

Part IX: Major shareholders and relationship agreements

The current shareholders of the Company are the Founders, a wholly owned subsidiary of Kazakhmys plc and the Republic of Kazakhstan, as represented by the Committee (together the “Existing Shareholders”), as described in “Additional information—Directors’ and other relevant interests in the share capital of the Company” in paragraph 8 of Part XIII.

Immediately following Admission, the Existing Shareholders will collectively own 79.2% of the issued ordinary share capital of the Company if the Over-allotment Option is not exercised, or 77.7% of the issued ordinary share capital of the Company if the Over-allotment Option is fully exercised.

The following table shows the current beneficial shareholdings of the Existing Shareholders and as they will be immediately following Admission:

Beneficial Owner	Number of existing Ordinary Shares	Percentage of existing issued share capital ⁽¹⁾	Number of Ordinary Shares following the Global Offer	Percentage of the enlarged issued share capital (assuming no exercise of the Over-allotment Option)	Percentage of the enlarged issued share capital (assuming full exercise of the Over-allotment Option)
Mr. Chodiev	187,836,250	18.8%	187,836,250	14.9%	14.6%
Mr. Ibragimov	187,836,250	18.8%	187,836,250	14.9%	14.6%
Mr. Machkevitch	187,836,250	18.8%	187,836,250	14.9%	14.6%
Kazakhmys Eurasia B.V. ⁽²⁾	187,836,250	18.8%	187,836,250	14.9%	14.6%
The Committee ⁽³⁾	248,655,000	24.9%	248,655,000	19.7%	19.3%

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

(2) Kazakhmys Eurasia B.V., a subsidiary of Kazakhmys plc, acquired its interest in November 2007 from its Chairman, Mr. Vladimir Kim, pursuant to the exercise of a call option which was granted in 2006.

(3) Assuming that the Special Share held by the Committee is redeemed.

Relationship Agreements

Each of the Founders have, on 7 December 2007, entered into a relationship agreement (each a “Relationship Agreement”) which will, conditional on Admission, regulate the ongoing relationship between each Founder and the Group with a view to ensuring that the Group is capable of carrying on its business independently of the Founders, and to ensure that transactions and relationships between the Group and the Founders are at arm’s length and on a normal commercial basis. Each Founder and his respective associates and affiliates are referred to as a “Shareholder Group”.

Each Relationship Agreement entered into by a Founder shall continue for so long as (a) the relevant Founder and his relevant Shareholder Group collectively controls 10% or more of the voting rights exercisable at general meetings of the Company; or (b) the relevant Founder and his relevant Shareholder Group collectively controls between 5% and 10% of the voting rights exercisable at general meetings of the Company and the Founders collectively control 20% or more of the voting rights exercisable at general meetings of the Company.

Under the terms of each Relationship Agreement, each Founder and the Company agree, *inter alia*, that:

- (a) Each Founder, so long as his Shareholder Group controls 10% or more of the voting rights at general meetings of the Company, shall have the right to appoint one Director to the Board of the Company, provided, however, that in no event may the Founders collectively appoint more than three members of the board.
- (b) Each Founder agrees to exercise his voting rights so as to:
 - ensure that the Company has its own dedicated management;
 - use reasonable endeavours (in so far as he is able) to ensure that there is a majority of independent non-executive Directors on the Board;

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- ensure that the Group is capable at all times of carrying on its business independently of the relevant Shareholder Group; and
 - ensure that the Company operates and makes decisions for the benefit of shareholders as a whole, and independently of the relevant Shareholder Group at all times.
- (c) Each Founder agrees that he shall not and shall procure that each of his affiliates and associates shall not vote on any shareholder or board resolution that is required pursuant to applicable law or regulation to alter the Company's articles or memorandum of association which would be contrary to the maintenance of the Company's ability to carry on its business independently of the relevant Founder and his Shareholder Group, unless such resolution is supported by a vote of the Directors independent of the relevant Shareholder Group.
- (d) Each Founder agrees, in respect of his own Shareholder Group, to:
- use reasonable efforts to ensure any Directors appointed by the Shareholder Group will vote so that the Committees of the Board are in line with the requirements of the Combined Code from time to time;
 - ensure that any Director appointed by such Founder does not vote at Board meetings in respect of related party transactions concerning any of the three Shareholder Groups.
- (e) Each Founder agrees that no member of its Shareholder Group will enter into any material agreement with any member of the Group unless it has been approved by a vote of the Directors independent of the Shareholder Groups.
- (f) Each Founder agrees that all transactions and relationships between any member of his Shareholder Group and any member of the Group will be on arm's length terms and on a normal commercial basis.
- (g) Each Founder agrees that, except as disclosed in the Prospectus, all existing transactions, agreements and arrangements between the Company and his Shareholder Group are on an arm's length and normal commercial basis and are fair and reasonable having regard to the interests of the Company and the Group as a whole.
- (h) Each Founder agrees that (subject always to any confidentiality obligations he may have), if presented with an Investment Opportunity (as defined below), he will within seven days of becoming aware of the substantive details of any such Investment Opportunity first offer to the Company the chance to take up such Investment Opportunity. For these purposes an "Investment Opportunity" is any opportunity to acquire or develop a business concerned with the extraction, production or marketing of natural resources, other than oil, gas and water, in Kazakhstan, Russia, China, Mongolia, Uzbekistan, Turkmenistan, Kyrgyzstan and/or Tajikistan, excluding from this restriction the existing holdings of any Shareholder Group.
- (i) Each Founder agrees not to and will procure that each member of his Shareholder Group will not, for the duration of the relevant Relationship Agreement, recruit, solicit or entice any senior employee of any member of the Group.
- (j) Each Founder agrees not to and to procure that no member of his Shareholder Group shall, for a period of six months following Admission, (i) vote upon any resolution of the shareholders of the Company to cancel the admission of the Ordinary Shares to the Official List; or (ii) do or omit to do anything which would render the Company unsuitable for admission to listing on the Official List or to trading on the LSE.
- (k) Each Founder agrees that any decisions of the Board regarding enforcement of a Relationship Agreement shall be taken by a majority of the independent Directors independent of his Shareholder Group.

The Founders

The Founders, together with a number of related individuals, have been named in an ongoing investigation of certain matters in Belgium (unrelated to the Group's activities) that started in 1996. The Company has been advised by the Founders that the investigation relates to allegations of tax

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evasion in respect of the 1996 tax year. Any use by the Founders of the monies that should, allegedly, have been paid in tax could constitute money laundering under Belgian law, and as a result, although it is derived from tax issues, the investigation has been categorised as a money laundering investigation. The investigation, which commenced in 1996 and could ultimately lead to criminal sanctions, has attracted widespread publicity. To date no charges have been brought against the Founders. The Company has been advised by the Founders that, having taken legal advice, they are confident that the Belgian investigation will not result in the imposition of criminal sanctions. There can be no assurance that criminal proceedings will not be commenced or the timing and nature of the outcome of any such proceedings. Although any such criminal proceedings would not be against the Group and would not involve the Group's assets or operations, if criminal proceedings are commenced against the Founders, there can be no assurance that the Group's reputation will not be materially and adversely affected as a result of its association with the Founders.