimum of £50,000 (such capital being held as £49,999 by Jeremy Neads and £1 by Beat Ehrensberger).
- 2.3 The registered office and principal place of business of the Company is Second Floor, 16 St James's Street, London SW1A 1ER. The telephone number of the Company's principal place of business is +44 (0) 20 7389 1440.
- 2.4 The liability of members of the Company is limited.
- 2.5 The principal legislation under which the Company operates is the Companies Act 1985 (as amended) (the "1985 Act") and the Companies Act 2006 (the "2006 Act") (together, the "Acts").
- 2.6 The Ordinary Shares are in registered form and their ISIN Code is GB00B29BCK10.

3. Reorganisation and Formation of the Group

A. Introduction

As described in Part II, the Group's principal assets were acquired by the Founders in the mid-1990s. However, these assets did not comprise a single, independent group until 2006, when the Reorganisation described below was implemented and the Company was incorporated. Prior to the Reorganisation, the operating units currently comprising the Group were operated as standalone entities, some of which had securities listed on KASE, with their own management structures and minority shareholders (including the Committee, which held an interest directly in certain of the principal operating subsidiaries). These operating units were ultimately controlled by the Founders, and were informally managed collectively with a number of other non-Group businesses owned or controlled by the Founders. Preparations for the Reorganisation began in 2005 when the Group began taking steps to separate the Group's assets and operations from those of other businesses owned by the Founders and prepare combined and consolidated financial information. As part of the Reorganisation, the interests of the Committee in the operating entities were exchanged for an interest in the Company and the Group has undertaken a tender offer to acquire the shares in the operating subsidiaries held by other minorities (the Company currently owns at least 96% of each of its principal operating subsidiaries).

Prior to the Reorganisation, the Group did not have a formalised system of central management and did not operate on a consolidated basis. Dr. Sittard became Chief Executive Officer of the Group in December 2006 and the Group has recently established a central executive committee, management structure, and formal reporting lines. The Group has also recently implemented a series of internal systems and controls designed to ensure that the

Group has adequate financial reporting procedures and is able to comply with appropriate corporate governance standards.

As a separate, albeit related issue, in connection with the audit of the Group's consolidated accounts for the three years ended 31 December 2006, PricewaterhouseCoopers LLP, the Company's auditors informed the Company that it suspected that certain audit confirmations purported to have been given by the end customers of the Russian Trading System had been falsified and that the agency involved in this trading structure had been unable to substantiate certain payments which may have related to irregular business practices. In April 2007, the Company instructed specialist legal counsel to investigate the matter. The investigation concluded that the purported audit confirmations had indeed been falsified but that there was no evidence to suggest that the Company or its management authorised or were aware of the decision taken by the RTS to produce false audit confirmations. The investigation did not find any evidence to suggest that the Company's senior management were aware of the unsubstantiated amounts or whether they were ultimately attributable to wrongful or unlawful payments. Furthermore, the investigation concluded that there was no evidence of ongoing wrongful or unlawful payments being made by the Group's Moscow sales office although it recommended that a number of improvements were required to both the controls over payments and appointments of agents. The Company is currently taking steps to action these recommendations. During the investigation, certain employees deleted data held on Group computers. Much of this data was subsequently recovered and included as part of the investigation. The employees involved have been subject to appropriate disciplinary action.

B. *Overview of the Reorganisation*

- 3.1 The Company was incorporated on 8 December 2006 as part of a group reorganisation (the "Reorganisation") to act as the holding company of the restructured Group.
- 3.2 Prior to the consummation of the Reorganisation, the operating companies within the Group were majority owned (directly or indirectly) by ENRC Kazakhstan Holding B.V. (whose shareholders were ENRC Kazakhstan B.V. and Bracewood Investment B.V., and whose ultimate beneficial owners at such date were the Founders and Mr. Vladimir Kim). The Government of the Republic of Kazakhstan, as represented by the Committee, also held significant shareholdings in each of the joint stock companies of Kazchrome, SSGPO and EEC.
- 3.3 The ensuing Reorganisation, which was completed on 19 December 2006, involved the pooling of the interests of the Committee in such joint stock companies, each existing as part of the Group, with those of ENRC Kazakhstan Holding B.V., a company with its corporate seat in Amsterdam. A summary of the Reorganisation is set out in paragraphs 3.5 to 3.16 below.
- 3.4 Further to the Reorganisation, the Company transferred its entire shareholding in ENRC NV to ENRC Limited in return for all of the issued share capital in ENRC Limited on 1 March 2007. On 18 April 2007, ENRC Limited underwent a reduction of share capital to enable future declarations of dividends. A summary of the share transfer and reduction of capital are set out in paragraphs 3.17 to 3.20.

Formation of ENRC NV

- 3.5 On 24 November 2006, ENRC NV was incorporated with an authorised share capital of EUR 225,000 and an issued and paid up share capital of EUR 45,000. The issued and paid up share capital was divided into 45,000 shares of EUR 1.00 each, all of which were held by ENRC Kazakhstan Holding B.V.
- 3.6 On 4 December 2006, the 45,000 shares with a par value of EUR 1.00 each, referred to in paragraph 3.5, were subdivided into 4,500,000 shares of EUR 0.01 each by means of an amendment to the articles of association of ENRC NV.

Consolidation of subsidiaries

- 3.7 On 18 December 2006, ENRC Kazakhstan B.V. contributed its shareholdings in ENRC Logistics LLP (99.76%) and Energo Resources LLP (100%) to ENRC Kazakhstan Holding B.V.

Transfer of interests to ENRC NV

- 3.8 On 19 December 2006:
- (a) Eurasian Aluminium Holding B.V. ("EAH") contributed its interests in various Group companies (the "EAH Shares") to ENRC NV in the name and on behalf of ENRC Kazakhstan Holding B.V.;
 - (b) ENRC Kazakhstan Holding B.V. contributed its interests in various Group companies (the "Holding Initial Contribution Assets") to ENRC NV;
 - (c) ENRC Kazakhstan Holding B.V. transferred its interest in ENRC Leasing B.V. to ENRC NV; and
 - (d) The Committee transferred its interests in various Group companies (the "Committee Initial Contribution Assets") to ENRC NV in consideration for the issue of 1,489,259 shares of EURO.01 each in ENRC NV.

Therefore, as at 19 December 2006, ENRC Kazakhstan Holding B.V. and the Committee were the sole two shareholders in ENRC NV, with ENRC NV holding each of the EAH Shares, the Holding Initial Contribution Assets and the Committee Initial Contribution Assets.

Description of interests transferred to ENRC NV

- 3.9 The EAH Shares consisted of:
- (a) 2,050,329 shares with National Identity Number KZ1C04180010 and 649,122 shares with National Identity Number KZ1P04180116 in the share capital of Kazchrome, representing 34.1552% of the share capital;
 - (b) 143,296 shares with National Identity Number KZ1P14340114 in the share capital of EEC, representing 5.0823% of the share capital;
 - (c) 1,555,279 shares with National Identity Number KZ1C10970016 and 522,098 shares with National Identity Number KZ1P10970112 in the share capital of SSGPO, representing 31.957% of the share capital; and
 - (d) 14,937,323 shares with National Identity Number KZ1C02900013 and 4,303,350 shares with National Identity Number KZ1P02900515 in the share capital of Aluminium of Kazakhstan, representing 32.957% of the share capital.
- 3.10 The Holding Initial Contribution Assets consisted of:
- (a) 2,585,767 shares with National Identity Number KZ1C04180010 and 4,038 units with National Identity Number KZ1P04180116 in the share capital of Kazchrome, representing 32.7679% of the share capital;
 - (b) 1,917,350 shares with National Identity Number KZ1C14340018 and 2,687 shares with National Identity Number KZ1P14340114 in the share capital of EEC, representing 68.0978% of the share capital;
 - (c) 1,727,221 shares with National Identity Number KZ1C10970016 and 7,275 shares with National Identity Number KZ1P10970112 in the share capital of SSGPO, representing 26.6845% of the share capital;
 - (d) 18,433,925 shares with National Identity Number KZ1C02900013 and 153,836 shares with National Identity Number KZ1P02900515 in the share capital of Aluminium of Kazakhstan, representing 31.8567% of the share capital;
 - (e) 3,757,460 ordinary shares and 3,602 preference shares in the share capital of Zhairam, representing 99.8384% of the share capital;

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- (f) 10,000 shares in the share capital of Corica AG, representing 100% of the share capital;
 - (g) 100 shares in the share capital of ENRC Alumina AG, representing 100% of the share capital;
 - (h) 500 shares in the share capital of ENRC Marketing, representing 100% of the share capital;
 - (i) 200 shares in the share capital of ENRC Iron AG, representing 100% of the share capital;
 - (j) 300 shares in the share capital of ENRC Technik AG, representing 100% of the share capital;
 - (k) 1,000 shares in the share capital of ENRC Services Limited, representing 100% of the share capital;
 - (l) 99.76% of the authorised capital of 266,402,440 KZT of "Eurasia" Limited Liability Partnership;
 - (m) 100% of the share capital of ENRC Marketing Kazakhstan LLP; and
 - (n) 200 shares in the share capital of ENRC Leasing B.V., representing 100% of the share capital.
- 3.11 The Committee Initial Contribution Assets consisted of:
- (a) 2,479,680 shares in the share capital of Kazchrome, representing 31.3745% of the share capital;
 - (b) 710,225 shares in the share capital of EEC, representing 25.1895% of the share capital; and
 - (c) 2,567,500 shares in the share capital of SSGPO, representing 39.5000% of the share capital.

Transfer of interests to the Company

- 3.12 On 19 December 2006, ENRC Kazakhstan Holding B.V. and the Committee transferred each of their entire respective shareholdings in ENRC NV to the Company.
- 3.13 The consideration for the transfer of ENRC Kazakhstan Holding B.V.'s shares in ENRC NV to the Company was (i) the issuance by the Company of 15,026,900 ordinary shares of US\$10.00 each in the capital of the Company credited as fully paid up; and (ii) a loan note in the amount of US\$751,345,000.
- 3.14 The consideration for the transfer of the Committee's shares in ENRC NV to the Company was (i) the issuance by the Company of 4,973,100 ordinary shares of US\$10.00 each in the capital of the Company credited as fully paid up; and (ii) a loan note in the amount of US\$248,655,000.
- 3.15 The resulting additional capital in the Company aggregated to US\$200,000,000.
- 3.16 In addition, the interests of Jeremy Neads and Beat Ehrensberger in the initial capital of the Company (of £50,000 taken together) were simultaneously transferred to the Committee, following which such shares were immediately re-designated as one Special Share of nominal value £50,000, with such share having particular rights as set out in the restated articles of association of the Company, adopted as of 19 December 2006.

Transfer of ENRC NV by the Company to ENRC Limited

- 3.17 On 1 March 2007, the Company transferred its entire shareholding in ENRC NV to ENRC Limited, a private limited company, newly incorporated in England as a direct subsidiary of the Company on 12 January 2007 with registered number 6050675.
- 3.18 The consideration for the transfer of the Company's shares in ENRC NV to ENRC Limited was the issuance by ENRC Limited of 249,999,999 ordinary shares of US\$10.00 each in the capital

of ENRC Limited, credited as fully paid up. The resulting issued share capital of ENRC Limited was US\$2,500,000,000.

Reduction of Share Capital of ENRC Limited

- 3.19 On 18 April 2007, a petition was heard at HMCS Companies Court, London, to approve the reduction in share capital of ENRC Limited (pursuant to Section 135 of the 1985 Act), by cancelling and extinguishing paid up capital of ENRC Limited to the extent of US\$9.99 on each issued ordinary share of US\$10.00, thereby reducing the nominal value of each such share from US\$10.00 to US\$0.01.
- 3.20 The reduction being so approved, the capital of ENRC Limited was accordingly reduced from US\$2,500,000,000 to US\$2,500,000. An amount equal to the reduction was credited to ENRC Limited's profit and loss account, giving rise to significant positive balance on such account from which future dividends could now be declared. On 12 September 2007, ENRC Limited declared a dividend of US\$1 billion to the Company and it is expected that this amount will be paid to the Company shortly after Admission.

4. Share Capital

- 4.1 The authorised and issued share capital of the Company as at 6 December 2007 (which is the latest practicable date prior to the publication of this Prospectus) (assuming redemption of the Special Share and the issue of the 10 million shares referred to in paragraph 4.19) was as follows:

	As at the date of this Prospectus	
	Number of Existing Ordinary Shares	Nominal Value US\$
Authorised share capital	2,000,000,000	400,000,000
Issued and fully paid up share capital	1,010,000,000	202,000,000

- 4.2 The authorised and issued share capital of the Company immediately following Admission (assuming that the Over-allotment Option is exercised in full and that the Special Share is redeemed upon or prior to Admission) will be as follows:

	Immediately following Admission	
	Number of Existing Ordinary Shares	Nominal Value US\$
Authorised share capital	2,000,000,000	400,000,000
Issued and fully paid up share capital	1,287,750,000	257,550,000

- 4.3 On incorporation, the authorised share capital of the Company was £50,000. Two initial subscriber shares (two ordinary shares of £1.00 nominal value each, nil paid) were held one each by Instant Companies Limited and Swift Incorporations Limited (pursuant to a shelf company purchase). Such shares were immediately transferred to Jeremy Neads and Beat Ehrensberger, each holding one ordinary share.
- 4.4 On 14 December 2006, Jeremy Neads was further allotted 49,998 non-cumulative redeemable preference shares of £1 nominal value each, paid-up as to one quarter, at no share premium.
- 4.5 On 19 December 2006, the entire interest of Jeremy Neads and Beat Ehrensberger, aggregating to nominal capital value of £50,000, was transferred to the Committee. The existing non-cumulative redeemable preference shares were redesignated, pursuant to Section 122 of the Act, as 49,998 ordinary shares of nominal value £1.00 each. Immediately thereafter, the aggregated 50,000 ordinary shares held by the Committee, were themselves re-designated, pursuant to Section 122, into one Special Share of nominal value £50,000,

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with such preferential rights as set out in the articles of association adopted on 19 December 2006. The Special Share will be redeemed at par on Admission.

- 4.6 Also on 19 December 2006, the Company increased its authorised share capital by US\$200,000,000 divided into 20,000,000 ordinary shares of US\$10.00 each. Pursuant to a written directors' resolution passed on the same date, 4,973,100 ordinary shares were allotted to the Committee and 15,026,900 ordinary shares were allotted to ENRC Kazakhstan Holding B.V.
- 4.7 By resolutions passed on 8 November 2007 (*inter alia*):
- (a) each ordinary share of US\$10 was subdivided into 50 shares of US\$0.20 each;
 - (b) the authorised share capital of US\$200,000,000 was increased by US\$200,000,000 to US\$400,000,000, divided into 2,000,000,000 Ordinary Shares by the creation of 1,000,000,000 new Ordinary Shares;
 - (c) the Directors were generally and unconditionally authorised in accordance with section 80 of the 1985 Act to allot relevant securities (as defined in section 80(2) of the 1985 Act) in connection with the Global Offer and generally up to an aggregate nominal amount equal to one third of the aggregate nominal amount of the Enlarged Share Capital (subject always to an aggregate maximum of up to an aggregate nominal amount of US\$200,000,000), such authority to expire on the earlier of the date falling 15 months from the passing of the resolution and the conclusion of the annual general meeting to be held in 2008; and
 - (d) the Directors were empowered to allot equity securities (as defined in section 94(2) of the 1985 Act) (i) pursuant to the Global Offer, (ii) in respect of rights issues and other pre-emptive offerings and (iii) an aggregate nominal amount equal to 5% of the aggregate nominal amount of the Enlarged Share Capital, as if section 89(1) of the 1985 Act did not apply to such allotment, in the period ending on the earlier of the date falling 15 months after the date of the passing of the resolutions and the conclusion of the annual general meeting of the Company to be held in 2008.
- 4.8 All Ordinary Shares (including the New Ordinary Shares) are or will be eligible for settlement within CREST.
- 4.9 The Ordinary Shares are issued in registered form and will be capable of being held in uncertificated form. The Company's share register is maintained by Computershare Investor Services plc. No temporary documents of title have been or will be issued. Applications have been made for the Ordinary Shares issued and to be issued pursuant to the Global Offer to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities and no application has been or is being made for their admission to listing or trading on any other stock exchange or securities market.
- 4.10 The provisions of section 89(1) of the 1985 Act, which, to the extent not disapplied pursuant to section 95 of the 1985 Act, confer on shareholders' rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash, apply to the authorised but unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraph 4.7 above.
- 4.11 Save as disclosed in this paragraph 4, and paragraphs 3 (Reorganisation and formation of the Group) and 15 (Material Contracts), since the formation of the Company:
- (a) there has been no change in the amount of the issued share or loan capital of the Company and no material change in the amount of the issued share or loan capital of any of its subsidiaries other than intra-group issues by wholly-owned subsidiaries and pro rata issues by partly owned subsidiaries; and
 - (b) no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries in connection with the issue or sale of any share capital of the Company or any of its subsidiaries.

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- 4.12 Save as disclosed in paragraphs 8 (Directors' and other relevant interests in the share capital of the Company) and 13 (Employee Share Incentives), no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option other than pursuant to the Over-allotment Option.
- 4.13 Save as disclosed in this paragraph 4 and in paragraph 3 (Reorganisation and formation of the Group) and pursuant to the Global Offer, no share or loan capital of the Company has been issued or agreed to be issued or is now proposed to be issued fully or partly paid for cash or any other consideration.
- 4.14 The Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital. For the avoidance of doubt, subscribers or purchasers of New Ordinary Shares will not be entitled to participate in the pre-IPO dividend referred to on page 35.
- 4.15 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises, and there are no arrangements in place whereby future dividends are waived or agreed to be waived.
- 4.16 The Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company nor are any proposed to be issued.
- 4.17 Ordinary and preference shares of AoK and Kazchrome were admitted to trading on the Kazakhstan Stock Exchange ("KASE") and listed on the official list of securities category "B" until 2 December 2007 when they were delisted. Ordinary shares of SSGPO are included in the non-listing room of the KASE. Corporate bonds issued by Zhairam and Kazchrome are admitted to trading on the KASE but the Company is seeking to apply for delisting of the Kazchrome bonds. The Company may also seek a dual listing for the Ordinary Shares on the KASE at an appropriate time in the future.
- 4.18 Assuming that 252,500,000 Ordinary Shares are issued pursuant to the Global Offer, the percentage shareholdings of the existing shareholders will be diluted by 20.0%.
- 4.19 The Company has agreed to issue 10 million shares in aggregate to certain directors, employees and consultants on or prior to Admission. Of these, 7,975,000 shares will be issued pursuant to the IPO Plan described in paragraph 13, 375,000 Ordinary Shares will be issued pursuant to Sir David Cooksey's letter of appointment described in paragraph 9 and the balance will be issued to certain consultants to the Company.

5. Subsidiary Undertakings and Investments

5.1 The Company has the following significant subsidiary undertakings:

Name of Company	Country of Incorporation	Principal Activity	Proportion of ownership interest
Aluminium of Kazakhstan	Kazakhstan	Mining and production	96.60% ⁽¹⁾
Corica AG	Switzerland	Holding company	100%
ENRC Marketing Kazakhstan LLP	Kazakhstan	Wholesale and retail trade	100%
ENRC NV	Netherlands	Holding company	100%
ENRC Management (UK) Limited	UK	Services company	100%
ENRC Limited	UK	Treasury company	100%
ENRC Leasing B.V.	Netherlands	Sales and marketing	100%
ENRC Marketing AG	Switzerland	Sales and marketing	100%
EEC	Kazakhstan	Production of electricity and coal mining	98.41% ⁽²⁾
ENRC Logistics LLP	Kazakhstan	Transportation	100%
Kazakhstan Aluminium Smelter JSC	Kazakhstan	Processing of aluminium	100%
SSGPO	Kazakhstan	Mining and production	98.15% ⁽²⁾
TNC Kazchrome JSC	Kazakhstan	Mining and production	98.30%
Zhairem	Kazakhstan	Mining and production	99.84% ⁽²⁾
Company Zhol zhondeushi LLP ⁽³⁾	Kazakhstan	Transportation	100%
Transystem International Forwarding Company	Kazakhstan	Transportation	100%
TransCom LLP	Kazakhstan	Transportation	100%
Transremvagon LLP	Kazakhstan	Transportation	100%
Remput Ltd. LLP	Kazakhstan	Transportation	100%
Universal Service LLP	Kazakhstan	Transportation	100%
RemZholService LLP	Kazakhstan	Transportation	100%

(1) Assuming the acquisition of an interest of 31.76% from the Committee pursuant to the AoK SPA summarised in paragraph 15(f) of this Part XIII.

(2) The Company owns (directly or indirectly) 100% of the issued ordinary share capital. The minority shareholders hold non-voting preference shares.

(3) On 9 April 2007 RemPut LLP was merged into Zhol zhondeushi LLP.

6. Memorandum and Articles of Association

6.1 The Memorandum of Association of the Company provides that the Company's principal objects are to carry on business as a general commercial company, to act as a holding company and to do all such other things as may be considered incidental or ancillary thereto. The objects of the Company are set out in full in clause 4 of its Memorandum of Association, which is available for inspection at the address specified in paragraph 25 of this Part XIII.

The Articles of the Company, which were adopted by special resolution passed on 8 November 2007 (conditionally upon Admission), contain provisions, *inter alia*, to the following effect:

Voting rights

Subject to any rights or restrictions for the time being attached to any shares and to disenfranchisement of a member in respect of shares in the event of non-payment of calls or other sums due and payable in respect of any shares, or in the event of non-compliance with a statutory notice served pursuant to the Acts requiring disclosure as to beneficial ownership in shares, every member present in person or a corporation represented by a duly authorised representative (not being himself a member) has one vote on a show of hands. On a poll every member present or a corporation represented as aforesaid has one vote for each share of which he is the holder.

Major shareholders and disclosure of interests in shares

Nothing in the Articles confers on major shareholders any voting rights which are different from those conferred on the holders of Ordinary Shares as described in the paragraph above (*Voting Rights*).

The provisions of chapter 5 of the Disclosure and Transparency Rules shall apply to the Company.

Pursuant to chapter 5 of the Disclosure and Transparency Rules, any person acquiring an interest of 3 per cent. or more of the issued Ordinary Shares must disclose such holding to the Company. As provided by chapter 5, a person has a notifiable interest in the share capital of the Company when he has a direct or indirect interest in holdings of 3 per cent. or more of the issuer's total voting rights and capital in issue, or holds financial instruments which formally entitle him to acquire 3 per cent. or more of the issuer's total voting rights and capital in issue.

Where notice is served by the Company in accordance with section 793 of the 2006 Act as incorporated into the Articles (a "Section 793 notice") on a member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "default shares") to give the Company the information required within 14 days following the date of service of the Section 793 notice, whereupon the following sanctions apply, unless the board otherwise decides.

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and
- (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
 - (i) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it; and
 - (ii) no transfer of any of the default shares shall be registered unless the transfer is an excepted transfer (e.g. a transfer pursuant to a takeover offer for the Company) or the member is not himself in default in supplying the information required and the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or registration of the transfer is required by any relevant system.

Where the sanctions in (i) above apply in relation to any shares they shall cease to have effect and any dividends withheld under (ii) shall become payable if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred or at the end of the period of seven days following receipt by the Company of the information required by the notice and the board being fully satisfied that such information is full and complete.

General meetings

An annual general meeting shall be held once a year.

Subject to a member's right to requisition an extraordinary general meeting pursuant to any applicable provision of the Acts, general meetings of the Company are convened at the discretion of the Board, and, with the exception of the annual general meeting, all such general meetings of the Company shall be extraordinary general meetings.

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (except as provided by statute) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing. Any other extraordinary general meeting shall be called by at least 14 clear days'

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notice to the Company. Notice may be via a website where the member agrees and is informed that the notice has been published on the website, the address of which is known to him. Notice shall be given to all members and the Directors.

Every notice calling a general meeting shall specify the place, day and hour of the meeting. Every notice must include a reasonably prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

Changes in capital

The Company may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, or sub-divide all or any of its shares into shares of a smaller amount.

The Company may by ordinary resolution cancel any shares which have not been taken (or are subject to agreement to take) and diminish the amount of its share capital by the nominal amount of the shares so cancelled.

The Company may, subject to the provisions of the Acts, by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any way.

Purchase of own shares

Subject to and in accordance with the applicable provisions of the Acts, the Company may purchase any of its own shares (including redeemable shares) of any class in any way. Any shares to be so purchased may be selected on any basis and in any manner whatsoever.

Variation of rights

The rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated with the consent in writing of the holders of three-fourths in nominal amount of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

Transfer of shares

Shares may be transferred by an instrument in writing in any usual form or in any other form approved by the Board. The Board may in its absolute discretion and without giving any reason decline to register a transfer of a share which is:

- (a) not fully paid or on which the Company has a lien; provided that, where any such share is listed on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis; or
- (b) not lodged and duly stamped at the registered office or another place determined by the Board; or
- (c) not accompanied by documents reasonably required by the Board to show the right of the transferor to make the transfer; or
- (d) in respect of more than one class of share; or
- (e) in favour of a single transferee or renounee, a transfer to more than four transferees or renounees.

Dividends and other distributions

Subject to the Acts and the Articles (together the "Statutes"), the Company may by ordinary resolution declare dividends in accordance with the respective rights of members but no

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dividend shall exceed the amount recommended by the Board. If, in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may pay fixed dividends payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates, and from time to time pay interim dividends to the holders of any class of shares. Subject to any special rights attaching to or terms of issue of any shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid (excluding amounts paid up in advance of a call).

The Company may, upon the recommendation of the Board, by ordinary resolution, direct payment of a dividend wholly or partly by the distribution of specific assets.

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Acts.

All dividends unclaimed may be invested or otherwise used at the Board's discretion for the benefit of the Company until claimed and all dividends unclaimed after a period of 12 years from the date when such dividend became due for payment shall be forfeited and shall revert to the Company.

The Board may, if so authorised by ordinary resolution, offer Shareholders in respect of any dividend the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash.

The Company may cease to send any cheque or warrant through the post or may stop the transfer of any sum by any bank or other sums transfer system for any dividend payable if, in respect of at least two consecutive dividends, the cheques or warrants have been returned undelivered or remain uncashed or the transfer has failed or, in respect of one dividend, the cheques or warrants have been returned undelivered or remain uncashed or the transfer has failed and reasonable enquiries made by the Company have failed to establish any new address of the holder.

The Company or the directors may specify a "record date" on which persons registered as the holders of shares shall be entitled to receipt of any dividend.

Distribution of assets on a winding up

On a winding up, the liquidator may on obtaining any sanction required by the Acts divide among the Company's members in kind the whole or any part of the assets of the Company and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may not distribute to a member without his consent, an asset to which there is attached a liability or potential liability.

Pre-emption rights

Pursuant to the 1985 Act, unless otherwise provided by a special resolution of the Company, the Company may not allot any of the authorised but unissued Ordinary Shares of the Company unless the shares are to be allotted wholly or partly paid up otherwise than in cash or unless the Company has followed the procedure laid down by section 89(1) of the 1985 Act. Pursuant to this procedure, before agreeing to allot any Ordinary Shares to persons who are not Existing Shareholders, the Company must make an offer in writing to each existing holder of Ordinary Shares to allot to him on the same or more favourable terms a proportion of the shares to be allotted pro rata to his existing holding. The offer must be sent to his registered address in the United Kingdom or to the address in the United Kingdom supplied by him to the Company for the giving of notice to him. The offer must state the period of not less than 21 days during which the offer may be accepted; and the offer shall not be withdrawn before the end of that period. Only after the period during which the offer may be accepted has expired or after the Company has received notice of the acceptance or refusal of every offer so made, may it allot the shares which are the subject of the offer to a person other than the offeree.

Right to certificates

Subject to the Acts, the requirements of (to the extent applicable) the Listing Rules and/or the London Stock Exchange, and the Articles, every person (except any person in respect of whom the Company is not required by the Acts to complete and have ready for delivery a share certificate), upon becoming the holder of a certificated share is entitled, without charge, to one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares, unless the terms of issue of the shares provide otherwise.

Where a member (other than a person in respect of whom the Company is not required by the Acts to complete and have ready for delivery a share certificate) transfers part of his shares comprised in a certificate he shall be entitled, without charge, to one certificate for the balance of certificated shares retained by him.

The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons. Delivery of a certificate to one joint holder shall be sufficient delivery to all joint holders.

A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under the Seal, which may be affixed to or printed on it, or in such other manner as the Board may approve, having regard to the terms of issue and the requirements of (to the extent applicable) the Listing Rules and/or the London Stock Exchange.

Uncertificated shares

The Board may resolve that a class of shares is to become, or is to cease to be, a participating security (as defined in the Articles).

Shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence of such shares being held in certificated or uncertificated form or of any provision in the Articles or the uncertificated securities regulations (as defined in the Articles) applying only to certificated shares or to uncertificated shares.

Any share of a class which is a participating security may be changed from an uncertificated share to a certificated share and from a certificated share to an uncertificated share in accordance with the uncertificated securities regulations.

The Articles apply to uncertificated shares of a class which is a participating security only to the extent that the Articles are consistent with the holding of such shares in uncertificated form, with the transfer of title to such shares by means of the uncertificated system and with the uncertificated securities regulations.

The Board may lay down regulations not included in the Articles which (in addition to or in substitution for any provisions in the Articles):

- (i) apply to the issue, holding or transfer of uncertificated shares;
- (ii) set out (where appropriate) the procedures for conversion and/or redemption of uncertificated shares; and/or
- (iii) the Board considers necessary or appropriate to ensure that these Articles are consistent with the uncertificated securities regulations and/or the Operator's rules and practices.

For any purpose under the Articles, the Company may treat a member's holding of uncertificated shares and of certificated shares of the same class as if they were separate holdings, unless the Board otherwise decides.

The Board may take such steps (subject to the uncertificated securities regulations and to such rules and practices) as may be required or appropriate, by instruction by means of the uncertificated system (CREST) or otherwise, to effect such disposal, forfeiture, enforcement

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or sale of any shares of a class which is a participating security and that is held in uncertificated form including (without limitation):

- (i) requesting or requiring the deletion of any computer-based entries in the uncertificated system relating to the holding of such shares in uncertificated form;
- (ii) altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer;
- (iii) requiring any holder of such shares, by notice in writing to him, to change his holding of such uncertificated shares into certificated form within any specified period;
- (iv) requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company;
- (v) otherwise rectify or change the register of members in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the register of members as the next holder of such shares); and/or
- (vi) appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from uncertificated form to certificated form and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder).

Untraced shareholders

Subject to the Acts, the Company may sell any shares in the Company registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale may either be employed in the business of the Company or invested in whatever investments as the Board sees fit, in either case at the discretion of the Board. The proceeds will not carry interest.

Non-United Kingdom shareholders

There are no limitations in the Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, if a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him, or an address to which notices may be given by electronic communication, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company.

Appointment of Directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by an ordinary resolution of the Company or by the Board. A Director appointed by the Board holds office only until the next following annual general meeting and, if not re-appointed at such annual general meeting, shall vacate office at its conclusion.

Removal of Directors by ordinary resolution

The Company may by ordinary resolution remove a Director before the expiry of his period of office and may appoint another person who is willing to act to be a Director in his place.

No share qualification

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

Retirement of Directors by rotation

At every annual general meeting, a minimum of one-third of the Directors, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office. The Directors to retire by rotation shall be first, any Director who wishes to retire and not offer himself for re-election and secondly, those Directors who have been longest in office since their last appointment or re-appointment, or in the case of those who were appointed or re-appointed on the same day, will be (unless they otherwise agree) determined by lot. A retiring Director shall be eligible for re-election.

Remuneration of Directors

The remuneration of a Director holding executive office in accordance with the Articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the Board. This may be in addition to or instead of a fee payable to him for his services as a Director.

The ordinary remuneration of the Directors for their services (excluding amounts payable under any other provision of these Articles) shall not exceed in aggregate £3 million per annum or such higher amount as the Company may from time-to-time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. In addition, any Director who performs special services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of additional fee, salary, commission or otherwise as the Board may determine.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties, including any professional fees incurred by them in taking independent professional advice in connection with the discharge of such duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family or any person who is or was dependent on him. The Board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums.

Permitted interests of Directors

Subject to the provisions of the Acts, and provided that he has disclosed to the Board the nature and extent of any material interests, a Director, notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration and otherwise as the Board may arrange in addition to or in lieu of any remuneration provided for by the Articles;
- (c) may be a director or other officer of, or employed by or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Restrictions on voting

A Director shall not vote on any resolution of the Board concerning a matter in which he has an interest which (together with any interest of any person connected with him) is to his knowledge material, but these prohibitions shall not apply to:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a resolution concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, Shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest representing 1% or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances);
- (e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (f) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

Indemnity of officers

Subject to the provisions of the Acts but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director and alternate Director shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Borrowing powers

Subject to the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security, for any debt liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure (as regards subsidiary undertakings, to the extent possible by such exercise) that the aggregate principal amount outstanding in respect of monies borrowed by Group Undertakings does not at any time, without the previous sanction of an ordinary resolution, exceed a sum equal to four times the adjusted capital (as defined in the Articles) and reserves.

7. Property, Plant and Equipment

7.1 The Group's material existing tangible fixed assets, other than its mines, the licence and contract terms of which are summarised in Part II and the MER, are summarised below:

The Ferroalloy Division

Location	Assets	Ownership basis
Aksu Plant, Pavlodar Province	Land	Approximately 67% of units owned, with the remainder leased
	Buildings/Premises	All units owned
	Plant/Equipment	All units owned
	Trucks/Excavators	All units owned
Aktobe Plant, Aktobe Province	Land	All units owned
	Buildings/Premises	Approximately 96% of units owned
	Plant/Equipment	Approximately 98% of units owned
	Trucks/Excavators	All units owned
Karaganda, Karaganda Province	Land	Approximately 66% of units leased
	Buildings/Premises	All units owned
	Plant/Equipment	All units owned
	Trucks/Excavators	All units owned
Donskoy, Aktobe Province	Land	Almost all units owned ⁽¹⁾
	Buildings/Premises	Almost all units owned ⁽²⁾
	Plant/Equipment	Approximately 98% of units owned
	Trucks/Excavators	All units owned
Zhairem, Karaganda Province	Land	All units owned
	Buildings/Premises	Almost all units owned* ⁽³⁾
	Plant/Equipment	All units owned
	Trucks/Excavators	All units owned*

* Security has been granted over these assets.

(1) Less than 1% of units leased.

(2) Less than 1% of units leased.

(3) Less than 1% of units leased.

The Iron Ore Division

Location	Assets	Ownership basis
Rudni, Kostanay Province	Land	All units leased
	Buildings/Premises	All units owned
	Plant/Equipment	All units owned
	Trucks/Excavators	Almost all units owned ⁽¹⁾

(1) Less than 1% of units leased.

The Alumina and Aluminium Division

Location	Assets	Ownership basis
Pavlodar Alumina Refinery, Pavlodar Province	Land Buildings/Premises Trucks/Excavators	All units leased* All units owned* All units owned
Keregetas branch, Pavlodar Province	Land Buildings/Premises Trucks/Excavators	Unit leased* All units owned All units owned
Krasno—Oktyabrskoye bauxite ore branch, City of Lisakovsk, Kostanay Province	Land Buildings/Premises Trucks/Excavators	All units leased* All units owned All units owned
Torgay bauxite ore branch, City of Arkalyk, Kostanay Province	Land Buildings/Premises Trucks/Excavators	All units leased* All units owned All units owned
Aluminium Smelter under construction, Kostanay Province	Land Buildings/Premises Plant/Equipment Trucks/Excavators	Approximately 50% owned Approximately 50% owned Almost all units owned ⁽¹⁾ Approximately 93% of units owned

* Security has been granted over these assets.

(1) Less than 1% of units leased.

The Energy Division

Location	Assets	Ownership basis
Vostochny Coal Mine, Kibastuz City, Pavlodar Province	Land Buildings/Premises Plant/Equipment Trucks/Excavators	Approximately 66% of units leased All units owned All units owned* Almost all units owned ⁽¹⁾
Power station, Aksu City, Pavlodar Province	Land Buildings/Premises Plant/Equipment Trucks/Excavators	Approximately 50% owned All units owned All units owned* All units owned

* Security has been granted over these assets.

(1) One excavator leased.

The Logistics Division

Assets	Ownership basis
Land	Almost all units owned* ⁽¹⁾
Buildings/Premises	Almost all units owned* ⁽²⁾
Plant/Equipment	All units owned*
Trucks/Excavators/Automobiles/Wagons/Platforms	All units owned*

* Security has been granted over these assets.

(1) One unit leased.

(2) One unit leased.

8. Directors' and other relevant interests in the share capital of the Company

- 8.1 The Directors and the Senior Managers, their functions within the Company and their biographies are set out in "Part VIII: Directors, Senior Managers and corporate governance".
- 8.2 Each of the Directors and Senior Managers can be contacted at the Company's principal place of business at 16 St. James's Street, London SW1A 1ER.

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- 8.3 As at 6 December 2007 (the latest practicable business day prior to the date of this Prospectus), insofar as known to the Company, the interests of the Directors, Senior Managers, their immediate families and those of any connected person (within the meaning of the provisions of the Disclosure and Transparency Rules), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director or Senior Manager whether or not held through another party, in the share capital of the Company together with any options in respect of such capital were as follows:

Director	Number of Ordinary Shares ⁽¹⁾	Percentage of Issued Share Capital	Options
Dr. Johannes Sittard	1,850,000 ⁽²⁾	0.2%	—
Mr. Miguel Perry	600,000 ⁽²⁾	0.1%	—
Sir David Cooksey	375,000 ⁽³⁾	0.0%	—
Mr. Gerhard Ammann	—	—	—
Mr. Mehmet Dalman	—	—	—
Mr. Michael Eggleton	—	—	—
Sir Paul Judge	—	—	—
Mr. Kenneth Olisa	—	—	—
Sir Richard Sykes	—	—	—
Mr. Roderick Thomson	—	—	—
Mr. Eduard Utepov ⁽⁵⁾	—	—	—
Mr. Abdraman Yedilbayev ⁽⁴⁾	—	—	—
Mr. Daulet Yergozhin ⁽⁵⁾	—	—	—
<i>Senior Managers</i>			
Mr. Felix Vulis	700,000 ⁽²⁾	0.1%	—
Mr. Jim Cochrane	750,000 ⁽²⁾	0.1%	—

(1) Including the 10 million shares referred to in paragraph 4.19.

(2) These shares were issued pursuant to share awards granted under the IPO Plan described in paragraph 13.2.

(3) In connection with his appointment as Chairman, the Company has agreed to issue Sir David Cooksey these 375,000 Ordinary Shares on the earlier of (i) obtaining any necessary consents from existing shareholders and (ii) Admission. 92,592 of these Ordinary Shares will be issued to Advent Ltd. Pension Fund.

(4) Mr. Abdraman Yedilbayev is the appointed representative of Mr. Alijan Ibragimov who is the registered and beneficial owner of 187,836,250 Ordinary Shares.

(5) Mr. Eduard Utepov and Mr. Daulet Yergozhin are the appointed representatives of the Committee which is the registered and beneficial owner of 248,655,000 Ordinary Shares.

- 8.4 Immediately following Admission, the interests of the Directors, Senior Managers, their immediate families and those of any connected person (within the meaning of the provisions of the Disclosure and Transparency Rules), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director or Senior Manager whether or not held

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through another party, in the share capital of the Company together with any options in respect of such capital, were as follows (assuming no exercise of the Over-allotment Option):

Director	Number of Ordinary Shares	Percentage of Issued Share Capital	Options
Dr. Johannes Sittard	1,850,000 ⁽¹⁾	0.15%	—
Mr. Miguel Perry	601,851 ⁽¹⁾	0.05%	—
Sir David Cooksey	560,185 ⁽²⁾	0.04%	—
Mr. Gerhard Ammann	22,222	0.00%	—
Mr. Mehmet Dalman	92,592	0.01%	—
Mr. Michael Eggleton	—	—	—
Sir Paul Judge	—	—	—
Mr. Kenneth Olisa	—	—	—
Sir Richard Sykes	18,518	0.00%	—
Mr. Roderick Thomson	—	—	—
Mr. Eduard Utepov ⁽⁴⁾	—	—	—
Mr. Abdraman Yedilbayev ⁽³⁾	—	—	—
Mr. Daulet Yergozhin ⁽⁴⁾	—	—	—
<i>Senior Managers</i>			
Mr. Felix Vulis	700,000 ⁽¹⁾	0.06%	—
Mr. Jim Cochrane	758,333 ⁽¹⁾	0.06%	—

(1) These shares were issued pursuant to share awards granted under the IPO Plan described in paragraph 13.2 (other than 1,851 of the shares held by Mr. Perry and 8,333 of the shares held by Mr. Cochrane).

(2) 375,000 of these shares were issued pursuant to Sir David Cooksey's letter of appointment, as described in paragraph 9.1 of this Part XIII. Of these 375,000 shares, 92,592 shares were issued to Advent Ltd. Pension Fund and the balance were issued to Sir David Cooksey.

(3) Mr. Abdraman Yedilbayev is the appointed representative of Mr. Alijan Ibragimov, who is the registered and beneficial owner of 187,836,250 Ordinary Shares.

(4) Mr. Eduard Utepov and Mr. Daulet Yergozhin are the appointed representatives of the Committee, which is the registered and beneficial owner of 248,655,000 Ordinary Shares.

8.5 Save as disclosed in Parts IX, X and this paragraph 8 and paragraph 9 (Directors and Senior Managers) of this Part XIII:

- no Director (nor any of their connected persons within the Disclosure and Transparency Rules) has any interests, whether beneficial or non-beneficial, in the issued share capital of the Company;
- the Directors are not aware of any person interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company (being a notifiable interest pursuant to section 793 of the 2006 Act);
- the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company;
- no Director has had any interest, direct or indirect, in any assets which, within the period of 2 years immediately preceding the date of this Prospectus, have been or which are proposed to be acquired, disposed of by or leased to the Company or any of its subsidiaries; and
- there are no loans or guarantees outstanding which have been granted or provided by the Company or any of its subsidiaries to or for the benefit of any of the Directors.

9. Directors and Senior Managers

9.1 The Directors have entered into the following service agreements and letters of appointment with the Company:

- a service agreement dated 1 May 2007 between (1) the Company and (2) Dr. Johannes Sittard. Dr. Sittard is employed as the Chief Executive Officer of the Company. Dr. Sittard's appointment is terminable by either party giving to the other no less than 12 months' notice in writing. Dr. Sittard's annual salary is £1.5 million and is reviewed annually with no obligation requiring it to be increased. Dr. Sittard is entitled to receive

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a bonus calculated in accordance with terms set out by the Board. He is entitled to a contractually guaranteed bonus of not less than £1 million pounds in respect of the year ended 31 December 2007. Dr. Sittard has also been awarded a cash award of US\$2,250,000 and share awards over 1,850,000 Ordinary Shares under the IPO Plan described in paragraph 13.2. He is entitled to participate in benefits offered to directors and senior employees (including share option schemes, life assurance, long term disability insurance, accident insurance, private medical insurance and directors' and officers' liability insurance). Dr. Sittard is also entitled to a company car and driver.

If the Company is subject to a change in control, Dr. Sittard is entitled to resign and receive a payment of £8.5 million.

The Company may at any time terminate Dr. Sittard's employment by paying him in lieu of his notice. Dr. Sittard is subject to restrictive covenants which seek to prevent him from soliciting customers or employees and/or competing with the Company's business for six months following termination of his employment;

- (b) a service agreement dated 5 March 2007 between (1) the Company and (2) Mr. Miguel Perry. Mr. Perry is employed as the Chief Financial Officer of the Company. Mr. Perry's appointment is terminable by either party giving to the other no less than 12 months' notice in writing. Mr. Perry's annual salary is £600,000, which is reviewed annually with no obligation requiring it to be increased. Mr. Perry is entitled to receive a potential bonus of up to £400,000 calculated in accordance with terms set out by the Board. Mr. Perry has also been awarded a cash award of US\$800,000 and share awards over 600,000 Ordinary Shares under the IPO Plan described in paragraph 13.2. He is entitled to participate in benefits offered to directors and senior employees (including a long-term incentive plan, share option schemes, life assurance, long term disability insurance, accident insurance, private medical insurance and directors' and officers' liability insurance).

If the Company is subject to a change of control, Mr. Perry is entitled to resign and receive a payment of £3.0 million.

The Company may at any time terminate Mr. Perry's employment by paying him in lieu of his notice. Mr. Perry is subject to restrictive covenants which seek to prevent him from soliciting customers or employees and/or competing with the Company's business for six months following termination of his employment;

- (c) Sir David Cooksey has entered into a letter of appointment with the Company dated 28 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. The letter of appointment relates to the provision of services by him to the Company as the Chairman of the Company with effect from 12 November 2007 and he is entitled to an annual fee of £500,000. In connection with his appointment as Chairman, the Company has agreed to issue Sir David Cooksey 375,000 Ordinary Shares on the earlier of (i) obtaining any necessary consents from existing shareholders and (ii) Admission. Sir David Cooksey will be responsible for settling all taxes payable by him on the receipt of these shares and he has agreed to invest a further £500,000 in acquiring New Ordinary Shares pursuant to the Global Offer;
- (d) Mr. Gerhard Ammann has entered into a letter of appointment with the Company dated 14 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £120,000 that includes a fee of £20,000 for acting as Chairman of the Audit Committee;
- (e) Mr. Mehmet Dalman has entered into a letter of appointment with the Company dated 5 December 2007, the terms of which are effective from Admission, which is subject to

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termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;

- (f) Mr. Michael Eggleton has entered into a letter of appointment with the Company dated 15 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;
- (g) Sir Paul Judge has entered into a letter of appointment with the Company dated 16 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;
- (h) Mr. Kenneth Olisa has entered into a letter of appointment with the Company dated 15 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;
- (i) Sir Richard Sykes has entered into a letter of appointment with the Company dated 4 December 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, which relates to the provision of services by him as senior independent director of the Company, he is entitled to an annual fee of £250,000;
- (j) Mr. Roderick Thomson has entered into a letter of appointment with the Company dated 15 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;
- (k) Mr. Eduard Utepov has entered into a letter of appointment with the Company dated 27 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000;
- (l) Mr. Abdraman Yedilbayev has entered into a letter of appointment with the Company dated 29 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000; and
- (m) Mr. Daulet Yergozhin has entered into a letter of appointment with the Company dated 27 November 2007, the terms of which are effective from Admission, which is subject to termination upon written notice of no less than six months. A sum equivalent to six months of the annual fee is payable in lieu of notice by the Company should it request his resignation as a director with immediate effect. Pursuant to the letter of appointment, he is entitled to an annual fee of £100,000.

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9.2 The Directors and Senior Managers have not held any directorships of any company (other than companies in the Group and companies which are subsidiaries of companies of which the Director or Senior Manager is or was also a director) or partnerships within the last five years, except as set forth below:

Name	Current directorship/partnership	Previous directorships/partnerships
Dr. Johannes Sittard	Alloy 2000 B.V. Cellino Trading B.V. Erida Trading B.V. Kolga Trading B.V. Kermas SA (pty) Ltd Samancor Chrome Ltd. Alferon Limited Alferon Management Limited On Geo (partnership) Feni Industries AD Chambishi Metals PLC Luanshya Copper Mines PLC Metal, Germany NewCo Ferronikeli Complex LLC Kosovo Nickel LLC Chambishi Marketing (Pty) Ltd.	Arduina Holding B.V. Asmare B.V. Bakusteel Co Limited Bateman Eurasia Gas & Oil Company B.V. Brixia Holding B.V. Canopus Investment B.V. Cosena B.V. Dysona Holding B.V. Honeybee Investments B.V. Insparo Investments B.V. Isoda Holding B.V. Izarus Investment B.V. Kherson Holding B.V. Kherson Trading Holding B.V. Kromet B.V. Lava Investments B.V. Metallah Investments B.V. Odin Petroleum Trading Holding B.V. Odin Petroleum N.V. Odin Petroleum Holding B.V. Oterna Holding B.V. Vangelis Holding B.V. Corica AG J&W Holding AG LNM International Ventures Limited Societe Metallurgique de Revigny Trefrileurope GmbH Oxigeno del Balsas, S.A. de C.V. Pena Colorada Servicios, S.A. de C.V. Productor Mexicana De Servicios PMT Servicios Siderurgicos Integrados III Kote, Inc III Tek, Inc Enya Holding B.V. International Mineral Resources B.V. Palazzo Holding B.V. Savodelli B.V. Moreni B.V.
Mr. Miguel Perry	—	PricewaterhouseCoopers A.G.

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Name	Current directorship/partnership	Previous directorships/partnerships
Sir David Cooksey	The Establishment Investment Trust PLC Diamond Light Source Limited Resolution PLC London & Continental Railways Limited Advent Management II Ltd Partnership Advent Management III Ltd Partnership Advent Management IV Ltd Partnership	Bespak PLC Foresight 4 VCT PLC Foresight 3 VCT PLC VCF Fund Managers Limited The Balance Charitable Foundation for Unclaimed Assets Resolution Life Group Limited Advent Investments Limited Advent Venture Partners LLP Advent 2 Fund Managers Limited Advent Management Limited Advent Management II Limited Advent Management III Limited Advent Management IV Limited Advent Nominees Limited Advent Limited Advent Trustee Limited Advent GPIC Limited William Baird plc Baird Group Pension Trustees Limited Bank of England Micropore International Limited Ozone Industries Limited ITouch Plc
Mr. Gerhard Ammann	Welinvest Ltd	Deloitte AG
Mr. Mehmet Dalman	WMG Holdings Limited WMG Limited WMG Funds Limited WMG Services Limited WMG Advisors LLP WMG (Bermuda) Limited WMG General Partner Limited WMG Blixen Fund Limited WMG Blixen Master Fund Limited Tormen Finance Inc. WMG Asia Limited WMG Asian Equity Fund Limited WMG Asian Equity Master Fund WMG Strategic Fund Limited WMG Photography Fund Limited WMG Cyprus Limited WMG Management (Bermuda) Limited Ocero Advisory Limited	Commerzbank AG Deutsche Boerse AG EUREX Zurich AG EUREX Cleaning AG EUREX Frankfurt AG Tosca WMG European Quantitative Fund WMG European Quantitative Master Fund Limited WMG Global Macro Fund Limited WMG Global Macro Master Fund Limited
Mr. Michael Eggleton	Trust Investment Bank Trust Investment London Limited National Bank Trust Management Company Trust Moorgate Capital Shoal Bay West Properties LLC Shoal Bay West Developers LLC	Merrill Lynch (Russia) Credit Suisse First Boston (Russia, Ukraine, Egypt, Cayman, Turkey)
Sir Paul Judge	Schroder Income Growth Fund Plc Oxbridge Capital Limited Enterprise Education Trust St Dunstan's Educational Foundation Digital Links International RSA Adelphi Enterprises Limited The Crown Agents Foundation United Kingdom Accreditation Service Westminster Corporate Finance Limited Standard Bank Group Ltd Standard Bank of South Africa Ltd Tempur-Pedic International Inc. NFTE 2006 Panoramic Lease Limited	Cambridge Technology Management Limited Thirty Club of London, Limited (The) Concourse Communications Ltd Strategy Ventures Limited

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Name	Current directorship/partnership	Previous directorships/partnerships
Mr. Kenneth Olisa	Restoration Limited Fitzwilliam Society Trust Limited Update.com Inc. Case Estates Trading Limited Case Estates Investment Limited Reuters Group Plc Biowisdom Limited Reuters Foundation Restoration Partners Limited Independent Audit Limited Retento Limited Thames Reach Bondway Open Text Peabody Trust	Interregnum Venture Marketing Ltd Datapoint Newco1 Limited uDate.com Limited Interregnum Advisory Partners Interregnum Advisory Partners Ltd Interregnum Plc Link Software
Sir Richard Sykes	Rio Tinto PLC Rio Tinto Ltd Circassia Limited Lonza Group Ltd Metabometrix Limited Omnicyte Limited Healthcare Advisory Group Bio*One Capital Pte Ltd Merlion Pharmaceuticals Pte Ltd Imperial College Healthcare NHS Trust	GlaxoSmithKline PLC Glaxo Wellcome & Co., Inc. Cephalon Holdings Limited The Gregor Mendel Trust Limited Abraxis Bioscience, Inc. The Engineering and Technology Board Leadership for Environment and Development International, Inc.
Mr. Roderick Thompson . . .	—	DFJ ePlanet Ventures
Mr. Eduard Utepov	NK NIT UPDK Agency Khabar	NK Kazakhtelecom NK Kazmortransflot KIMEP AO Kazmunaygaz
Mr. Abdraman Yedilbayev .	Gornoe Buro LLP	Satpayevsk Titanium Mines Limited
Mr. Daulet Yergozhin	AO KIK AO ZSSBK AO KFGIK AO GSKEKI	AO Samruk AO Kazyna AO KazAgro
Mr. Felix Vulis	FJ Vulis Inc Caracol Road Construction B.V. KazspetszmaK LLP Walford Construction Holding NV Cosena B.V. FJV Corporation Ltd OAO Saranovskaya Mine Rwanaya	Insurance Eurasia Senim Pension Fund Asmare B.V. Savodelli B.V.
Mr. Jim Cochrane	Landmark Developments Ltd Ark Joinery Ltd DDK Services Limited OAO Serov Ferrochrome Factory OAO Saranovskaya Mine Rudnaya Alloy 2000 B.V.	Cobalt Development Institute Chambishi Marketing (Pty) Ltd

9.3 Save as disclosed in paragraph 9.4, in the five years preceding the date of this Prospectus, none of the Directors or Senior Managers have:

- (a) received any convictions in relation to fraudulent offences;
- (b) been declared bankrupt or entered into any individual voluntary arrangement;
- (c) been a director with an executive function of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (d) been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

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- (e) had any of his assets the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or
 - (f) been subject to any public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.
- 9.4 Dr. Johannes Sittard was a director of J&W Holding AG, a wholly owned indirect subsidiary of the Company, when it was put into voluntary liquidation on 1 November 2006 as part of an internal group reorganisation.
- 9.5 Mr. Yedilbayev is a representative of one of the Founders and, therefore, has a potential conflict of interest between his duties as a director of the Company and his private interests by virtue of his relationship with the Founders and the beneficial interests held by the Founders in a number of counterparties to historic and ongoing related party arrangements undertaken by the Group (please see the sections headed "Finance Transactions", "Other credit facilities provided by entities controlled by the Founders", "Other credit facilities provided to entities controlled by the Founders", "Sales to entities controlled by the Founders", "Purchases from entities controlled by the Founders", "Shared premises and information systems", "Distributions", "Charitable Donations", "Serov Acquisition", and "The Separation Agreements" of Part X for further details of these related party arrangements).
- Mr. Utepov and Mr. Yergozhin are representatives of the Committee and hold positions within the Kazakh government. As such, they have potential conflicts of interest between their duties as directors of the Company and their interests and duties as members of the Kazakh government and representatives of the Committee (please see the sections titled "Transactions with the Republic of Kazakhstan" of Part X for further details). Dr. Sittard has a potential conflict of interest by virtue of being the Chairman of IMR and his interest in Alferon Management Limited (both of which are counterparties to historic and ongoing related party arrangements undertaken by the Group) (please see the sections titled "Other credit facilities provided to entities controlled by the Founders", "Agency fees from IMR Marketing related to Serov business", "Coke purchases", "Management services in Switzerland and UK" and "Shared Management" of Part X for further information), Mr. Felix Vulis and Mr. Jim Cochrane have potential conflicts of interest by virtue of them being directors of certain companies within the Serov Group (please see the sections titled "Shared Management" and "Serov Acquisition" of Part X for further information).
- 9.6 Save as disclosed in paragraph 9.5, in respect of each of the Directors and Senior Managers, there are no conflicts of interest between any duties they have to the Company and the private interests and/or other duties they also have.
- 9.7 Each of the Directors, Senior Managers and the Founders have agreed to enter into certain lock-up arrangements, details of which are set out in paragraph 16 below. Approximately 79.9% of the Ordinary Shares in issue after the Global Offer (assuming no exercise of the Over-allotment Option) will be subject to lock-up arrangements, details of which are set out in paragraph 16 below.
- 9.8 Under the terms of the Relationship Agreements, each of the Founders has the right to appoint one director to the Board for so long as his Shareholder Group (as defined in Part IX) controls 10% or more of the voting rights exercisable at general meetings of the Company (see "Part IX: Major shareholders and relationship agreements—Relationship Agreements" for further information about these arrangements). Pursuant to this right, Mr. Ibragimov has appointed Mr. Yedilbayev to the Board. Mr. Chodiev and Mr. Machkevitch have not yet appointed representatives to the Board but the Directors expect that they may do so following Admission.

10. Remuneration and Benefits

- 10.1 The aggregate emoluments paid to the Directors and Senior Managers for the year ended 31 December 2006 (including salaries, fees, bonus payments, and benefits in kind but excluding the pension contributions referred to in paragraph 10.2) from the members of the Group were as follows:

Directors

Dr. Johannes Sittard	US\$460,000
Mr. Miguel Perry	—
Sir David Cooksey	—
Mr. Gerhard Ammann	—
Mr. Mehmet Dalman	—
Mr. Michael Eggleton	—
Sir Paul Judge	—
Mr. Kenneth Olisa	—
Sir Richard Sykes	—
Mr. Roderick Thompson	—
Mr. Eduard Utepov	—
Mr. Abdraman Yedilbayev	—
Mr. Daulet Yergozhin	—

Senior Managers

Mr. Felix Vulis	US\$1,700,000
Mr. Jim Cochrane	US\$2,040,000
Total	US\$4,200,000

- 10.2 For the year ended 31 December 2006, the Group paid pension contributions of US\$46,000 in respect of Dr. Sittard and US\$11,258 in respect of Mr. Jim Cochrane. No other pension or retirement benefits were provided to Directors or Senior Managers for the year ended 31 December 2006.
- 10.3 It is estimated that the aggregate amounts payable to the Directors and Senior Managers for the year ending 31 December 2007 under the arrangements in force at the date of this Prospectus (including salaries, fees, bonus payments, benefits in kind and pension contributions) from the members of the Group will be approximately US\$18,290,000 (including the maximum amount of the IPO cash awards that are payable to Directors and Senior Managers as detailed in paragraph 13.2).

11. Employees

Set out below are the total number of employees (including Executive Directors) employed by the Group at the end of each period covered by the financial information contained in Part V of this Prospectus:

2004	Years ended 31 December		Six months ended 30 June
	2005	2006	2007
58,911	60,580	61,656	62,085

As at 31 October 2007 (being the latest practicable date prior to publication of this Prospectus), the Group employed 62,491 employees.

12. Significant Interests of Shareholders

- 12.1 As at 6 December 2007 (being the latest practicable date prior to publication of this Prospectus), and in addition to the interests of certain Directors, as set out in paragraph 8.3 above, the Company is aware of the following persons who, directly or indirectly, have an

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interest in 3 per cent. or more of the Company's issued ordinary share capital (being a notifiable interest pursuant to section 793 of the 2006 Act):

Shareholder	Percentage of Issued Share Capital ⁽¹⁾	Number of Ordinary Shares
Mr. Chodiev	18.8%	187,836,250
Mr. Ibragimov	18.8%	187,836,250
Mr. Machkevitch	18.8%	187,836,250
Kazakhmys Eurasia B.V.	18.8%	187,836,250
The Committee	24.9%	248,655,000

(1) Excluding the 10 million shares to be issued to certain directors, employees and consultants on or prior to Admission.

Save for the shareholdings detailed above, the Company is not aware of any person who will directly or indirectly be interested in 3 per cent. or more of the share capital immediately following Admission. Save as disclosed in paragraphs 8, 12 and 21 of this Part XIII, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control of the Company.

- 12.2 None of the Company's major shareholders, or persons interested (directly or indirectly) in 3 per cent. or more of the Company's issued share capital have or will have different voting rights attached to the Ordinary Shares they hold in the Company.
- 12.3 As far as the Company is aware, as at 6 December 2007 (being the last practicable date prior to the publication of this Prospectus) there are no arrangements the operation of which may at a later date result in a change of control of the Company.

13. Employee Share Incentives

13.1 *The ENRC Long Term Incentive Plan (the "LTIP")*

The LTIP was adopted by the Board on 6 December 2007 to provide awards ("Awards") to senior employees and executive directors of any company in the Group, in the form of share awards and phantom share awards. Awards cannot be granted until Admission, and may only be granted in the 42 days following Admission, in the 42 days following the announcement of the Company's results, or other times believed by the Remuneration Committee of the Board to be exceptional circumstances.

Share Awards

Share awards are awards of Ordinary Shares that will be transferred to the awardholder at the date on which they vest, if the awardholder remains an employee of the Group on that date. Share Awards are to be limited to ten per cent. of the issued Ordinary Shares in any ten year period, when added to awards under any other employee share plan.

Phantom Share Awards

Phantom share awards are awards that on vesting result in a cash payment by the Company to the awardholder equal to the total market value of the Ordinary Shares over which the phantom share award was made.

Vesting

Awards vest on the date set out in the award certificate and decided by the Board, its remuneration committee, or the trustee of any employee benefit trust which is granting the award. The vesting date may not be less than three years before the date of grant. Awards will lapse on the awardholder leaving employment, unless the Board or its remuneration committee decide that the award shall vest within 90 days of leaving employment (except in cases of dismissal for gross misconduct). Awards shall vest on the change of control of the Company.

Performance Conditions

The Board, its remuneration committee or, for share awards granted by an employee benefit trust, the trustees, shall set performance targets to which the Award will be subject. Any performance target must be objective. If the party issuing the performance target then believes that target is no longer appropriate, it may amend the target to one not materially less difficult to satisfy.

Taxation

Any phantom share award will be paid net of employee's national insurance contributions and income tax. The Company reserves the right to retain Ordinary Shares under share awards to accounts for any employee's national insurance contributions or income tax. The LTIP also permits the Company to impose a requirement for the awardholder to pay employer's national insurance contributions on a share award.

Amendment

The terms of the LTIP may be amended by the Remuneration Committee of the Board. Without the prior approval of the Remuneration Committee of the Board, amendments may not be made to the advantage of awardholders relating to vesting, eligible employees for awards, plan limits, adjustments on a reorganisation or the amendment powers, except for minor amendments or those necessary to take account of changes to legislation or tax treatment. No amendments may be made that prejudice the rights of present awardholders.

13.2 *The ENRC IPO Plan (the "IPO Plan")*

The IPO Plan was adopted by the Board on 6 December 2007 to provide incentives in respect of Admission to senior employees of the Group, in the form of share awards and cash awards. Awards are to be granted by the Board or a subcommittee of the Board, and in relation to senior managers and executive directors, the Board will delegate to the Remuneration Committee all its rights and obligations in relation to the IPO Plan. Share awards of 7,975,000 Ordinary Shares and cash awards of US\$21,595,000 in aggregate have been granted to the Group's management and senior employees, subject to Admission. Of these, share awards of 3.9 million Ordinary Shares and cash awards of US\$4.8 million have been granted to Directors and Senior Managers.

Share Awards

Share awards are awards of Ordinary Shares that will be issued to the awardholder on Admission, if the awardholder remains an employee of the Group on that date. Ordinary Shares issued pursuant to the IPO Plan will be issued at par.

Cash Awards

Cash awards are awards that, on vesting result, in a cash payment by the Company to the awardholder.

Taxation

The awardholder is required to indemnify the Group for any employee's national insurance contributions and income tax. Where the awardholder requests, the Company will extend a loan to the awardholder to meet any tax liability that becomes due on the grant of an award.

Vesting

Share awards and cash awards will vest on Admission.

Amendment

The terms of the IPO Plan may be amended by the Board. Amendments may not be made relating to eligible employees for awards, plan limits, adjustments on a reorganisation or the

amendment powers, except for minor amendments or those necessary to take account of changes to legislation or tax treatment. No amendments may be made that prejudice the rights of present awardholders without their consent.

14. Litigation and Arbitration Proceedings

Save as disclosed in this paragraph 14, no member of the Group is engaged in or, so far as ENRC is aware, has pending or threatened against it, any governmental, legal or arbitration proceedings which may have, or have had during the recent past (covering the twelve months preceding the date of this Prospectus), a significant effect on the Company's and/or Group's financial position or profitability.

- 14.1 The European Commission recently initiated investigations into whether ENRC Marketing is selling silicomanganese and ferrosilicon, which is produced by Kazchrome in Kazakhstan, at depressed prices on the EU market ("dumping"). The investigations resulted from complaints by an EU ferroalloys producers association.

If the investigations were to find (a) more than minimal dumping, (b) that this dumping has caused material injury to EU-based producers of the same products, and (c) that the interest of the EU ferroalloy producers to have measures imposed is greater than the interest of the EU users of silicomanganese and ferrosilicon not having measures imposed, the EU could decide to impose anti-dumping measures for a period of five years. If measures are imposed, imports into the EU of silicomanganese and ferrosilicon from Kazakhstan (including from Kazchrome) would be subject to an additional duty or a minimum price.

In November 2007, the EU proposed that a duty of 6.5% be set on imports of silicomanganese. On 4 December 2007, the European Commission confirmed the imposition of the 6.5% duty, and suspended the application of the duty for nine months. ENRC intends to challenge the duty on its silico-manganese to the EU market through the European Court of First Instance.

As the ferrosilicon investigation is ongoing, it is not possible for the Company to predict its outcome. A final decision on the ferrosilicon case is expected in February 2008. In addition, the EU has imposed a provisional anti-dumping duty of 33.9% on Kazchrome's ferrosilicon imports although this rate is yet to be confirmed as definitive.

Having taken legal advice, the Directors do not believe that the investigations and the potential imposition of any anti-dumping measures on the Group's exports will have a material adverse effect on the Group's financial position or profitability.

- 14.2 ENRC Marketing is currently subject to a claim for unpaid import taxes of US\$13,000,000 made by United States Customs. The claim concerns the import into the USA of certain ferroalloys and related products by ENRC Marketing's exclusive US distributor, Traxys North America, LLC. United States Customs maintains that the imported goods do not meet the requirements of the US Generalized System of Preferences programme and so are therefore liable for import duty.

Having taken legal advice, the Directors believe that the products do satisfy the requirements of the programme to be treated as duty free and are intending to contest the claim.

- 14.3 ENRC Marketing is currently engaged in a number of disputes with the Russian customs authorities relating to import duties of US\$11,589,765 in aggregate on chrome ore and iron ore and other related matters. Having taken legal advice, the Directors believe that these disputes will not have a material adverse effect on the Group's financial position or profitability.

15. Material Contracts

- 15.1 The following contracts are all the material contracts (except for contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this Prospectus by members of the Group and the contracts (except for contracts entered into in the ordinary course of business) entered into at any time by members of the

Group which contain provisions under which any member of the Group has an obligation or entitlement which is or may be material to the Group as at the date of this Prospectus:

- (a) The Underwriting Agreement, further details of which are set out in paragraph 16.1 below;
- (b) The Relationship Agreements, further details of which are set out in Part IX;
- (c) On 7 December 2007 the Company entered into a deed of indemnity (the "Indemnity") with the Founders pursuant to which each Founder agreed to severally indemnify the Company and each other member of the Group against any liability of a member of the Group (including in respect of interest, penalties or fines) arising directly as a result of the use of the RTS and that is claimed (i) by any authority (governmental, local, state, federal, fiscal, revenue or other), body, agency or official whatsoever of any jurisdiction; or (ii) by a person who was a shareholder of the Company (or any predecessor company or other member of the Group) at the time of the relevant act or omission giving rise to the relevant liability. The Indemnity will extend to all reasonable costs and expenses properly incurred by the Group in either making a successful claim or satisfying or settling any liability in respect of a successful claim made under the Indemnity.

However, in addition to certain other limitations (including a US\$2 million deduction), the Founders will not be liable in respect of any claim under the Indemnity unless notice of any claim under the Indemnity is given in writing to the Founders within four years of the date of the Indemnity. The aggregate maximum liability of the Founders under the Indemnity will be US\$94 million (being the amount of the distributions retained by the Founders in respect of RTS profits in 2004, 2005 and 2006).

- (d) On 4 December, 2007, ENRC NV, a wholly owned subsidiary of the Company, entered into a share purchase agreement (the "Serov SPA") with Industrial Metals Technology Limited, Chesswood Holdings Limited, Blackmore Holdings Limited, Prentice Holdings Limited, Cretown Corporate Advisory B.V. (together, the "Serov Sellers") and International Mineral Resources B.V. (the "Serov Guarantor"). The Serov Guarantor and the Serov Sellers are all ultimately indirectly owned equally by the Founders.

Pursuant to the Serov SPA, but subject to the satisfaction or waiver of conditions precedent set out in therein, ENRC NV will acquire from the Serov Sellers aggregate direct interests of 75.31% of the shares of OAO "Serov Ferrochrome Factory" ("SFF"), 61.71% of the shares of OAO "Saranovskaya Mine 'Rudnaya'" ("SMR"), and 51.00% of the shares of OAO "Serov Metalconcentrate Works" ("SMW" and together with SFF and SMR, the "Serov Entities", and such interests the "Serov Interests") and 100% of the shares of OOO "Industrial Metals", which itself owns 19.95% of the shares of SFF and 7.55% of the shares of SMR. SFF also owns directly 19.87% of the shares of SMR and 49.00% of the shares of SMW. Pursuant to the Serov SPA, ENRC NV will pay total aggregate consideration of US\$210 million (the "Serov Consideration") less the amount paid for the purchase of IMR Marketing A.G. and DDK Services Limited described below for the purchase of the Serov Interests, US\$100 million of which was pre-paid by ENRC NV to the Serov Sellers on 16 July 2007 (the "Prepayment Consideration") and the balance of which will be paid to the Serov Sellers upon completion of the transfer of the Serov Interests.

Completion of the purchase of the Serov Interests pursuant to the Serov SPA is conditional upon, among other things, consent to the transaction from the Russian Anti-monopoly Service, the acquisition by ENRC Marketing or one of its affiliates of IMR Marketing A.G. and DDK Services Limited (companies affiliated with the Serov Sellers), the receipt of necessary corporate approvals of the Company, and the receipt of any other necessary or desirable governmental or third party consents or authorisations. The Serov SPA provides that if completion does not occur by 31 January 2008, or if the Serov SPA is otherwise terminated prior to such date, the Serov Sellers are required to return the Prepayment Consideration to ENRC NV plus, in the case that completion has not occurred as of such date as a result of a breach by the Serov Sellers of their obligations under the Serov SPA, the failure to obtain consent from the Russian Anti-Monopoly

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Service, or the failure to complete the transfer of IMR Marketing A.G. and/or DDK Services Limited to ENRC Marketing, interest calculated at a rate of 12 month LIBOR plus 2.31% per annum. The obligations of the Serov Sellers, including such repayment obligation, are guaranteed by the Serov Guarantor.

The Serov SPA contains customary warranties for a transaction of its type, including, without limitation, as to the title to the shares being transferred, mining licences, tax matters, and environmental matters. The Serov SPA also contains a tax covenant pursuant to which the Serov Sellers have agreed to indemnify ENRC NV against certain tax risks. Except in cases involving fraud, the liability of the Serov Sellers under the Serov SPA is limited to the total amount of the Serov Consideration, except with respect to tax matters, in which case liability is limited to US\$26.6 million, and environmental matters, in which case liability is limited to US\$8 million.

- (e) ENRC Marketing entered into a Structured Trade Finance Facility Agreement on 15 December 2006, with ABN AMRO Bank N.V., Barclays Capital and Deutsche Bank AG Amsterdam Branch as Arrangers and Original Lenders, Deutsche Bank AG Amsterdam Branch as Agent, and Deutsche Bank AG Amsterdam Branch as Security Trustee, as amended by a Supplemental Agreement dated 12 January 2007 (the "Facility Agreement"), to borrow up to US\$1.0 billion from a syndicate of lenders (the "Lenders"). The Facility Agreement was further amended by a Second Supplemental Agreement dated 12 April 2007 increasing the facility amount by an additional US\$480 million to a total of US\$1.48 billion. Kazchrome has entered into a Guarantee and Indemnity with Deutsche Bank AG Amsterdam Branch as Security Trustee (the "Guarantee") to provide a guarantee of ENRC Marketing's obligations under the Facility Agreement, as amended.

Loans may be drawn down under the Facility Agreement for an availability period of 12 months following the date of the Facility Agreement. After a grace period of 12 months following the date of the Facility Agreement, principal is to be repaid in 48 equal monthly payments, with all amounts due under the Facility Agreement to be repaid no later than the date five years after the date of the Facility Agreement. Interest on the loans is paid monthly in arrears, with no grace period. The loans are for general corporate purposes, including, without limitation, funding of the operations of other members of the Group.

Pursuant to the terms of the Facility Agreement, ENRC Marketing is required to open and maintain a bank account with Deutsche Bank AG Amsterdam Branch (the "Collection Account") and to ensure that all amounts paid by third-party buyers to ENRC Marketing under ferroalloys sales contracts are paid directly by such third-party buyers into the Collection Account. ENRC Marketing must ensure that no later than three business days prior to any interest or principal payment date under the Facility Agreement the amount standing to the credit of the Collection Account is sufficient to discharge all amounts due and payable on such date. If during any interest period the amount standing to the credit of the Collection Account is sufficient to pay all amounts that will be due and payable under the Facility Agreement on the next interest or principal payment date, the excess amount may be transferred to a separate account as directed by ENRC Marketing.

If one of the following events occurs:

- (i) the Founders together no longer have Shareholder Control or Effective Control; or
- (ii) a person or persons acting in concert has Effective Control or Shareholder Control or owns more shares in the relevant holding company of the Group than are held by the Founders at the date of the Facility Agreement; or
- (iii) ENRC Marketing and Kazchrome cease to be subsidiaries of the same holding company;

where "Shareholder Control" means holding directly or indirectly shares in the issued share capital of ENRC Marketing carrying the right to exercise more than 30% of the votes exercisable at a general meeting of the shareholders of ENRC Marketing, and

“Effective Control” means the ability to give directions with respect to the operating and financial policies of a company with which the directors or equivalent officers of such company are obliged to comply (ignoring, for the avoidance of doubt, the powers of any sub-committee of the board of directors or equivalent to which the board of directors have delegated certain of their powers), then any Lender may decline to fund a drawdown and any Lender may cancel its commitment under the Facility Agreement and require, following notice to the Agent, its portion of any outstanding loans be due and payable in full at the end of the then current interest period. Additionally, if it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Agreement or to fund or maintain its participation in any Loan, the commitment of that Lender under the Facility Agreement will be immediately cancelled and ENRC Marketing will be required to repay that Lender’s portion of the outstanding loans on the last day of the then current interest period.

ENRC Marketing and Kazchrome are obliged under the Facility Agreement and Guarantee, respectively, to comply with the terms of an export contract for the supply of Ferroalloys by Kazchrome to ENRC Marketing and ENRC Marketing is also obliged under the Facility Agreement to comply with its obligations under various ferroalloy sales contracts with third-party buyers. ENRC Marketing is also obliged to ensure that the contract value of the third-party sales of ferroalloys in each month are at least 135% of the aggregate interest and principal owed under the Facility Agreement for that month (the “Coverage Ratio”) and if the Coverage Ratio falls below 130% for any month, ENRC Marketing is obliged to (i) procure that Kazchrome sell to ENRC Marketing, and then ENRC Marketing shall enter into additional third party sales contracts, so that the total amount of ferroalloys to be sold in such month is increased such that the Coverage Ratio is increased to at least 135% or (ii) prepay such part of the loans as is required to ensure that the Coverage Ratio is increased to at least 135%.

The Guarantee includes covenants that prohibit Kazchrome from having total debt of greater than US\$1.5 billion outstanding at any time during the duration of the facility. In addition, the Guarantee provides that Kazchrome may pay dividends only if the amount of a dividend in any financial year does not exceed Kazchrome’s net income for the financial year, provided that Kazchrome can still declare a dividend in excess of net income if immediately after payment of such dividend the ratio of Kazchrome’s total equity to total debt would be equal to or greater than 0.4:1. The Facility Agreement places certain restrictions on ENRC Marketing’s ability, *inter alia*, to create security interests and requires ENRC Marketing to, *inter alia*, maintain all authorisations applicable to it, comply with all laws applicable to it, maintain certain insurance coverage, and maintain a positive tangible net worth. The Guarantee places certain restrictions on Kazchrome’s ability, *inter alia*, to make loans, give guarantees or indemnities, create security interests, or change its business, and requires Kazchrome to, *inter alia*, maintain all authorisations applicable to it, comply with all laws applicable to it, maintain certain insurance coverage, and maintain full ownership of the ferroalloy production facilities.

In addition to the Guarantee, the Facility Agreement is secured by:

- (i) An amended and restated deed of disclosed pledge dated 12 January 2007 between ENRC Marketing, as pledgor, Deutsche Bank AG Amsterdam Branch, as pledgee, and Deutsche Bank AG Amsterdam Branch, as bank, under which ENRC Marketing granted security to Deutsche Bank AG Amsterdam Branch, acting as Security Trustee on behalf of the Lenders, over the Collection Account for the duration of the Facility Agreement.
- (ii) A seller assignment agreement dated 15 December 2006 between Kazchrome as assignor, and Deutsche Bank AG Amsterdam Branch, as Security Trustee, pursuant to which Kazchrome has assigned all of its right, title, benefit and interest to any moneys received under certain insurance policies held by Kazchrome.

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- (iii) A borrower assignment agreement dated 15 December 2006 between the ENRC Marketing, as assignor, and Deutsche Bank AG Amsterdam Branch, as Security Trustee, under which ENRC Marketing has agreed to assign all its right, title, benefit and interest in respect of (i) the export contract between ENRC Marketing and Kazchrome in respect of the ferroalloys sold by Kazchrome to ENRC Marketing, (ii) the sales contracts that ENRC Marketing has to sell ferroalloys to third-party buyers, (iii) any other contracts entered into by ENRC Marketing with third parties from time to time in relation to the sales of ferroalloys, and (iv) any moneys received under certain insurance policies held by ENRC Marketing.
- (f) On 25 April 2003, Corica AG, a subsidiary of the Company, entered into a share sale and purchase agreement (the "AoK SSPA") with the Committee. Pursuant to the AoK SSPA, subject to the satisfaction or waiver of the condition precedent described below, Corica AG will acquire from the Committee 18,533,668 Ordinary Registered Shares, being 31.76% of the issued share capital, of AoK (the "AoK Interests"). Corica AG has paid a total aggregate consideration of 3,190,950,000 Tenge (the "AoK Consideration") for the purchase of the AoK Interests. The ownership of legal title to the AoK Interests remains subject to Corica AG fulfilling a contractual condition to ensure a new aluminium smelter (the "smelter") with a design capacity of sixty thousand (60,000) tons of aluminium per annum, is commissioned by no later than 31 December 2007 (the "condition precedent") in accordance with the AoK Notification Agreement referred to in paragraph (g) below. The AoK Interests will be transferred within seven days of satisfaction of the condition precedent. If the condition precedent is not satisfied, the legal title of the AoK interests will revert to the Committee and, provided that the State has not violated the provisions of the AoK SSPA, Corica AG's expenses relating to the purchase of the Shares and the construction of the smelter will not be reimbursed to Corica AG. Corica AG has also undertaken, *inter alia*, to ensure the construction of an aluminium smelter with a design capacity of two hundred and forty thousand (240,000) tons of aluminium per annum, to be built in Pavlodar Oblast and to guarantee the procurement of alumina and electricity from Kazakh producers in order to meet the requirements of the Smelter and in the amounts necessary in order to produce the quantity of aluminium necessary to construct the Smelter.
- (g) On 14 May 2003, Corica AG entered into a Notification Agreement (the "AoK Notification Agreement") with the Committee, in accordance with the provisions of AoK SSPA entered into on 23 April 2003. Pursuant to the AoK Notification Agreement, the Committee and Corica AG, within 7 days following the date on which Corica AG fulfilled all obligations with respect to the payment for the AoK Interests under the AoK SSPA, issued an order to the Company's independent registrar instructing it to make the relevant changes in the register of holders of securities of the Company, and to carry out any other actions that may be necessary in connection with this. As a result, Corica AG became the registered holder of the AoK Interests, although it is prohibited from transferring its interest or promoting any action undertaken by AoK to increase its share capital. If the condition precedent referred to in paragraph (f) above is not satisfied, legal title to the AoK Interests will revert to the Committee.
- (h) On 22 December 2006, AoK issued a corporate guarantee with ABN AMRO Bank Kazakhstan guaranteeing repayment of a loan taken by KAS under the terms of credit line facility dated 19 July 2006 in the amount of US\$80 million. The obligations of AoK amounted to KZT 11,259,600,000, and these sums have been repaid.
- (i) On 30 December 2005, KAS entered into a construction contract with China Nonferrous Metal Industry's Foreign Engineering & Construction Co. Ltd, as the main contractor and AoK, as a sub-contractor, for the construction of an aluminium smelter facility, including water supply system, heating, ventilation, sewerage, electricity and an inter-plant railway system.
- (j) Pursuant to the terms of a loan agreement dated 30 May 2006, Kazchrome issued a corporate guarantee to Bank TuranAlem JSC in connection with a US\$110 million loan granted to Transsystem International Forwarding Company LLP, RemPut JSC, Universal

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Service LLP, Transremvagon LLP, TransCom LLP, Lightness LLP, Megastore LLP and other entities in the Logistics Division under which Kazchrome guaranteed repayment of KZT 10,129,942,262 and US\$30,744,418. These sums have been repaid.

- (k) Pursuant to an agreement for the sale and purchase of securities dated 19 October 2006, Kazchrome agreed to purchase from Stells Company LLP 226,802 shares in ATF Bank JSC for KZT 1,701,015,000.
- (l) Pursuant to an agreement for the sale and purchase of securities dated 19 October 2006, Kazchrome agreed to purchase from Karat-24 LLP 58,475 shares in ATF Bank JSC for KZT 438,562,500.
- (m) Pursuant to an agreement for the sale and purchase of securities dated 19 October 2006, Kazchrome agreed to purchase from Dakot LLP 177,449 shares in ATF Bank JSC for KZT 1,330,867,500.
- (n) Pursuant to an agreement for the sale and purchase of securities dated 19 October 2006, Kazchrome agreed to purchase from Scientific-Industry Firm "Implant" LLP 117,674 shares in ATF Bank JSC for KZT 882,555,000.
- (o) Kazakhstan Aluminium Smelter Joint Stock Company ("KAS") entered into a Facility Agreement on 18 August 2007, with The Export-Import Bank of China as Lender (the "Lender") (the "Facility Agreement"), to borrow up to US\$292,800,000.

The loans under the Facility Agreement are to finance the costs incurred by KAS under the "Construction Contract on the First Phase of Construction of the Primary Aluminium Plant in Pavlodar Oblast of the Republic of Kazakhstan" dated 2 September 2005 between KAS and China Non-ferrous Metal Industry's Foreign Engineering and Construction Co, Ltd. ("NFC")(the "Construction Contract") and the supply agreement dated 2 September 2005 between KAS as purchaser and NFC as supplier. The loans may be drawn down under the Facility Agreement from the date of the Facility Agreement up to the earlier of the date on which the construction of the aluminium plant the subject of the Construction Contract is completed (and is more particularly described in the Facility Agreement) and 31 December 2008. Commencing on 21 July 2009, principal amount of the loans is to be repaid in 32 equal quarterly payments, with all amounts due under the Facility Agreement to be repaid no later than 21 April 2017. Interest on the loans is paid quarterly in arrears.

Pursuant to the terms of the Facility Agreement, KAS is required to open and maintain debt service accounts and revenue receipt accounts with a bank approved by the Lender. KAS must ensure that (1) no later than two months prior to the next payment date of the principal amount outstanding (the "Repayment Date") until one month prior to such Repayment Date the amount standing to the credit of the debt service account is not less than one-third of the amount which is sufficient to discharge all amounts due and payable (the "Scheduled Payment") on such date, (2) no later than one month prior to the Repayment Date until such Repayment Date the amount standing to the credit of the debt service account is not less than two-thirds of Scheduled Payment, and (3) on the Repayment Date the amount standing to the credit of the debt service account is equal to the Scheduled Payment. KAS must also ensure that all amounts received under the agreements for the sale and purchase of aluminium (and being in respect of the sale of not less than 30,000MT of aluminium in any financial year) must be credited to the revenue receipt account.

If one of the following events occurs:

- (i) the Company ceases to beneficially own, directly or indirectly, 100% of the outstanding Capital Stock of KAS; or
- (ii) the Company ceases to have, directly or indirectly, the power to direct the management and operations of KAS, including the power to appoint or remove all, or the majority, of the Board of Directors of KAS,

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then the facility will be cancelled and all outstanding loans, together with accrued interest, and all other amounts accrued or payable under the Finance Documents, shall become immediately due and payable. Additionally, if it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by the Facility Agreement or to fund, issue or maintain its participation in any loans, the commitment of the Lender under the Facility Agreement will be immediately cancelled and KAS will be required to repay the Lender's participation in the loans on the last day of the then current interest period.

KAS is obliged under the Facility Agreement to comply with the terms of the project documents that are relevant to the construction of the aluminium plant the subject of the Construction Contract.

The Facility Agreement places certain restrictions on KAS's ability, *inter alia*, to incur further indebtedness, create security interests, make acquisitions, enter into mergers, amalgamations and consolidations, dispose of its assets, grant loans and guarantees and to declare and make dividend payments. KAS is required to provide the Lenders with its annual and semi-annual financial statements and to comply with undertakings usual for project financing facilities including undertakings to, *inter alia*, maintain all authorisations applicable to it, comply with all laws applicable to it and maintain certain insurance coverage. KAS is also subject to periodic testing of its financial condition. The Facility Agreement also contains the usual events of default for project financing facilities the occurrence of which will enable the Lender to accelerate the loans and demand immediate repayment of all amounts outstanding under the Facility Agreement.

It is proposed that AoK (the "Guarantor") will provide a Guarantee of KAS's obligations under the Facility Agreement. It is anticipated that the terms of the Guarantee will include a provision requiring the Guarantor to maintain its tangible net worth at above US\$400,000,000 during the term of the Facility Agreement. The Guarantee may also place restrictions on the Guarantor's ability, *inter alia*, to create security interests over its assets, dispose of its assets, enter into mergers or change the general nature of its business. In addition to the events of default contained in the Facility Agreement, if the Guarantor does not comply with the undertakings contained in the Guarantee, fails to maintain the required "tangible net worth" or if any circumstance occurs which has or is reasonably likely to have a "Material Adverse Effect" (as such term is defined in the Guarantee), then, even under this proposal, the occurrence of each such event would constitute an event of default under the Facility Agreement.

In addition to the Guarantee, the Facility Agreement is secured by:

- (i) A pledge over 31.76% of the shares in the Guarantor between Corica AG (the "Shareholder") and the Lender;
- (ii) A pledge over 100% of the shares in KAS between the Shareholder and the Lender;
- (iii) A bank accounts agreement relating to the Debt Service Account, the Debt Service Reserve Account and the Revenue Receipts Account between KAS, the Account Bank (to be determined) and the Lender;
- (iv) An agreement on pledge of bank accounts relating to the Debt Service Account and the Debt Service Reserve Account between KAS, the Account Bank (to be determined) and the Lender;
- (v) A contracts security assignment agreement in respect of agreement number 145 for alumina purchase dated 5 September 2005 between KAS as purchaser and the Guarantor as seller, the electric power supply contract dated 27 September 2005 and numbered 943/05 between KAS and Eurasian Energy Corporation JSC, and the "Offtake Agreement" between KAS and the Lender;
- (vi) A pledge agreement granting exclusive security (whether pledge or mortgage) over all assets listed in Part B of Schedule 10 (*Project Assets*) of the Facility Agreement and

a pledge (or similar agreement) granting equivalent security over all other Project Assets (other than Common Infrastructure Assets) (all as more particularly described in the Facility Agreement);

- (vii) A pledge agreement granting first ranking security (whether pledge or mortgage) over all assets listed in Part A of Schedule 10 (*Project Assets*) of the Facility Agreement and a pledge (or similar agreement) granting equivalent security over all other Common Infrastructure Assets (as more particularly described in the Facility Agreement);
- (viii) The assignment of insurance policies dated on or about the date of the Facility Agreement between KAS and the Lender;
- (ix) The Assignment of Reinsurances between each "Direct Insurer" and the Lender; and
- (x) The subordination deed and the assignments of "Equity Loans" contemplated by paragraph (b) of the definition thereof contained in the Facility Agreement;

For details of material contracts with related parties, please see "Part X: Related party transactions".

16. Underwriting Arrangements

16.1 An Underwriting Agreement was entered into on 7 December 2007 among, *inter alios* the Company, the Founders, Deutsche Bank, Credit Suisse, Morgan Stanley and ABN AMRO Rothschild and contains, *inter alia*, the following provisions:

- (a) The Company confirmed the appointment of Deutsche Bank as Global Co-ordinator, Sponsor and Joint Bookrunner and each of Credit Suisse, Morgan Stanley and ABN AMRO Rothschild as Joint Bookrunners in relation to the Global Offer.
- (b) The Joint Bookrunners agreed subject to certain conditions, on a several basis to procure subscribers, or failing which, to subscribe themselves, for the New Ordinary Shares at the Offer Price.
- (c) The Company has, subject to certain conditions, undertaken to Deutsche Bank as Stabilising Manager, that on the relevant over-allotment closing date, it will allot and issue, in accordance with the terms and conditions of the Global Offer, the number of the additional Ordinary Shares as is notified in writing to the Company by Deutsche Bank at any time up to and including the thirtieth day following the first closing date. The Over-allotment Shares shall be allotted and issued fully paid up in cash, free from all encumbrances and shall be identical to all other Ordinary Shares. The undertaking will be provided for the sole purpose of enabling the Stabilising Manager to satisfy its obligations in respect of over-allocations, if any, made in connection with the Global Offer and to cover the short positions resulting from stabilising transactions. Save as required by applicable law or regulation, Deutsche Bank does not intend to disclose the extent of any over-allotment made and/or stabilisation transactions.
- (d) The Company has agreed to pay to the Joint Bookrunners a commission of 2.25 per cent. (plus a further 0.5 per cent. at the discretion of the Company) of the aggregate proceeds from the Global Offer.
- (e) The obligations of the Company to issue Ordinary Share and the obligations of the Joint Bookrunners to procure subscribers for, or failing which, themselves to subscribe for Ordinary Shares are subject to certain conditions including, among others, that Admission occurs on or prior to the Settlement Date. In certain circumstances, the Joint Bookrunners will be able to terminate the Underwriting Agreement at any time on or before Admission. These circumstances include the occurrence of certain material changes in the condition (financial or otherwise), prospects or earnings of the Company or of the Group and certain changes in financial, political or economic conditions, as more fully set out in the Underwriting Agreement.

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- (f) The Company has agreed to pay any stamp duty and/or stamp duty reserve tax and other tax, charge or duty and any related costs, fines, penalties or interest arising in respect of the issue of the New Ordinary Shares under the Global Offer and in respect of the issue of Over-allotment Shares, if any, pursuant to Over-allotment Option.
- (g) The Company has undertaken to pay or cause to be paid (together with any related value added tax) all of its costs, charges, fees and expenses of, in connection with or identical to, *inter alia*, the Global Offer, Admission and the arrangements contemplated by the Underwriting Agreement.
- (h) The Company has given customary representations and warranties in relation to the Company and its business to each of the Joint Bookrunners. In addition, the Company has given certain indemnities, standard for a document of this type, to each of the Joint Bookrunners.
- (i) The Company has agreed, subject to certain exceptions, which include any existing employee stock option plans, long-term incentive plans, share award plans, stock ownership plans or dividend reinvestment plans of the Company, among other things, not to directly or indirectly offer, issue, lend, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing for a period of 180 days after Admission, without first obtaining the written consent of the Joint Bookrunners.

The Underwriting Agreement is governed by the laws of England.

- 16.2 In connection with settlement and stabilisation, the Stabilising Manager has entered into a stock lending agreement (the "Stock Lending Agreement") on 7 December 2007 with one of the Founders, pursuant to which the Stabilising Manager, on Admission, will be able to borrow up to 10% of the total number of Ordinary Shares comprised in the Offer for the purposes, among other things, of allowing the Stabilising Manager to settle, at Admission, over-allotments, if any, made in connection with the Offer. If the Stabilising Manager borrows any Ordinary Shares pursuant to the Stock Lending Agreement, it will be required to return equivalent securities to the relevant Founder by no later than the thirtieth day after Admission.
- 16.3 In addition to the lock-up undertakings entered into by the Company pursuant to the Underwriting Agreement (as described in paragraph 16.1(i) of this Part XIII), the Founders, the Directors, certain members of management, certain employees who have been granted share awards under the IPO Plan (the "IPO Plan Employees"), Kazakhmys plc and the Committee will enter into the following lock-up agreements:
- (a) Subject to certain exceptions that are market standard for transactions of this type, each of the Founders, each of the Directors, certain members of management and the IPO Plan Employees will agree not to directly or indirectly offer, sell or contract to sell, pledge or otherwise dispose of any Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing for a period of 180 days in the case of the Founders and 360 days in the case of the Directors, certain members of management and the IPO Plan Employees without first obtaining the written consent of the Joint Bookrunners.
 - (b) Subject to certain exceptions that are market standard for transactions of this type, each of Kazakhmys plc and the Committee will enter into agreements comparable to those described in paragraph 16.3(a) above for the same period of time as the Founders.

In addition, shares issued to employees under the IPO Plan described in paragraph 13.2 will be subject to restrictions on transfer until the first anniversary of Admission.

17. Working Capital

- 17.1 The Directors believe that, having regard to the bank facilities available to the Group and the net proceeds receivable under the Global Offer, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of this Prospectus.

18. No Significant Change

- 18.1 Save for the declaration of a pre-IPO dividend of US\$500 million as described on page 35, the drawdown of US\$724 million under the trade finance facility described in paragraph 15.1 of this Part XIII and the repayment of the remaining balance of US\$250 million (plus outstanding interest) due under the promissory notes as described on page 200, there has been no significant change in the financial or trading position of the Group since 30 June 2007, being the date to which the financial information in Part V has been prepared.

19. Consents

- 19.1 PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales and has given and not withdrawn its written consent to the inclusion of its Accountants' Report on the Company in Part V of this Prospectus and its report on the unaudited pro-forma statement of net assets in Part VI of this Prospectus in the form and context in which they appear and has authorised the contents of those Parts of this Prospectus for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.
- 19.2 SRK has given and not withdrawn its written consent to the inclusion in this Prospectus of its report on the Company in the form and context in which it is included, and has authorised the contents of its report for the purposes of item 5.5.3R2(f) of the Prospectus Rules.
- 19.3 ERM has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of its name in this Prospectus and references to its name in the form and context in which they appear.
- 19.4 CRU has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of its name in this Prospectus and the references to the information provided by it in the form and context in which they appear.
- 19.5 Heinz H. Pariser has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of its name in this Prospectus and the references to the information provided by it in the form and context in which they appear.

20. CREST

- 20.1 Any shares in the Company may be issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the Regulations and practices instituted by the operator of the relevant system. Any provisions of the Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- (a) the holding of shares in uncertificated form;
 - (b) the transfer of the title of shares by means of relevant system; or
 - (c) any provision of the Regulations.
- 20.2 Subject to the CREST Regulations and facilities and requirements of the relevant system, the Board may, in its absolute discretion, determine the manner in which conversion of certificated shares into uncertificated shares may be made.
- 20.3 The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

21. City Code on Takeovers and Mergers

- 21.1 As an English public limited company, the Company will be subject to the UK City Code on Takeovers and Mergers (the "City Code").
- 21.2 Rule 9.1 ("Rule 9") of the City Code stipulates that where any person acquires an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carries 30 per cent. or more of the voting rights of a company subject to the City Code, that person or group of persons is normally obligated to make a general offer to all holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights. Any such offer (a "Rule 9 Offer") must, in respect of each class of share capital involved, be in cash or accompanied by a full cash alternative at not less than the highest price paid by the offeror or any person acting in concert with it for any interest in shares of that class during the 12 months prior to the announcement of the offer. For the purposes of the City Code, a person will be treated as being interested in securities of a company if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities. Examples of interests in securities are set out in the City Code.
- 21.3 Rule 9 also provides that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, that person must normally make a Rule 9 Offer on the same basis as is set out above.
- 21.4 On Admission, assuming no exercise of the Over-allotment Option, each of the Founders and Kazakhmys plc will hold 14.9 per cent. of the Ordinary Shares in issue following Admission, while the Committee will hold 19.7 per cent. (each such party being referred to as an "Original Shareholder"). 12,625,000 New Ordinary Shares comprising part of the Global Offer and representing 5.0% of the Company's issued share capital following Admission, will be subscribed at the Offer Price by certain friends and family members of certain of the Founders and/or the Directors. If, following Admission, any Original Shareholder either alone or together with any person or persons acting in concert with it acquires an interest in Ordinary Shares so as to become interested in 30 per cent. or more of the Ordinary Shares in issue, then any such Original Shareholder (and its concert parties) would normally be required to make a Rule 9 Offer. In addition, if any Original Shareholder is acting in concert with any other Original Shareholder(s) and they are, together, interested in 30 per cent. or more of the issued Ordinary Shares but do not hold more than 50 per cent. of the issued Ordinary shares, and following Admission any of them acquires any additional interests in Ordinary Shares, such Original Shareholders would normally be required to make a Rule 9 Offer. If any Original Shareholder is acting in concert with any other Original Shareholder(s) and they are, together, interested in more than 50 per cent. of the issued Ordinary Shares, then following Admission they would normally be free, acting together, to acquire additional individual interests in Ordinary Shares (up to maximum individual holdings of 30%) without being required to make a Rule 9 Offer. If any Original Shareholder is acting in concert with any other Original Shareholder(s) and, together, they hold more than 50 per cent. of the issued Ordinary Shares, then following Admission they would normally be free, acting together, to acquire additional individual interests in Ordinary Shares (up to maximum individual holdings of 30%) without being required to make a Rule 9 Offer. The Company has not sought a determination from the UK Panel on Takeovers and Mergers on which of the Original Shareholders or friends and family members referred to above (if any) might be considered to form a concert party as at Admission.

22. Auditors

PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, a member of the Institute of Chartered Accountants of England, is auditor of the Company.

23. Miscellaneous

- 23.1 Each New Ordinary Share to be issued under the Global Offer will be issued at a premium of 530.1p to its nominal value of US\$0.20 (on the basis of an exchange rate of £1:US\$2.025).
- 23.2 Assuming no exercise of the Over-allotment Option, the maximum total costs and estimated expenses of or incidental to the preparation of this Prospectus, the Global Offer and Admission (including issue costs, commissions, registration fees, professional fees and the cost of printing and distribution) payable by the Company are estimated to amount to approximately £83.5 million (US\$169.0 million). Approximately £8.91 million (US\$18.04 million) of the expenses will be satisfied by the issue of Ordinary Shares to certain consultants as described in paragraph 4.19 of Part XIII. Net proceeds accruing to the Company from the Global Offer, after settling fees, commissions and expenses, is expected to amount to approximately £1,280.0 million (US\$2,592.1 million) (assuming no exercise of the Over-allotment Option). The New Ordinary Shares will, when issued, be in registered form and certificated form unless requested by Shareholders to be uncertificated form.
- 23.3 The financial information contained in this Prospectus does not constitute statutory accounts within the meaning of section 240 of the 1985 Act.
- 23.4 The accounting reference date for the Company is 31 December.
- 23.5 Where information in this Prospectus has been sourced from a third party it has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party sources have been used they have been referenced accordingly in this Prospectus.

24. Publication of Document

Copies of this Prospectus will be available free of charge at the offices of Jones Day, 21 Tudor Street, London EC4Y 0DJ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date one month after the date of Admission.

25. Documents Available for Inspection

Copies of the following documents may be inspected at the Registered Office of the Company and at the office of Jones Day, 21 Tudor Street, London EC4Y 0DJ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Prospectus until one month after the date of Admission:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the service contracts and letters of appointment referred to in paragraph 9 of Part XIII; and
- (c) the reports set out in Section A of Part V and Section B of Part V and Annex A of this Prospectus.

Dated 7 December 2007