

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **December 31, 2009**

Commission File Number 001-33034

**BMB MUNAL, INC.**

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State or other jurisdiction of incorporation  
or organization)

30-0233726

(IRS Employer Identification Number)

202 Dostyk Ave., 4<sup>th</sup> Floor, Almaty, Kazakhstan  
(Address of principal executive offices)

050051  
(Zip code)

+7 (727) 237-51-25  
(Registrant's Executive Office Telephone Number)

N/A

(Former name of former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### Item 3.02 Unregistered Sales of Equity Securities

On January 1, 2010 the Company entered into Restricted Stock Grant Agreements with certain executive officers, directors, employees and outside consultants of the Company. The stock grants were approved by the Company board of directors and recommended by the compensation committee of the Company's board of directors. The total number of shares granted was 1,500,000. Among the parties receiving restricted stock grants were the following:

<u>Name</u>	<u>Position with Company</u>	<u>Restricted Stock Granted</u>
Boris Cherdabayev	Chairman of the Board of Directors	280,000
Gamal Kulumbetov	Chief Executive Officer	80,000
Askar Tashtitov	President	230,000
Toleush Tolmakov	Director Emir Oil LLP	215,000
Evgeny Ler	Chief Financial Officer	110,000
Anuarbek Baimoldin	Chief Operating Officer	20,000

Grants were made to 15 people, 13 of whom are non-U.S. persons. The restricted stock grants were made without registration pursuant to Regulation S of the Securities Act Rules and/or Section 4(2) under the Securities Act of 1933.

All of the restricted stock grants were awarded on the same terms and subject to the same vesting requirements. The restricted stock grants will vest to the grantees at such time as either of the following events occurs (the "Vesting Events"): i) the one-year anniversary of the grant date; or ii) the occurrence of an Extraordinary Event. An "Extraordinary Event" is defined in the restricted stock agreement as any consolidation or merger of the Company or any of its subsidiaries with another person, or any acquisition of the Company or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Employer or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Employer or any of its subsidiaries, or one (1) person or more than one person acting as a group, acquires fifty percent (50%) or more of the total voting power of the stock of the Employer. In the event of an Extraordinary Event, the grants shall be deemed full vested one day prior to the effective date of the Extraordinary Event. The Board of Directors shall determine conclusively whether or not an Extraordinary Event has occurred and the grantees have agreed to be bound by the determination of the Board of Directors.

The shares representing the restricted stock grants (the "Restricted Shares") shall be issued as soon as practicable, will be deemed outstanding from the date of grant, and will be held in escrow by the Company subject to the occurrence of a Vesting Event. The time between the date of grant and the occurrence of a Vesting Event is referred to in this Current Report as the "Restricted Period." The grantees may not sell, transfer, assign, pledge or otherwise encumber or dispose of the Restricted Shares during the Restricted Period. During the Restricted Period, the grantees will have the right to vote the Restricted Shares, receive dividends paid or made with respect to the Restricted Shares, provided however, that dividends paid on unvested Restricted Shares will be held in the custody of the Company and shall be subject to the same restrictions that apply to the Restricted Shares. The Restricted Shares will only vest to the grantee if the grantee is employed by the Company at the time a Vesting Event occurs. If a Vesting Event has not occurred at the time a grantee's employment with the Company ceases, for any reason, the entire grant amount shall be forfeited back to the Company.

The grantees shall be liable for any and all taxes, including withholding taxes arising out of these grants or the vesting of the Restricted Shares.

The description of the terms of restricted stock grants contained in this Current Report is a summary only and is qualified in its entirety by reference to the Form Restricted Stock Agreement, a copy of which is attached as an exhibit to this Current Report.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 31, 2009, the Company entered into new employment agreements with the following executive officers of the Company, Gamal Kulumbetov, Askar Tashtitov, Evgeniy Ler and Anuarbek Baimoldin. The following table discloses the corporate office and annual salary set forth in the employment agreement of each officer. Each of these individuals was serving in such capacity prior to entering the employment agreements.

Name	Corporate Office	Gross Annual Salary
Gamal Kulumbetov	Chief Executive Officer	\$129,004 <sup>(1)</sup>
Askar Tashtitov	President	\$153,177 <sup>(1)</sup>
Evgeniy Ler	Chief Financial Officer	\$121,444 <sup>(1)</sup>
Anuarbek Baimoldin	Chief Operating Officer	\$121,444 <sup>(1)</sup>

- (1) Reflects gross salary amount. Historically, annual salary set forth in the Company's employment contracts were net of all taxes and dues required under applicable laws of the Republic of Kazakhstan, which shall be the responsibility of the Company.

Except as set forth in the above table, or as specifically addressed below, the terms and conditions of the employment agreements of each of the above-named executive officers are the same in all material respects.

The employment agreements provide for an initial term of one year with three consecutive one year renewals unless terminated by either party prior to the beginning of the renewal term. The employment agreements of each of the above listed individuals requires they devote their entire business time, attention, skill and energy exclusively to the business of the Company.

As discussed above, the employment agreements provide for an annual salary. Under the agreements, salary is reviewable not less frequently than annually and may be adjusted up or down by the Compensation Committee of the Board of Directors in its sole discretion, but may not be adjusted below the initial salary amount listed in the agreement. The agreements provide that each of the officers is entitled to participate in such pension, profit sharing, bonus, life insurance, hospitalization, major medical and other employee benefit plans of the Company that may be in effect from time to time, to the extent he is eligible under the terms of those plans.

The agreements provide that each officer is eligible on the Board of Director's sole discretion to receive performance bonuses. Each officer is entitled to 28 days of vacation in accordance with the vacation policies of the Company, as well as paid holidays and other paid leave set forth in the Company's policies. There is no accrual of vacation days and holidays.

The agreements and, as detailed below, all obligations thereunder may be terminated upon the occurrence of the following events: i) death, ii) disability; iii) for cause immediately upon notice from the Company or at such time as indicated by the Company in said notice; iv) for good reason upon not less than 30 days notice from the officer to the Company; v) an extraordinary event, unless otherwise agreed in writing.

Under the agreements the officer may be deemed disabled if for physical or mental reasons he is unable to perform his duties for 120 consecutive days or 180 days during any 12 month period. Such disability will be determined by a jointly agreed upon medical doctor.

The agreements provide that any of the following will constitute "cause": i) breach of the employment agreement; ii) failure to adhere to the written policies of the Company; iii) appropriation by the officer of a material business opportunity; iv) misappropriation of funds or property of the Company; v) conviction, indictment or the entering of a guilty plea or a plea of no contest to a felony.

"Good reason" under the agreement may mean any of the following: i) a material breach of the employment agreement; ii) assignment of the officer without his consent to a position of lesser status or degree of responsibility; iii) relocation of the Company's principal executive offices outside the Republic of Kazakhstan; iv) if the Company requires the officer to be based somewhere other than principal executive offices of the Company without the officer's consent.

Each of the employment agreements, provides that an "extraordinary event" is defined as any consolidation or merger of the Company or any of its subsidiaries with another person, or any acquisition of the Company or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Company or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Company or any of its subsidiaries, or if one or more persons, acting alone or as a group, acquires fifty percent (50%) or more of the total voting power of the Company. In addition to these provisions, the employment agreement of Mr. Tashtitov provides that the following events also constitute an extraordinary event: i) that a disposition by the Chairman of the Company's board of directors or by the General Director of the Company's subsidiary, of seventy five (75%) or more of the shares either individual currently owns, including stock attributed to either of them by Internal Revenue Code Section 318; or ii) should the Company terminate the registration of any of its securities under Section 12 of the Exchange Act of 1934, voluntarily ceases, or shall terminate its obligation to file reports with United States Securities Commission pursuant to Section 13 of the Exchange Act of 1934.

Upon termination of an employment agreement, the Company will make a termination payment to the officer in lieu of all other amounts and in settlement and complete release of all claims employee may have against the Company. In the event of termination for good reason by the officer, the Company will pay the

officer the remainder of his salary for the calendar month in which the termination is effective and for six consecutive calendar months thereafter. The officer shall also be entitled to any portion of incentive compensation for the year, prorated to the date of termination. Notwithstanding the foregoing, if the officer obtains other employment prior to the end of the six month period, salary payments by the Company after he begins employment with a new employer shall be reduced by the amount of the cash compensation received from the new employer. If the officer is terminated for cause, he will receive salary only through the date of termination and will not be entitled to any incentive compensation for the year in which his employment is terminated. If the termination is the result of a disability, the Company will pay salary for the rest of the month during which termination is effective and for the shorter of six consecutive months thereafter or until disability insurance benefits commence. If employment is terminated as a result of the death of the officer, his heirs shall be entitled to salary through the month in which his death occurs and to incentive compensation prorated through the month of his death. The employment agreements of Mr. Kulumbetov, Mr. Ler and Mr. Baimoldin provide that if the employment agreement is terminated as a result of an extraordinary event, the officer shall be entitled to severance pay as follows.

Completed Years of Employment

Service with the Employer

Less than one (1) year

At least one (1) year but less than two (2) years

More than two years

Severance Amount

10% of Basic Compensation Salary

150% of Basic Compensation Salary

299% of Basic Compensation Salary

The employment agreement of Mr. Tashtitov provides that in the event his employment agreement is terminated due to an extraordinary event, he will be entitled to receive a severance payment from the Company of \$3,000,000 US Dollars.

All benefits terminate on the date of termination. The officer shall be entitled to accrued benefits, but is not entitled to compensation for unused vacation, holiday, sick leave or other leave.

The employment agreements also contain confidentiality, non-competition and non-interference provisions.

The description of the employment agreements in this Current Report is only a summary of the employment agreements and is qualified in its entirety by reference to the terms of the employment agreements, a copy of a form of the employment agreement is attached as an exhibit to this Current Report.

On December 31, 2009 the Company entered into a Consulting Agreement with Boris Cherdabayev, the Chairman of the Company's board of directors. The Consulting Agreement becomes effective on January 1, 2010. Pursuant to the Consulting Agreement, in addition to his services as Chairman of the board of directors, Mr. Cherdabayev will provide such consulting and other services as may reasonably requested by Company management.

The initial term of the Consulting Agreement is five years unless earlier terminated as provided in the Consulting Agreement. The initial term will automatically renew for additional one-year terms unless and until terminated. The Consulting Agreement may be terminated for Mr. Cherdabayev's death or disability and by the Company for cause. The Company may also terminate the Consulting Agreement other than for cause, but will be required to pay the full fee required under the Consulting Agreement.

Pursuant to the Consulting Agreement, Mr. Cherdabayev will continue to be paid \$192,000 per year. This base consulting fee will be net of Social Tax and Social Insurance Tax in the Republic of Kazakhstan, which shall be paid by the Company. Mr. Cherdabayev will be responsible for Personal Income Tax and Pension Fund Tax. The success of projects involving Mr. Cherdabayev shall be reviewed on an annual basis to determine whether the initial base consulting should be increased.

The Consulting Agreement provides for an extraordinary event payment equal to the greater of \$5,000,000 or the base compensation fee for the remaining initial term of the Consulting Agreement. The Consulting Agreement defines an extraordinary event as any consolidation or merger of the Company or any of its subsidiaries with another person, or any acquisition of the Company or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Company or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Company or any of its subsidiaries, or if one or more persons, acting alone or as a group, acquires fifty percent (50%) or more of the total voting power of the Company.

The Consulting Agreement also contains confidentiality and indemnification provisions.

The description of the Consulting Agreement in this Current Report is only a summary of that agreement and is qualified in its entirety by reference to the terms of the Consulting Agreement, a copy of which is attached as an exhibit to this Current Report.

#### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

Exhibit 10.28	Form of BMB Munai, Inc. Restricted Stock Agreement dated January 1, 2010
Exhibit 10.29	Form of Employment Agreement, dated December 31, 2009
Exhibit 10.30	Consulting Agreement, dated December 31, 2009 between BMB Munai, Inc. and Boris Cherdabayev

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

**BMB MUNAI, INC.**

Dated: January 6, 2010

By: /s/ Adam R. Cook  
Adam R. Cook



**BMB MUNAI, INC.  
RESTRICTED STOCK AGREEMENT**

This Agreement, dated as of January 1, 2010 (“Grant Date”) by and between BMB Munai, Inc. a Nevada Corporation (the “Employer”), and \_\_\_\_\_ (the “Grantee”), is entered into as follows:

**RECITALS**

The Board of Directors of BMB Munai, Inc., a Nevada Corporation, has determined that the Grantee be granted shares of the Employer’s \$0.001 par value Common Stock subject to restrictions stated below (“Restricted Stock”);

**AGREEMENT**

The parties, intending to be legally bound, agree as follows:

1. GRANT OF STOCK

The Grantee is hereby granted, effective on the Grant Date and subject to the terms and conditions of this Agreement, \_\_\_\_\_ shares of restricted Stock, said number of shares being determined at market value on the Grant Date.

2. ISSUANCE OF STOCK

As soon as practicable, the Employer shall cause the shares of Restricted Stock to be issued in the Grantee’s name. The Restricted Stock shall be held in the custody of the Employer or its designee for the Grantee’s account. The Restricted Stock shall be subject to the restrictions described herein. The Restricted Stock shall bear appropriate legends with respect to the restrictions described herein.

3. VESTING

The interest of the Grantee in the Stock shall on the one-year anniversary of the Grant Date.



#### 4. RESTRICTIONS

(a) No portion of the Restricted Stock or rights granted hereunder may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Grantee until such portion of the Restricted Stock becomes vested in accordance with Section 3 of this Agreement. The period of time between the date hereof and the date all Restricted Stock becomes vested is referred to herein as the "Restriction Period."

(b) If the Grantee's employment with the Employer is terminated, the balance of any restricted stock subject to the provisions of this Agreement, which has not vested pursuant to Section 3 above at the time of the Grantee's termination of employment shall be forfeited and ownership transferred back to the Employer.

#### 5. GRANTEE SHAREHOLDER RIGHTS

During the Restriction Period, the Grantee shall have all the rights of a shareholder with respect to the Restricted Stock except the right to transfer the Restricted Stock, as set forth in Section 4 of this Agreement. Accordingly, the Grantee shall have the right to vote the Restricted Stock and to receive any cash dividends paid to or made with respect to the Restricted Stock, provided, however, that dividends paid, if any, with respect to that Restricted Stock which has not vested at the time of the dividend payment shall be held in the custody of the Employer and shall be subject to the same restrictions that apply to the corresponding Restricted Stock.

#### 6. CHANGES IN STOCK

(a) In the event of any stock dividend, stock split, capital reorganization or reclassification of the Stock of the Employer, the Grantee in his capacity as owner of the unvested shares of Restricted Stock which have been awarded to him (the "Prior Stock") shall be entitled to as many new or additional or different shares, securities or assets, equal to the amount of new or additional or different shares, securities or assets, as if the Prior Stock had been fully vested Stock, such new or additional or different shares, securities, assets shall thereupon be considered to be unvested Restricted Stock and shall be subject to all of the conditions and restrictions which were applicable to the Prior Stock pursuant to this Agreement.

(b) In the event of any consolidation or merger of the Employer or any of its subsidiaries with another person, or any acquisition of the Employer or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Employer or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Employer or any of its subsidiaries, or one (1) person or more than one person acting as a group, acquires fifty percent (50%) or more of the total voting power of the stock of the Employer., hereinafter referred to as an "Extraordinary Event," any unvested Restricted Stock subject to this Restricted Stock Agreement shall be deemed to be fully vested one day prior to the effective date of the Extraordinary Event. The Board of Directors shall determine conclusively whether or not an Extraordinary Event has occurred and the Grantee agrees to be bound by the determination of the Board of Directors for all purposes.

7. TAXES

The Grantee shall be liable for any and all taxes, including withholding taxes, arising out of this grant or the vesting of Restricted Stock hereunder. The Grantee may elect to satisfy such withholding tax obligation by having the Employer retain Restricted Stock having a fair market value equal to the Employer's minimum withholding obligation.

8. MISCELLANEOUS

(a) The Employer shall not be required (i) to transfer on its books any shares of Restricted Stock which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.

(b) The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.

(c) Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Grantee at his address then on file with the Employer.

(d) This Agreement shall not be construed so as to grant the Grantee any right to remain in the employ of the Employer.

(e) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date above first written above.

EMPLOYER: BMB Munai, Inc.

By: \_\_\_\_\_  
Gamal Kulumbetov, Chief Executive Officer

GRANTEE:

By: \_\_\_\_\_  
Name & Title



**EMPLOYMENT AGREEMENT**

This Employment Agreement (this "Agreement") is made as of December 31, 2009 by BMB Munai, Inc., a Nevada corporation (the "Employer"), and \_\_\_\_\_, an individual resident in \_\_\_\_\_ (the "Executive").

**RECITALS**

The Employer and the Executive desire the Executive's employment with the Employer, and the Executive wishes to accept such employment, upon the terms and conditions set forth in this Agreement.

**AGREEMENT**

The parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1.

**"Agreement"**--this Employment Agreement as amended from time to time.

**"Basic Compensation"**--Salary and Benefits.

**"Benefits"**--as defined in Section 3.1(B).

**"Board of Directors"**--the board of directors of the Employer.

**"Confidential Information"**--any and all:

(A) trade secrets concerning the business and affairs of the Employer, product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures (and related formulae, compositions, processes, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods and information) and any other information, however documented, that is a trade secret within the meaning of the Utah's Uniform Trade Secrets Act, Title 13 Chapter 24; and

(B) information concerning the business and affairs of the Employer (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials, however documented); and

(C) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Employer containing or based, in whole or in part, on any information included in the foregoing.

**"disability"**--as defined in Section 6.2.

**"Effective Date"**--the date stated in the first paragraph of the Agreement.

**"Employee Invention"**--any idea, invention, technique, modification, process, or improvement (whether patentable or not), any industrial design (whether registerable or not), any mask work, however fixed or encoded, that is suitable to be fixed, embedded or programmed in a semiconductor product (whether recordable or not), and any work of authorship (whether or not copyright protection may be obtained for it) created, conceived, or developed by the Executive, either solely or in conjunction with others, during the Employment Period, or a period that includes a portion of the Employment Period, that relates in any way to, or is useful in any manner in, the business then being conducted or proposed to be conducted by the Employer, and any such item created by the Executive, either solely or in conjunction with others, following termination of the Executive's employment with the Employer, that is based upon or uses Confidential Information.

**"Employment Period"**--the term of the Executive's employment under this Agreement.

**"extraordinary event"**--as defined in Section 6.5.

**"Fiscal Year"**--the Employer's fiscal year, as it exists on the Effective Date or as changed from time to time.

**"for cause"**--as defined in Section 6.3.

**"for good reason"**--as defined in Section 6.4.

**"Incentive Compensation"**--as defined in Section 3.2.

**"person"**--any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, or governmental body.

**"Post-Employment Period"**--as defined in Section 8.2(D).

**"Proprietary Items"**--as defined in Section 7.2(A)(iv).

**"Salary"**--as defined in Section 3.1(A).

## 2. EMPLOYMENT TERMS AND DUTIES

### 2.1 EMPLOYMENT

The Employer hereby employs the Executive, and the Executive hereby accepts employment by the Employer, upon the terms and conditions set forth in this Agreement.

### 2.2 TERM

Subject to the provisions of Section 6, the term of the Executive's employment under this Agreement will be one (1) year, beginning on the Effective Date and ending on the anniversary of the Effective Date. The Term will continue for three (3) consecutive one-year periods after the initial term unless terminated by either party before the beginning of a renewal term.

### 2.3 DUTIES

The Executive will have such duties as are assigned or delegated to the Executive by the Board of Directors or Chief Executive Officer, and will serve as Vice-President of the Employer. The Executive will devote his entire business time, attention, skill, and energy exclusively to the business of the Employer, will use his best good faith efforts to promote the success of the Employer's business, and will cooperate fully with the Board of Directors in the advancement of the best interests of the Employer. Nothing in this Section 2.3, however, will prevent the Executive from engaging in additional activities in connection with personal investments and community affairs that are not inconsistent with the Executive's duties under this Agreement. If the Executive is elected as a director of the Employer or as a director or officer of any of its affiliates, the Executive will fulfill his duties as such director or officer without additional compensation.

### 3. COMPENSATION

#### 3.1 BASIC COMPENSATION

(A) Salary. The Executive will be paid an annual gross salary of \$\_\_\_\_\_, subject to adjustment as provided below (the "Salary"), which will be payable in equal periodic installments according to the Employer's customary payroll practices, but no less frequently than monthly. The Salary will be reviewed by the Board of Directors Compensation Committee not less frequently than annually, and may be adjusted upward or downward in the sole discretion of the Board of Directors Compensation Committee, but in no event will the Salary be less than \$\_\_\_\_\_ per year.

(B) Benefits. The Executive will, during the Employment Period, be permitted to participate in such pension, profit sharing, bonus, life insurance, hospitalization, major medical, and other employee benefit plans of the Employer that may be in effect from time to time, to the extent the Executive is eligible under the terms of those plans (collectively, the "Benefits").

#### 3.2 INCENTIVE COMPENSATION

Executive shall be eligible on the Board of Directors' sole discretion for performance bonuses in accordance with terms specified by the Board of Directors.

### 4. FACILITIES AND EXPENSES

The Employer will furnish the Executive office space, equipment, supplies, and such other facilities and personnel as the Employer deems necessary or appropriate for the performance of the Executive's duties under this Agreement. The Executive must file expense reports with respect to such expenses in accordance with the Employer's policies.

### 5. VACATIONS AND HOLIDAYS

The Executive will be entitled to twenty-eight (28) days of vacation each Term in accordance with the vacation policies of the Employer in effect for its executive officers from time to time. Vacation must be taken by the Executive at such time or times as approved by the Chairman of the Board or Chief Executive Officer. The Executive will also be entitled to the paid holidays and other paid leave set forth in the Employer's policies. Vacation days and holidays during any Term that are not used by the Executive during such Term may not be used in any subsequent Term.

### 6. TERMINATION

#### 6.1 EVENTS OF TERMINATION

The Employment Period, the Executive's Basic Compensation and Incentive Compensation, and any and all other rights of the Executive under this Agreement or otherwise as an employee of the Employer will terminate (except as otherwise provided in this Section 6):

(A) upon the death of the Executive;

(B) upon the disability of the Executive (as defined in Section 6.2) immediately upon notice from either party to the other;

(C) for cause (as defined in Section 6.3), immediately upon notice from the Employer to the Executive, or at such later time as such notice may specify; or

(D) for good reason (as defined in Section 6.4) upon not less than thirty days' prior notice from the Executive to the Employer.

(E) upon the happening of an extraordinary event (as defined in Section 6.5) unless the Executive shall otherwise agree in writing with the Employer.

## 6.2 DEFINITION OF DISABILITY

For purposes of Section 6.1, the Executive will be deemed to have a "disability" if, for physical or mental reasons, the Executive is unable to perform the Executive's duties under this Agreement for 120 consecutive days, or 180 days during any twelve month period, as determined in accordance with this Section 6.2. The disability of the Executive will be determined by a medical doctor selected by written agreement of the Employer and the Executive upon the request of either party by notice to the other. If the Employer and the Executive cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether the Executive has a disability. The determination of the medical doctor selected under this Section 6.2 will be binding on both parties. The Executive must submit to a reasonable number of examinations by the medical doctor making the determination of disability under this Section 6.2, and the Executive hereby authorizes the disclosure and release to the Employer of such determination and all supporting medical records. If the Executive is not legally competent, the Executive's legal guardian or duly authorized attorney-in-fact will act in the Executive's stead, under this Section 6.2, for the purposes of submitting the Executive to the examinations, and providing the authorization of disclosure, required under this Section 6.2.

## 6.3 DEFINITION OF "FOR CAUSE"

For purposes of Section 6.1, the phrase "for cause" means:

(A) the Executive's breach of this Agreement;

(B) the Executive's failure to adhere to any written Employer policy if the Executive has been given a reasonable opportunity to comply with such policy or cure his failure to comply (which reasonable opportunity must be granted during the ten-day period preceding termination of this Agreement);

(C) the appropriation (or attempted appropriation) of a material business opportunity of the Employer, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Employer;

(D) the misappropriation (or attempted misappropriation) of any of the Employer's funds or property; or

(E) the conviction of, the indictment for (or its procedural equivalent), or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment.

#### 6.4 DEFINITION OF "FOR GOOD REASON"

For purposes of Section 6.1, the phrase "for good reason" means any of the following:

(A) The Employer's material breach of this Agreement;

(B) the assignment of the Executive without his consent to a position, responsibilities, or duties of a materially lesser status or degree of responsibility than his position, responsibilities, or duties at the Effective Date; or

(C) the relocation of the Employer's principal executive offices outside the Republic of Kazakhstan; or

(D) the requirement by the Employer that the Executive be based anywhere other than the Employer's principal executive offices, in either case without the Executive's consent.

#### 6.5 DEFINITION OF "EXTRAORDINARY EVENT"

For purposes of Section 6.1, the phrase "extraordinary event" means any consolidation or merger of the Employer or any of its subsidiaries with another person, or any acquisition of the Employer or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Employer or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Employer or any of its subsidiaries, or one (1) person or more than one person acting as a group, acquires fifty percent (50%) or more of the total voting power of the stock of the Employer.

#### 6.6 TERMINATION PAY

Effective upon the termination of this Agreement, the Employer will be obligated to pay the Executive (or, in the event of his death, his designated beneficiary as defined below) only such compensation as is provided in this Section 6.6, and in lieu of all other amounts and in settlement and complete release of all claims the Executive may have against the Employer. For purposes of this Section 6.6, the Executive's designated beneficiary will be



such individual beneficiary or trust, located at such address, as the Executive may designate by notice to the Employer from time to time or, if the Executive fails to give notice to the Employer of such a beneficiary, the Executive's estate. Notwithstanding the preceding sentence, the Employer will have no duty, in any circumstances, to attempt to open an estate on behalf of the Executive, to determine whether any beneficiary designated by the Executive is alive or to ascertain the address of any such beneficiary, to determine the existence of any trust, to determine whether any person or entity purporting to act as the Executive's personal representative (or the trustee of a trust established by the Executive) is duly authorized to act in that capacity, or to locate or attempt to locate any beneficiary, personal representative, or trustee.

(A) Termination by the Executive for Good Reason. If the Executive terminates this Agreement for good reason, the Employer will pay the Executive (i) the Executive's Salary for the remainder, if any, of the calendar month in which such termination is effective and for six (6) consecutive calendar months thereafter, and (ii) that portion of the Executive's Incentive Compensation, if any, for the Fiscal Year during which the termination is effective, prorated through the date of termination. Notwithstanding the preceding sentence, if the Executive obtains other employment prior to the end of the six months following the month in which the termination is effective, he must promptly give notice thereof to the Employer, and the Salary payments under this Agreement for any period after the Executive obtains other employment will be reduced by the amount of the cash compensation received and to be received by the Executive from the Executive's other employment for services performed during such period.

(B) Termination by the Employer for Cause. If the Employer terminates this Agreement for cause, the Executive will be entitled to receive his Salary only through the date such termination is effective, but will not be entitled to any Incentive Compensation for the Fiscal Year during which such termination occurs or any subsequent Fiscal Year.

(C) Termination upon Disability. If this Agreement is terminated by either party as a result of the Executive's disability, as determined under Section 6.2, the Employer will pay the Executive his Salary through the remainder of the calendar month during which such termination is effective and for the lesser of (i) six (6) consecutive months thereafter, or (ii) the period until disability insurance benefits commence, if any, under disability insurance coverage furnished by the Employer or the Executive.

(D) Termination upon Death. If this Agreement is terminated because of the Executive's death, the Executive will be entitled to receive his Salary through the end of the calendar month in which his death occurs, and that part of the Executive's Incentive Compensation, if any, for the Fiscal Year during which his death occurs, prorated through the end of the calendar month during which his death occurs.

(E) Termination upon Extraordinary Event. If this agreement is terminated due to an extraordinary event (as defined in Section 6.5), the Executive will be entitled to receive a severance payment from the Employer as follows:

Completed Years of Employment

Service with the Employer

Less than one (1) year  
At least one (1) year but less than two (2) years  
More than two years

Severance Amount

10% of Basic Compensation Salary  
150% of Basic Compensation Salary  
299% of Basic Compensation Salary

(F) Benefits. The Executive's accrual of, or participation in plans providing for, the Benefits will cease at the effective date of the termination of this Agreement, provided however, the Executive will be entitled to accrued Benefits pursuant to such plans as provided in such plans or grants thereunder. The Executive will not receive, as part of his termination pay pursuant to this Section 6, any payment or other compensation for any vacation, holiday, sick leave, or other leave unused on the date the notice of termination is given under this Agreement.

7. NON-DISCLOSURE COVENANT; EMPLOYEE INVENTIONS

7.1 ACKNOWLEDGMENTS BY THE EXECUTIVE

The Executive acknowledges that

(A) during the Employment Period and as a part of his employment, the Executive will be afforded access to Confidential Information;

(B) public disclosure of such Confidential Information could have an adverse effect on the Employer and its business;

(C) because the Executive possesses substantial technical expertise and skill with respect to the Employer's business, the Employer desires to obtain exclusive ownership of each Employee Invention, and the Employer will be at a substantial competitive disadvantage if it fails to acquire exclusive ownership of each Employee Invention;

(D) the provisions of this Section 7 are reasonable and necessary to prevent the improper use or disclosure of Confidential Information and to provide the Employer with exclusive ownership of all Employee Inventions.

7.2 AGREEMENTS OF THE EXECUTIVE

In consideration of the compensation and benefits to be paid or provided to the Executive by the Employer under this Agreement, the Executive covenants as follows:

(A) Confidentiality.

(i) During and following the Employment Period, the Executive will hold in confidence the Confidential Information and will not disclose it to any person except with the specific prior written consent of the Employer or except as otherwise expressly permitted by the terms of this Agreement.

(ii) Any trade secrets of the Employer will be entitled to all of the protections and benefits under Utah's Uniform Trade Secrets Act, Title 13 Chapter 24, and any other applicable law. If any information that the Employer deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Agreement, such information will, nevertheless, be considered Confidential Information for purposes of this Agreement. The Executive hereby waives any requirement that the Employer submit proof of the economic value of any trade secret or post a bond or other security.

(iii) None of the foregoing obligations and restrictions applies to any part of the Confidential Information that the Executive demonstrates was or became generally available to the public other than as a result of a disclosure by the Executive.

(iv) The Executive will not remove from the Employer's premises (except to the extent such removal is for purposes of the performance of the Executive's duties at home or while traveling, or except as otherwise specifically authorized by the Employer) any document, record, notebook, plan, model, component, device, or computer software or code, whether embodied in a disk or in any other form (collectively, the "Proprietary Items"). The Executive recognizes that, as between the Employer and the Executive, all of the Proprietary Items, whether or not developed by the Executive, are the exclusive property of the Employer. Upon termination of this Agreement by either party, or upon the request of the Employer during the Employment Period, the Executive will return to the Employer all of the Proprietary Items in the Executive's possession or subject to the Executive's control, and the Executive shall not retain any copies, abstracts, sketches, or other physical embodiment of any of the Proprietary Items.

(B) Employee Inventions. Each Employee Invention will belong exclusively to the Employer. The Executive acknowledges that all of the Executive's writing, works of authorship and other Employee Inventions are works made for hire and the property of the Employer, including any copyrights, patents or other intellectual property rights pertaining thereto. If it is determined that any such works are not works made for hire, the Executive hereby assigns to the Employer all of the Executive's right, title, and interest, including all rights of copyright, patent and other intellectual property rights, to or in such Employee Inventions. The Executive covenants that he will promptly:

(i) disclose to the Employer in writing any Employee Invention;

(ii) assign to the Employer or to a party designated by the Employer, at the Employer's request and without additional compensation, all of the Executive's right to the Employee Invention for the United States and all foreign jurisdictions;

(iii) execute and deliver to the Employer such applications, assignments, and other documents as the Employer may request in order to apply for and obtain patents or other registrations with respect to any Employee Invention in the United States and any foreign jurisdictions;

(iv) sign all other papers necessary to carry out the above obligations; and

(v) give testimony and render any other assistance in support of the Employer's rights to any Employee Invention.

### 7.3 DISPUTES OR CONTROVERSIES

The Executive recognizes that should a dispute or controversy arising from or relating to this Agreement be submitted for adjudication to any court, arbitration panel, or other third party, the preservation of the secrecy of Confidential Information may be jeopardized. All pleadings, documents, testimony, and records relating to any such adjudication will be maintained in secrecy and will be available for inspection by the Employer, the Executive, and their respective attorneys and experts, who will agree, in advance and in writing, to receive and maintain all such information in secrecy, except as may be limited by them in writing.

## 8. NON-COMPETITION AND NON-INTERFERENCE

### 8.1 ACKNOWLEDGMENTS BY THE EXECUTIVE

The Executive acknowledges that:

(A) the services to be performed by him under this Agreement are of a special, unique, unusual, extraordinary, and intellectual character;

(B) the Employer's business is global in scope and its products are marketed throughout the world;

(C) the Employer competes with other businesses that are or could be located in any part of world; and

(D) the provisions of this Section 8 are reasonable and necessary to protect the Employer's business.

### 8.2 COVENANTS OF THE EXECUTIVE

In consideration of the acknowledgments by the Executive, and in consideration of the compensation and benefits to be paid or provided to the Executive by the Employer, the Executive covenants that he will not, directly or indirectly:

(A) during the Employment Period, except in the course of his employment hereunder, and during the Post-Employment Period, engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend the Executive's name or any similar name to, lend Executive's credit to or render services or advice to, any business whose products or activities compete in whole or in part with the products or activities of the Employer; provided, however, that the Executive may purchase or otherwise acquire up to (but not more than) one percent of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934;

(B) whether for the Executive's own account or for the account of any other person, at any time during the Employment Period and the Post-Employment Period, solicit business of the same or similar type being carried on by the Employer, from any person known by the Executive to be a customer of the Employer, whether or not the Executive had personal contact with such person during and by reason of the Executive's employment with the Employer;

(C) whether for the Executive's own account or the account of any other person (i) at any time during the Employment Period and the Post-Employment Period, solicit, employ, or otherwise engage as an employee, independent contractor, or otherwise, any person who is or was an employee of the Employer at any time during the Employment Period or in any manner induce or attempt to induce any employee of the Employer to terminate his employment with the Employer; or (ii) at any time during the Employment Period and for three years thereafter, interfere with the Employer's relationship with any person, including any person who at any time during the Employment Period was an employee, contractor, supplier, or customer of the Employer; or

(D) at any time during or after the Employment Period, disparage the Employer or any of its shareholders, directors, officers, employees, or agents.

For purposes of this Section 8.2, the term "Post-Employment Period" means the one (1) year period beginning on the date of termination of the Executive's employment with the Employer.

If any covenant in this Section 8.2 is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Executive.

The period of time applicable to any covenant in this Section 8.2 will be extended by the duration of any violation by the Executive of such covenant.

The Executive will, while the covenant under this Section 8.2 is in effect, give notice to the Employer, within ten days after accepting any other employment, of the identity of the Executive's employer. The Employer may notify such employer that the Executive is bound by this Agreement and, at the Employer's election, furnish such employer with a copy of this Agreement or relevant portions thereof.

## 9. GENERAL PROVISIONS

### 9.1 INJUNCTIVE RELIEF AND ADDITIONAL REMEDY

The Executive acknowledges that the injury that would be suffered by the Employer as a result of a breach of the provisions of this Agreement (including any provision of Sections 7 and 8) would be irreparable and that an award of monetary damages to the Employer for such a breach would be an inadequate remedy. Consequently, the Employer will have the right, in addition to any other rights it may have, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and the Employer will not be obligated to post bond or other security in seeking such relief. Without limiting the Employer's rights under this Section 9 or any other remedies of the Employer, if the Executive breaches any of the provisions of Section 7 or 8, the Employer will have the right to cease making any payments otherwise due to the Executive under this Agreement.

### 9.2 COVENANTS OF SECTIONS 7 AND 8 ARE ESSENTIAL AND INDEPENDENT COVENANTS

The covenants by the Executive in Sections 7 and 8 are essential elements of this Agreement, and without the Executive's agreement to comply with such covenants, the Employer would not have entered into this Agreement or employed or continued the employment of the Executive. The Employer and the Executive have independently consulted their respective counsel and have been advised in all respects concerning the reasonableness and propriety of such covenants, with specific regard to the nature of the business conducted by the Employer.

The Executive's covenants in Sections 7 and 8 are independent covenants and the existence of any claim by the Executive against the Employer under this Agreement or otherwise will not excuse the Executive's breach of any covenant in Section 7 or 8.

If the Executive's employment hereunder expires or is terminated, this Agreement will continue in full force and effect as is necessary or appropriate to enforce the covenants and agreements of the Executive in Sections 7 and 8.

### 9.3 OFFSET

The Employer will be entitled to offset against any and all amounts owing to the Executive under this Agreement the amount of any and all claims that the Employer may have against the Executive under this Agreement.

### 9.4 REPRESENTATIONS AND WARRANTIES BY THE EXECUTIVE

The Executive represents and warrants to the Employer that the execution and delivery by the Executive of this Agreement do not, and the performance by the Executive of the Executive's obligations hereunder will not, with or without the giving of notice or the passage of time, or both:

(A) violate any judgment, writ, injunction, or order of any court, arbitrator, or governmental agency applicable to the Executive; or

(B) conflict with, result in the breach of any provisions of or the termination of, or constitute a default under, any agreement to which the Executive is a party or by which the Executive is or may be bound.

#### 9.5 OBLIGATIONS CONTINGENT ON PERFORMANCE

The obligations of the Employer hereunder, including its obligation to pay the compensation provided for herein, are contingent upon the Executive's performance of the Executive's obligations hereunder.

#### 9.6 WAIVER

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

#### 9.7 BINDING EFFECT; DELEGATION OF DUTIES PROHIBITED

This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors, assigns, heirs, and legal representatives, including any entity with which the Employer may merge or consolidate or to which all or substantially all of its assets may be transferred. The duties and covenants of the Executive under this Agreement, being personal, may not be delegated.

#### 9.8 NOTICES

All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when

(A) delivered by hand (with written confirmation of receipt),

(B) sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or

(C) when received by the addressee, if sent by a nation-ally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a party may designate by notice to the other parties):

If to Employer:

Attention: Gamal Kulumbetov, Chief Executive Officer  
BMB Munai, Inc.  
202, Dostyk Avenue  
Business Center Forum 4<sup>th</sup> Floor  
Almaty, 050051, Kazakhstan  
Facsimile No.: +7 3272 375-131

With a copy to:

Attention: Ron Poulton  
Poulton & Yordan  
324 S. 400 W., Suite 250  
Salt Lake City, UT 84092  
Facsimile No.: 801-355-2990

If to Executive:

Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.9 ENTIRE AGREEMENT; AMENDMENTS

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof. This Agreement may not be amended orally, but only by an agreement in writing signed by the parties hereto.

9.10 GOVERNING LAW

This Agreement will be governed by the laws of the State of Utah without regard to conflicts of laws principles.



#### 9.11 AGREE TO ARBITRATION

Any dispute arising under this Agreement will be resolved by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Each party waives any right to adjudicate any dispute in any other court or forum, except that a party may seek interim relief before the start of arbitration as allowed by the AAA Rules. The arbitration shall be held in State of Utah, County of Salt Lake. The Parties will abide by any decision in the arbitration and any court having jurisdiction may enforce it. The Parties submit to any court of general jurisdiction in the County of Salt Lake, State of Utah to compel or confirm an arbitration award. The Parties agree to accept service of process in accordance with the AAA Rules.

The prevailing party is entitled to reasonable costs of arbitration, including reasonable attorneys fees and interest. In the event a party fails to proceed with arbitration, challenges the arbitrator's award, or fails to comply with the arbitrator's award, the other party is entitled to costs of suit, including reasonable attorney fees for having to compel arbitration or defend or enforce the award.

#### 9.12 JURISDICTION

Any action or proceeding seeking to enforce arbitration under Section 9.11 or enforce any arbitration award under Section 9.11, may be brought against either of the parties in the courts of the State of Utah, County of Salt Lake, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Utah, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on either party anywhere in the world.

#### 9.13 SECTION HEADINGS, CONSTRUCTION

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement unless otherwise specified. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

#### 9.14 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9.15 COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date above first written above.

EMPLOYER:

\_\_\_\_\_  
By:

EXECUTIVE:

\_\_\_\_\_  
By:

## CONSULTING AGREEMENT

This CONSULTING AGREEMENT (the "Agreement") is entered this 31<sup>st</sup> day of December 2009, between BMB Munai, Inc., a Nevada Corporation (the "Company"), and Boris Cherdabayev (the "Advisor"). The Company and the Advisor are sometimes jointly referred as the Parties.

The Company desires to benefit from the experience and ability of the Advisor as a consultant to the Company, and the Advisor is willing to commit himself to serve as an Advisor to the Company, on the terms and conditions herein provided.

Accordingly, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and for other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- **APPOINTMENT**

The Company hereby retains the Advisor, effective as of January 1, 2010, (the "Effective Date") and the Advisor hereby agrees to become a Special Advisor to management of the Company for the Initial Term provided in Section 3 to render the consulting services described in Section 1.

- **DUTIES**

- Assignment of Duties. During the Initial Term, as defined in Section 3 of this Agreement, the Advisor shall be available to the Company to provide such consulting and other services as may reasonably be required of him by the Company management from the Advisor's offices in Almaty, Kazakhstan, together with such reasonable travel requirements as the Advisor and the Company management shall agree from time to time.
- Availability. The Advisor shall devote to the Company such time as shall be reasonably necessary for the effective conduct of his duties hereunder. Advisor shall be permitted to engage in outside business and other interests that do not conflict with such duties.

- **TERM.**

This Agreement will be for the term of five years (the "Initial Term"), unless sooner terminated as described below. The Initial Term will be automatically renewed for additional one-year terms unless and until this Agreement is terminated as described below.

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- **COMPENSATION.**

- Base Compensation Fees. The Company shall pay the Advisor a gross base compensation fee of \$192,000 per annum during the first year of this Agreement (the "Base Compensation Fee"). The Company will be responsible for Social Tax and Social Insurance Tax, while the Advisor shall be responsible for Personal Income Tax and Pension Fund Tax. Payments shall be made in equal monthly installments in arrears on the last day of each month during the term of this Agreement. The Parties shall review the Base Compensation on an annual basis to determine if the Base Compensation Fee should be increased for the following year during the Initial Term based upon the success of the projects on which the Advisor provides consulting to the Company. If the Parties, following any annual review, do not agree upon an adjustment, then the Base Compensation Fee shall remain at the amount of the Base Compensation Fee paid during the preceding year of the Initial Term.
- Expense Reimbursement. The Company shall reimburse the Advisor for all reasonable out-of-pocket expenses related to travel, entertainment and miscellaneous expense incurred in carrying out his duties under this Agreement. Reimbursement shall only be made against an itemized list of such expenditures signed by the Advisor in such form as required by the Company and consistent with the Company's policy.
- Extraordinary Event Payment. The Company has disclosed to the Advisor that it may entertain certain transactions that will be deemed an Extraordinary Event as defined herein. The execution of any agreement to engage in any Extraordinary Event shall be treated as a termination of this Agreement, in addition to the termination provisions of section 5 below. Upon termination under this section 4.3, the Company shall pay the Advisor the greater of the Base Compensation Fee for the remaining Initial Term of this Agreement or \$5,000,000 whichever sum is greater. The Company acknowledges and agrees that this payment is reasonably necessary to allow the Company to pursue an Extraordinary Event and to induce the Advisor to execute this Agreement. The right to such payment shall be deemed fully earned upon execution of this Agreement. An "Extraordinary Event" shall, without limitation, mean: any consolidation or merger of the Employer or any of its subsidiaries with another person, or any acquisition of the Employer or any of its subsidiaries by any person or group of persons, acting in concert, equal to fifty percent (50%) or more of the outstanding stock of the Employer or any of its subsidiaries, or the sale of forty percent (40%) or more of the assets of the Employer or any of its subsidiaries, or one (1) person or more than one person acting as a group, acquires fifty percent (50%) or more of the total voting power of the stock of the Employer.

- **TERMINATION.**

- Termination Upon Death or Disability. In the event of the Advisor's death or total disability (defined as the Advisor's inability to perform his duties under this Agreement for three (3) consecutive fiscal quarters) during the Initial Term, this Agreement shall terminate on the date of such death or disability; provided that, such termination shall not relieve the Company of its obligations to make the payments as described in Section 4 hereof accrued through the date of such termination.
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- Termination for Cause: Voluntary Termination Prior to Term-End. The Company may terminate this Agreement for “Cause” as provided herein. The Company shall have “Cause” to terminate this Agreement if (a) the Advisor materially breaches this Agreement and remains in breach for a period of 90 days after delivery of written notice of breach from the Company which shall set forth the facts outlining the breach in sufficient detail to allow the Advisor reasonable opportunity to cure any breach or (b) Advisor in performing his responsibilities under this Agreement, engages in conduct which is fraudulent or grossly negligent and damaging to the Company. If the Advisor is terminated by the Company for Cause or if the Advisor voluntarily terminates his services prior to the end of the Term (other than due to the Advisor’s death or disability) then the Advisor shall be paid only the Consulting Fee accrued through the date of such termination for cause the Advisor will forfeit all right to receive any other payments from the Company unless previously earned but unpaid and any other compensation to which he would otherwise be entitled.
  - Termination by the Company other than for Cause. If the Advisor is terminated by the Company other than for Cause, prior to the end of the Term, then the Advisor shall be entitled to payment of the total amount of the Consulting Fee which would have been paid hereunder if his services were not so terminated by the Company, except that if Extraordinary Event occurs within nine months of the effective date of such termination, then the Advisor will be entitled to receive the termination compensation set forth in Section 4.3.
  - **CONFIDENTIALITY.**
  - Confidentiality of Trade Secrets or Proprietary Information. Advisor acknowledges that, during Advisor’s service with the Company, Advisor has had access to proprietary information, trade secrets, and confidential material of the Company and its affiliates, successors and assigns, including, without limitation, information concerning the Company’s operations, policies and procedures, present and future business plans, financial information, budgets and projections, methods of doing business, and marketing, research and development activities and strategies (“Confidential Information”). Advisor agrees, without limitation in time or until the Confidential Information shall become public other than by Advisor’s unauthorized disclosure, to maintain the confidentiality of the Confidential Information and refrain from divulging, disclosing, or otherwise using the Confidential Information to the detriment of the Company or its affiliates, successors or assigns, or for any other purpose or no purpose.
  - Enforceability of Provisions/Remedies. Advisor agrees that any breach of the covenants contained in this Section 6 would irreparably injure the Company. Accordingly, the Company may, in addition to pursuing any other remedies they may have in law or in equity, obtain an injunction against Advisor from any court having jurisdiction over the matter, restraining any further violation of this Section 6 by Advisor.
-

- **INDEMNIFICATION.**

The Company shall indemnify, protect, defend and hold the Advisor and his estate, heirs, and personal representatives, harmless from and against any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), and all losses, liabilities, damages and expenses, including reasonable attorney's fees incurred by counsel reasonably designated or approved by him, in connection with this Agreement or his services hereunder, provided that any consulting services giving rise to such indemnification shall have been performed by the Advisor in good faith and, to the best of his knowledge, in any lawful manner.

- **OTHER PROVISIONS.**

- Independent Contractor Status. Advisor hereby acknowledges that Advisor's services to the Company during the Term of this Agreement will be as an independent contractor and not as an employee and even if Advisor is subsequently determined to have been an employee during such Term, he waives any rights he might have to benefits of any type whatsoever, from and after the Effective Date, except as specifically provided for herein.
- Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be effective three (3) business days after it is properly sent by registered or certified mail to the following addresses or twenty-four (24) hours if sent via email or facsimile:

**If to the Company:** At its street address, email or facsimile number as shown on its most recent periodic reported file with the U.S. Securities and Exchange Commission.

**If to the Advisor:** 202 Dostyk Ave., Almaty Kazakhstan, 050000

Either party to this Agreement may use such other address as either party may from time to time designate by notice.

- Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.
  - Waivers and Amendments. This Agreement may be amended, superseded, cancelled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the Parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. Each of the sections contained in this Agreement shall be enforceable, independently of every other section in this Agreement, and invalidity or enforceability of any section shall not invalidate or render nonenforceable any other section contained herein. If any section or provision in a section is found invalid or unenforceable, it is the intent of the Parties that a court of competent jurisdiction shall reform the section or provisions to produce its nearest enforceable economic equivalent.
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- Governing Law. The validity, interpretation construction and performance of this Agreement shall in all respects be governed by the laws of Utah, without reference to principles of conflict of law. The Parties hereby consent to the jurisdiction of the courts of the State of Utah as the exclusive forum for resolution any dispute arising under this Agreement.
- Assignment. The services to be rendered by the Advisor hereunder are personal in nature and, thus, the obligations of the Advisor under this Agreement may not be assigned to any other party.
- Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto. The Parties agree that an executed agreement delivered by electronic mail or facsimile copy shall be deemed in all respects to be of the same force and binding effect as the original, wet-inked document.
- Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BMB Munai, Inc.

/s/ Gamal Kulumbetov

By: \_\_\_\_\_  
Gamal Kulumbetov, Chief Executive Officer

Reviewed and approved:

/s/ Nurbek Tleuzhanov

By: \_\_\_\_\_  
Nurbek Tleuzhanov, Kazakhstan Legal Counsel

Advisor:

/s/ Boris Cherdabayev

By: \_\_\_\_\_  
Boris Cherdabayev