

**APPROVED**

**by the decision of the General Meeting of Shareholders of  
Joint Stock Company "Altyn Bank"  
(Subsidiary bank of China Citic Bank Corporation  
Limited)  
(minutes of "25" March 2021 No. 1)**

**Corporate Governance Code of  
Joint Stock Company "Altyn Bank"  
(Subsidiary bank of China Citic Bank Corporation Limited)**

**Chapter 1. General Provisions**

1. This Corporate Governance Code (hereinafter - the Code) defines the main standards and principles applied in the management of Joint Stock Company "Altyn Bank" (Subsidiary bank of China Citic Bank Corporation Limited) (hereinafter - the Bank), including the relationship between the Board of Directors and the Management Board, shareholders and officials of the Bank, the order of operations and decision-making by bodies of the Bank.

2. The purpose of applying corporate governance standards is to protect the interests of shareholders of the Bank. Corporate governance is aimed to ensuring a high level of business ethics in relations between shareholders of the Bank, its bodies and officials of the Bank, as well as in relations of the Bank (its bodies, officials and employees) with third parties.

3. This Code was developed in accordance with the provisions of the legislation of the Republic of Kazakhstan, recommendations of the authorized state body, the Model Code, ethical standards, and specific conditions for the Bank's activities at the current stage of development.

4. The following concepts in this Code have the following meanings:

Director	member of the Board of Directors of the Bank;
Conflict of interests	a situation in which there is a contradiction between the personal interests of the Bank's officers, its shareholders and (or) its employees and their proper exercise of their official powers or the property and other interests of the Bank and (or) its employees and (or) customers, which will entail adverse consequences for the Bank and (or) its customers;
Corporate governance	the system of relations between the Management Board of the Bank, the Board of Directors, shareholders, executives and auditors, as well as relations between authorized collegial bodies of the Bank;
Information disclosure rules	Information disclosure rules for Kazakhstan stock exchanges where the Bank's securities are admitted to trading in accordance with the decision of the Bank;
Model Code	Corporate Governance Code approved by the Council of issuers of Kazakhstan on February 21, 2005.
Authorized collegial body of the Bank	the Board of Directors, Committee under the Board of Directors, the Management Board, Committee under the Management Board.

**Chapter 2. Principles of Corporate Governance**

5. The principles of corporate governance are the initial principles that guide the Bank in the process of forming, operating and improving its corporate governance system.

The main elements of an effective corporate governance system are:

- 1) organizational structure;
- 2) corporate values;



- 3) strategy of the Bank;
- 4) distribution of duties and powers regarding decision-making between authorized collegial bodies of the Bank;
- 5) mechanisms of interaction and cooperation between Directors, the Management Board, external and internal auditors of the Bank;
- 6) procedures and methods of risk management;
- 7) internal control system;
- 8) remuneration system;
- 9) availability of an adequate management reporting system;
- 10) transparency of corporate governance.

The corporate governance system allows to organize distribution of powers and responsibilities, as well as build a corporate decision-making process.

The Bank's corporate governance system complies with the following principles:

1) compliance with the scale and nature of the Bank's activities, its structure, risk profile, business model of the Bank;

2) protection of the rights of shareholders provided in accordance with the civil, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on joint-stock companies and support for implementation of these rights;

3) ensuring timely and reliable disclosure of information in accordance with the banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan, on currency regulation and currency control, on payments and payment systems, about securities market, on combating legalization (laundering) of proceeds from crime and financing of terrorism, on joint-stock companies;

4) to fulfill their responsibilities, the Directors have access to complete, relevant and timely information.

The corporate governance of the Bank is based primarily on respecting the rights and legitimate interests of all its shareholders and status of the Bank itself and is aimed at achieving greater efficiency of the Bank's operations, including growth of the Bank's assets, creating jobs and maintaining financial stability and profitability of the Bank. The principles of corporate governance reflected in this chapter are aimed at creating trust in relations arising in connection with the management of the Bank.

#### **6. The first principle. Providing shareholders with a real opportunity to exercise their right to participate in the management of the Bank.**

To implement this principle of corporate governance, the Bank:

1) ensured a reliable and effective system of accounting for shareholders' ownership of shares, as well as the possibility of free and quick alienation of their shares. The register of the Bank's securities holders is maintained by the central depository;

2) comply with the procedure for convening and holding general meetings of shareholders, allowing to bring information about the general meeting of shareholders to notice maximum number of shareholders of the Bank, to properly prepare for participation in the general meeting of shareholders, to get acquainted with the list of parties entitled to participate in the general meeting of shareholders. The choice of location, date and time of the general meeting of shareholders is exercised by the Bank in such a way that shareholders have a real and easy opportunity to take part in it and exercise their right to manage the Bank, including through absentee voting. The procedure for convening and holding general meetings of shareholders is determined by the Bank's Charter, Chapter 3 of this Code;

3) complies with the conditions established by the legislation of the Republic of Kazakhstan and the Bank's Charter for nominating candidates for election to the Board of Directors of the Bank, providing also the possibility for a shareholder to nominate his candidacy for the Director by appropriately regulating the procedure for nominating the Director, establishing uniform

requirements for persons who may be nominated as candidacy for the Director, strict observance of the procedure for cumulative voting when electing Directors, which is the key to ensuring the rights to participate in the management of the Bank, first of all, of minority shareholders. The order of election, the activities of the Board of Directors is determined by Chapter 4 of this Code.

**7. The second principle. Creating a real opportunity for shareholders of the Bank to participate in the distribution of the Bank's net income (dividends).**

To implement this principle of corporate governance, the Bank:

1) established a transparent and understandable to shareholders mechanism for determining the amount of dividends and the procedure for their payment, takes measures to ensure the most accessible and facilitated procedure for receiving dividends;

2) to form an accurate idea of shareholders about the availability and conditions in the Bank for dividend payment, presents them information on the financial results of the Bank;

3) provides shareholders access to the financial statements of the Bank, which is regulated by Chapter 8 of this Code;

4) apply the disciplinary measures provided by the legislative acts and internal rules of the Bank in relation to Bank officials in the event of incomplete or late payment of declared dividends of the Bank.

The above provisions reflected in Chapter 10 of this Code.

**8. The third principle. Ensuring timely and full submission to the Bank's shareholders reliable information regarding the Bank's financial position, economic indicators, results of operations, management structure of the Bank, in order to ensure the possibility of making informed decisions by the Bank's shareholders and investors.**

To implement this principle of corporate governance, the Bank:

1) provides shareholders with detailed information on each agenda issue when preparing for general meetings of shareholders, in order to work out with shareholders a correct (adequate) presentation on a particular agenda issue;

2) established a uniform, clear and accessible procedure for shareholders of the Bank to obtain information of interest to them;

3) details and follows the procedure for controlling of using and presentation of confidential information, information constituting the subject of commercial and banking secrecy;

4) complies with the requirements of the legislation of the Republic of Kazakhstan and the Rules for disclosing information subject to mandatory notification to shareholders.

The order for execution by shareholders' rights to receive information of interest to them, the list of information classified as banking and commercial secrets, as well as the procedure for obtaining such information are governed by the Charter of the Bank and Chapter 8 of this Code.

**9. The forth principle. Ensuring equal treatment of all categories of shareholders of the Bank.**

To implement this principle of corporate governance, the Bank:

1) adheres the position of equal attitude of the Bank, first of all in the face of the management, to all categories of shareholders of the Bank;

2) created the necessary conditions for the participation of all shareholders in the management of the Bank by making decisions at general meetings of shareholders in the manner prescribed by the legislation of the Republic of Kazakhstan, the Bank's Charter and this Code;

3) comply with the procedure for convening and holding a general meeting, ensuring a reasonable equal opportunity for all persons present at the meeting to express their opinion and ask questions of interest to them, which is defined by Chapter 3 of this Code;

4) comply with the procedure for carrying out significant corporate actions that allow shareholders to receive full information about such actions and guarantee their rights regardless of the category of shareholder, as defined in Chapter 7 of this Code;

5) observe the procedure of equal opportunity for all shareholders of the Bank to access the same information, the uniform procedure for providing information to all categories of shareholders;

6) establishes a transparent procedure for electing officials of the Bank, providing for the provision to all shareholders of the necessary information in relation to such persons;

7) take all possible measures to resolve conflicts between the bodies of the Bank and its shareholders, as well as between shareholders, if such conflict affects the interests of the Bank.

The provisions governing the implementation of this principle are reflected in this Code.

#### **10. The fifth principle. Ensuring maximum transparency of the Bank officials. Corporate Governance Transparency.**

To implement this principle of corporate governance, the Bank:

1) has provided the strictest ban on the implementation of transactions using insider information;

2) comply with the procedure for reporting by Bank officials to shareholders as established by law;

3) developed a transparent procedure for electing Directors and the Management Board of the Bank, in particular, on the basis of the recommendations of the relevant committee of the Board of Directors submitted in accordance with the internal documents of the Bank, providing to all shareholders the necessary information about these persons.

The procedure for election and the basic requirements for officials of the Bank, the reporting of officials of the Bank is governed by the laws of the Republic of Kazakhstan, the Bank's Charter and internal regulatory documents of the Bank.

#### **11. The sixth principle. Ensuring implementation by the Board of Directors of the Bank of the strategic management of the Bank's activities and its effective control over the activities of executive body of the Bank, as well as accountability of the Directors to its shareholders.**

To implement this principle of corporate governance, the Bank:

1) approve by the decision of the Board of Directors the Bank's Development Strategy, and also ensures effective control by the Board of Directors of the Bank's financial and business activities;

2) establish requirements for candidates to the Board of Directors of the Bank, which allow to elect Directors who ensure the most efficient performance of functions assigned to the Board of Directors;

3) establish a procedure that ensures active participation of the Directors in the meetings of the Board of Directors, with clear procedural matters;

4) set up committees of the Board of Directors whose functions include consideration of issues on strategic planning, staff and remuneration, audit, risk management and other issues that provide recommendations to the Board of Directors in accordance with the regulations of the committees approved by the Board of Directors;

5) takes measures to improve the structure of the Board of Directors, which implies creation of committees for preliminary consideration of the most important issues within the competence of the Board of Directors;

6) takes measures to establish effective control over the activities of the Management Board of the Bank by establishing the procedure for submitting reports of the Management Board to the Board of Directors of the Bank.

The procedure for election and basic requirements for the Directors, as well as procedure for activities of the Board of Directors and its committees, are established by the legislation of the Republic of Kazakhstan, the Bank's Charter, this Code and internal regulatory documents of the Bank.

#### **12. The seventh principle. Providing the Bank's Management Board with the ability to**

**conscientiously exercise effective management of the current activities of the Bank, as well as establishing the accountability of the Bank's Management Board to the Board of Directors of the Bank and its shareholders.**

To implement this principle of corporate governance, the Bank:

1) on the basis of the requirements of the legislation of the Republic of Kazakhstan, determined the competence of the Management Board of the Bank, as reflected in the Charter of the Bank and internal regulatory documents of the Bank;

2) ensures the functioning of the system of control over the activities of the Management Board of the Bank in order to effectively implement, assigned functions, including the execution of the Bank's Development Strategy provisions by the Management Board of the Bank;

3) ensures compliance of the remuneration of the Chairman and members of the Management Board, other officials of the Bank with their qualifications and a real contribution to the results of the Bank's activities;

4) takes measures to ensure that the Bank's Management Board adequately respects the interests of third parties, including the Bank's creditors, the state and local governments in whose territory the Bank or its branches are located;

5) created a personnel management system that allows promoting the interest of Bank employees in the efficient operation of the Bank, and allowing for a gradual and steady increase in the welfare of Bank employees by creating a special unit responsible for implementing personnel policy.

The procedure for election and the basic requirements for the members of the Management Board of the Bank, as well as the procedure for the activities of the Management Board are established by the legislation of the Republic of Kazakhstan, the Charter and internal regulatory documents of the Bank.

### **13. The eighth principle. Defining ethical standards for shareholders of the Bank.**

The implementation of this principle of corporate governance is possible only with direct participation and free will of the Bank's shareholders by:

1) strict adherence by the shareholders of the Bank, firstly by major shareholders the ethical standards of behavior;

2) inadmissibility of abuse of rights by shareholders of the Bank;

3) inadmissibility of actions of shareholders, carried out exclusively with the intention to cause harm to other shareholders or the Bank.

### **14. The ninth principle. Ensuring the functioning of an effective system of risk management and internal control of the Bank and its objective assessment.**

To implement this principle of corporate governance, the Bank:

1) organized the Bank's internal control system in accordance with the procedure defined by Chapter 9 of this Code;

2) delimited competences and distributed powers on risk management between authorized collegial bodies and structural divisions of the Bank by approving the Bank's organizational structure corresponding to the selected business model, scope of activities, types and complexity of operations, which minimizes conflicts of interest;

3) created Authorized collegial bodies of the Bank responsible for facilitating the performance of the duties of the Board of Directors in accordance with the requirements of the regulatory legal act on the formation of a risk management and internal control system;

4) established the internal audit service and the Audit Committee of the Board of Directors (hereinafter - the "Audit Committee") in order to assess the effectiveness of the internal control system;

5) introduced the principle of independence of the internal audit service from the Management Board of the Bank;

6) created a system of effective interaction between internal and external audits;

7) takes measures to ensure good corporate governance practices and an appropriate level of business ethics and risk culture.

### **Chapter 3. General Meeting of Shareholders of the Bank**

15. Shareholders of the Bank are granted the right to participate in the management of the Bank through participation in the work of convening and holding a general meeting of shareholders. The procedure for convening, preparing and holding the general meeting of shareholders, applied by the Bank, ensures equal treatment of all shareholders of the Bank and gives equal opportunities to each shareholder of the Bank to exercise their rights to participate in the general meeting of shareholders.

#### **§ 1. The procedure for convening and preparing for the general meeting of shareholders of the Bank**

16. Shareholders propose issues for inclusion on the agenda of the general meeting and nominate candidates for the Director of the Bank, and also have the right to demand that the general meeting be convened in accordance with the legislation of the Republic of Kazakhstan by sending appropriate messages in writing at the location of the Bank's Management Board.

17. The annual general meeting of shareholders is convened by the Board of Directors of the Bank. An extraordinary general meeting of shareholders is convened on the initiative of the Board of Directors and (or) a major shareholder of the Bank, which, in accordance with the laws of the Republic of Kazakhstan, is recognized as a shareholder or several shareholders acting on the basis of an agreement between them, who (in aggregate) owns ten or more Bank's votes shares.

18. If it is necessary to convene an extraordinary general meeting, a major shareholder sends to the Board of Directors at the location of the Board a written request to convene an extraordinary general meeting, which contains the agenda of the meeting.

The Board of Directors of the Bank, within ten working days from the date of receipt of the aforementioned requirement, makes a decision and no later than three working days from the moment such a decision is made, sends it to the major shareholder, who has submitted this request, informing him of the decision to convene an extraordinary general meeting of shareholders or to refuse its convening, in cases stipulated by the legislation of the Republic of Kazakhstan. The Board of Directors does not have the right to make changes to the wording of the agenda issues and change the proposed procedure for holding an extraordinary general meeting of shareholders convened at the request of a major shareholder, but has the right to supplement the agenda with any issues at its discretion.

19. The list of shareholders entitled to participate in the general meeting of shareholders and vote on it is compiled by the central depository on the basis of data from the register of shareholders of the Bank. The date of compiling the specified list cannot be set earlier than the date of the decision to hold a general meeting of shareholders.

20. In the event that a party is the owner of the Bank's voting shares included in the list of shareholders entitled to participate in the general meeting of shareholders and vote at it, alienated the Bank's shares owned by him, the new shareholder has the right to participate in the general meeting of shareholders and must submit documents confirming his ownership of the shares.

21. The agenda of the general meeting of shareholders is formed by the Board of Directors of the Bank and must contain an exhaustive list of specifically formulated issues submitted for discussion. The agenda is approved at the general meeting of shareholders by a simple majority of votes of the total number of voting shares of the Bank represented at the meeting.

Issues on the agenda of the general meeting of shareholders are determined precisely and exclude the possibility of their various interpretations. The general meeting does not consider issues not included in the agenda, and does not take decisions on them.

22. The agenda of the general meeting of shareholders held in person may include:

1) additions proposed by shareholders owning independently or together with other shareholders five or more percent of the voting shares of the Bank, or the Board of Directors,

provided that the shareholders of the Bank are notified of such additions no later than fifteen days before the date of the general meeting;

2) changes and (or) additions, if the majority of shareholders (or their representatives) participating in the general meeting of shareholders and holding in aggregate not less than ninety-five percent of the voting shares of the Bank voted for their introduction.

23. When making decisions by the general meeting of shareholders through absentee and (or) mixed voting, the agenda of the general meeting of shareholders cannot be changed and (or) supplemented.

24. The Bank notifies shareholders of the Bank on holding a general meeting of shareholders in the manner and time specified by law and the Bank's Charter by publishing a message in the Kazakh and Russian languages on the Internet site of the financial statements depository or sending them. If the number of shareholders of the Bank does not exceed fifty shareholders, the notice must be communicated to the shareholders by sending them a written notice.

A written notice of the general meeting of shareholders is sent to shareholders on paper or in electronic form.

The notice of convening and holding the general meeting of shareholders contains information on the date, time, venue of the meeting, time of the beginning and end of registration of participants, the order of familiarization with the meeting materials, as well as other information provided for by the Charter and legislation of the Republic of Kazakhstan.

25. The Bank is entitled, and in certain cases established by law and agreements concluded by the Bank, must additionally notify shareholders of the general meeting of shareholders by other means meeting the listing requirements of any stock exchange in which the Bank's securities are admitted to circulate.

26. A shareholder who is a legal entity must submit a written statement on the compliance by its shareholders (members) of the requirements of Article 17 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan". A shareholder who has not submitted the said application is not allowed to participate in the general meeting of shareholders of the Bank. In the event that unreliability of the information indicated in the application is detected, or a violation of the requirements of Article 17 of the Law of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan" is revealed, if the majority of voting shares voted for the decision (excluding voting shares of the shareholder who submitted the application with such unreliable information), the decision of the General Meeting of Shareholders of the Bank is considered adopted without taking into account the votes of this shareholder.

27. The notice of the general meeting of shareholders must comply with the requirements of the Law of the Republic of Kazakhstan "On Joint Stock Companies", applicable to its content.

28. Shareholders of the Bank may familiarize themselves with the list of persons entitled to participate in the general meeting of shareholders from the date of its preparation to the closing of the general meeting of shareholders held in person, and in case of an absentee general meeting of shareholders, until the deadline for accepting voting ballots.

Shareholders have the right to familiarize themselves with information about who initiated the inclusion of issues in the agenda.

29. Shareholders may, if necessary, contact other shareholders of the Bank, send them their opinion on agenda issues and discuss possible options for voting, as well as appoint representatives to attend the general meeting.

30. Information prepared for the general meeting of shareholders allows shareholders to get a complete picture of the issues on the agenda and make informed decisions on issues.

Shareholders may receive copies of additional materials and documents in preparation for the general meeting in the places familiar with the materials of the general meeting of shareholders.

31. The list of documents submitted to shareholders on certain issues on the agenda of the meeting, in addition to those provided for by the laws of the Republic of Kazakhstan and the Bank's Charter, may be determined by the Board of Directors or the Management Board of the Bank in



preparation for the general meeting of shareholders.

The Board of Directors may provide shareholders with a reasoned position on each agenda issue, as well as special opinions of the Directors, as required before the meeting.

32. In preparing the annual general meeting, shareholders are required to submit: the annual financial statements of the Bank, the audit report to the annual financial statements (opinion of an independent auditing organization), proposals of the Board of Directors of the Bank on the procedure for distributing the net income of the Bank for the past financial year, the amount of dividend per one ordinary share of the Bank, information on shareholders' appeals for the actions of the Bank and its officials and the results of their consideration, as well as other documents as provided the initiator of the convocation of the meeting and (or) determined by the requirements of the legislation of the Republic of Kazakhstan.

If the agenda of the general meeting includes the election of Directors, an audit organization of the Bank, then participants of the general meeting are provided with sufficient information about the candidates, including those provided for by the legislation of the Republic of Kazakhstan.

33. In determining the place, date and time of the general meeting, the Bank proceeds from the need to provide a real and easy way for each shareholder to take part in the general meeting.

Shareholders of the Bank are entitled to participate in the meeting of the general meeting of shareholders held in person, remotely using communication tools determined by the internal documents of the Bank.

34. The general meeting is held in the place at the location of the Bank's Management Board, with the exception of the general meeting of shareholders, which decisions are made by absentee voting.

The room in which the general meeting of shareholders is held, allows all shareholders who wish to attend the general meeting to take part in it.

The general meeting of shareholders is held no earlier than 9 am and no later than 6 pm local time.

35. A repeated meeting of shareholders may be held no earlier than the next day after the appointed date of the general meeting of shareholders, if this meeting did not take place.

A repeated general meeting of shareholders should be held at the same place as the failed general meeting of shareholders. The agenda of the repeated general meeting of shareholders should not differ from the agenda of the failed general meeting of shareholders.

36. Each shareholder of the Bank has the opportunity to exercise the right to vote in the easiest and most convenient way for him through personal attendance at the general meeting.

Shareholders of the Bank are entitled to participate and vote in the general meeting of shareholders through representatives acting on the basis of a power of attorney drawn up in accordance with the requirements of the legislation of the Republic of Kazakhstan. A power of attorney to participate in the general meeting of shareholders is not required for a person who has the right to act on behalf of the shareholder or represent his interests without a power of attorney in accordance with the law or the contract.

Members of the Management Board of the Bank are not entitled to act as representatives of shareholders at the general meeting of shareholders.

Bank employees are not entitled to act as representatives of shareholders at a general meeting of shareholders, unless such representation is based on a power of attorney containing clear instructions on voting on all issues on the agenda of a general meeting of shareholders.

Preparation and holding of the General Meeting of Shareholders of the Bank are carried out by the Management Board of the Bank and (or) the Board of Directors.

The structural divisions of the Bank are entitled to take part in the preparation of materials on the agenda items of the general meeting of shareholders to the extent assigned to them.

37. The costs associated with convening, preparing and holding a general meeting of shareholders shall be borne by the Bank, with the exception of cases established by the legislation of the Republic of Kazakhstan.

## **§ 2. Conducting a general meeting of shareholders of the Bank**

38. The procedure for holding a general meeting of shareholders in person is determined in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies", the Charter and other internal regulatory documents of the Bank, or directly by the decision of the general meeting of shareholders and provides all persons present at the meeting with equal opportunity to express their opinion on each issue on the agenda and ask questions.

The general meeting of shareholders is held in such a way that shareholders can make informed decisions on all issues on the agenda. For this purpose, the procedure for holding a general meeting of shareholders provides for reasonable and sufficient time for presentations of speakers on agenda issues and time for discussing these issues, for initiative actions by shareholders.

39. Shareholders included in the register of shareholders of the Bank on the date of fixing the list of shareholders eligible to participate in the general meeting of shareholders of the Bank can participate in the general meeting of shareholders of the Bank, unless otherwise provided by the legislation of the Republic of Kazakhstan.

Each shareholder of the Bank has the right to vote according to the principle "one share - one vote", unless otherwise established by the Bank's Charter and legislative acts of the Republic of Kazakhstan.

Shareholders of the Bank, owning preferred shares, have the right to attend the general meeting of shareholders, held in person, and participate in the discussion of the issues under consideration.

Voting by pledged shares is carried out in accordance with the terms of the pledge agreement.

40. The general meeting (on the date all ballots were submitted or on the deadline for providing ballots when holding a general meeting of shareholders by absentee voting) has the right to consider and make decisions on agenda issues if shareholders (representatives of shareholders) are registered at the time of the registration of the meeting participants included in the list of shareholders entitled to take part in it and vote on it, owning in total fifty or more percent of the Bank's voting shares.

The general meeting of shareholders through absentee voting or a repeated general meeting of shareholders of the Bank is held in the manner prescribed by the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter and other internal regulatory documents of the Bank.

41. Before considering the issues on the agenda, the general meeting of shareholders shall elect the Chairman and Secretary of the General Meeting of Shareholders.

42. The Chairman of the general meeting of shareholders elected by the general meeting ensures that the meeting is held so that shareholders or their representatives can receive answers to all their questions directly at the general meeting. If the complexity of the question does not allow to answer to it immediately, the persons to whom they were asked, provide written answers to the questions posed as soon as possible after the end of the general meeting.

The Chairman of the general meeting holds a meeting in good faith and does not allow the use of the powers granted to limit the rights of shareholders (he has no right to comment on speeches or interrupt a speaker, unless such a need is caused by a violation of the procedure for holding a general meeting or other requirements of the procedure for holding a general meeting)

The Chairman and members of the Management Board of the Bank do not chair the general meeting of shareholders.

The Secretary of the general meeting of shareholders is responsible for the completeness and accuracy of the information reflected in the minutes of the general meeting of shareholders of the Bank.

43. Directors, Chairman and members of the Management Board, head of the Internal Audit Service, invited persons, officials and other employees of the Bank who participate in the preparation and holding of a general meeting of shareholders are present and may speak at the general meeting of shareholders.

44. Shareholders of the Bank can speak on each agenda issue, as well as ask questions to the Directors, Chairman and members of the Management Board of the Bank.

45. If necessary, shareholders are provided with reports as well as written answers to questions concerning various aspects of the Bank's activities, in the manner prescribed by law and the Bank's Charter.

46. The Bank's shareholders are provided with sufficient information about candidates for election to the position of Directors who enjoy the trust of shareholders.

Requirements for candidates for election to the positions of Directors are specified in the Charter of the Bank, this Code.

47. The procedure applied by the Bank to register participants in the general meeting of shareholders does not create any obstacles for shareholders to participate in the general meeting of shareholders. The procedure for registering participants for the general meeting of shareholders determines whether there is a quorum at the meeting. The procedure for registering participants in the general meeting of shareholders, the procedure for convening a repeated meeting in case the meeting did not take place, are determined by the Bank's Charter.

Registration of participants of the general meeting of shareholders is held in the same room where the general meeting of shareholders is held, and on the same day that the general meeting of shareholders is scheduled.

48. Issues on which the decision falls within the exclusive competence of the general meeting of shareholders are determined by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

Decisions on matters attributed to the exclusive competence of the general meeting of shareholders are taken by a simple majority of votes of the total number of voting shares of the Bank participating in voting, except for cases when for making decisions on matters referred to the exclusive competence of the general meeting of shareholders, the legislation of the Republic of Kazakhstan or the Charter of the Bank provides for a larger number of votes.

49. In the case of consideration by the general meeting of shareholders of an issue, the decision on which may restrict the rights of shareholders owning preferred shares, the decision is considered adopted only under the condition that at least two thirds of the total number of offered (excluding repurchased) preferred shares were voted for .

50. In case of disagreement with the decision of the general meeting of shareholders, the shareholder has the right to demand, and the Secretary is obliged to include in the minutes the special opinion of this shareholder.

51. Resolutions of the general meeting of shareholders may be taken by absentee voting. Absentee voting can be used together with voting of shareholders present at the general meeting of shareholders (mixed voting), or without holding a meeting of the general meeting of shareholders.

52. In the case of absentee voting without holding a meeting of the general meeting of shareholders and (or) a mixed voting ballot and a notice of the general meeting of shareholders are sent to shareholders in the manner and time established by law.

53. In case of absentee and / or mixed voting, an absentee voting ballot must be duly filled out and comply with the requirements of the legislation of the Republic of Kazakhstan.

When counting votes, only ballots received by the Bank at the time of registration of participants of the general meeting or by the date of the counting of votes, when decisions are made without holding a meeting of the general meeting of shareholders of the Bank, are taken into account.

Decisions made in the form of absentee voting are valid subject to the quorum required for the general meeting of shareholders.

54. The procedure for holding a general meeting ensures that the rights of all shareholders present at the meeting are respected when a vote is taken.

Shareholders of the Bank can familiarize themselves with the procedure for counting votes on agenda issues.

55. The voting results are summarized and announced at the general meeting of shareholders.

56. The decisions of the general meeting of shareholders are communicated to the shareholders in the manner prescribed by law.

57. The minutes of the general meeting of shareholders shall be executed no later than three business days after the closing of the general meeting of shareholders and contain:

- 1) the full name and location of the Management Board of the Bank;
- 2) the date, place and time of the general meeting of shareholders;
- 3) information on the number of voting shares of the Bank, presented at the general meeting of shareholders;
- 4) quorum of the general meeting of shareholders;
- 5) the agenda of the general meeting of shareholders;
- 6) the procedure for voting at the general meeting of shareholders;
- 7) an indication of the chairman and secretary of the general meeting of shareholders;
- 8) speeches of persons participating in the general meeting of shareholders;
- 9) the total number of votes of shareholders on each issue on the agenda of the general meeting of shareholders put to vote;
- 10) issues put to vote, voting results on them;
- 11) decisions made by the general meeting of shareholders.

In the case of consideration at the general meeting of the election of the Board of Directors / new Director, the minutes of the general meeting indicate which shareholder representative is the elected Director and / or which of the elected Directors is an Independent Director.

58. The minutes of the general meeting of shareholders shall be drawn up and signed by the Chairman and the Secretary of the meeting, members of the counting commission (if any).

The minutes of the general meeting of shareholders held by absentee voting shall be signed by the members of the counting commission (if the election of the counting commission is not required, the secretary of the general meeting of shareholders).

The minutes of the general meeting of shareholders shall be stitched together with the protocol on the voting results, powers of attorney for the right to participate and vote at the general meeting, as well as written explanations of the reasons for refusing to sign the minutes (if any). These documents are stored in the Bank and are provided to shareholders for review at any time. At the request of the shareholder, he is given a copy of the minutes of the general meeting of shareholders in the manner specified by the Bank's Charter, this Code.

#### **Chapter 4. Board of Directors of the Bank**

59. The Board of Directors is the governing body of the Bank, carrying out the general management of its activities, with the exception of resolving issues related by the legislation of the Republic of Kazakhstan and (or) the Bank's Charter to the exclusive competence of the general meeting of shareholders of the Bank.

The Board of Directors, making decisions on its competence, proceeds from the need to act reasonably and fairly with respect to all shareholders and cannot take into account the interests of only a certain group of shareholders.

The main principles and responsibilities of the Board of Directors of the Bank include:

1) rational decision-making and acting in the interests of the Bank on the basis of a comprehensive assessment of the information provided in good faith, with due diligence and care (duty of care). The obligation to exercise caution and caring does not extend to errors in the process of making business decisions, unless members of the Board of Directors have shown gross negligence;

2) making decisions and acting in good faith in the interests of the Bank, not taking into account personal benefits, interests of persons connected with the Bank by special relations, to the detriment of the interests of the Bank (duty of loyalty);

3) active involvement in the activities of the Bank and awareness of significant changes in the activities of the Bank and external conditions, as well as timely decisions aimed at protecting the interests of the Bank in the long term;

- 4) preliminary consideration of draft code of corporate governance and (or) changes to it.
- 5) ensuring compliance of the Bank's corporate governance system with its principles;
- 6) approval of internal documents stipulated by the legislation and the Charter of the Bank, and control over their implementation;
- 7) approval of the risk appetite strategy and the Bank's risk appetite levels;
- 8) monitoring compliance with the risk appetite strategy, risk appetite levels and risk management policies;
- 9) ensuring availability of a financial service responsible for accounting and high-quality preparation of financial statements;
- 10) preliminary approval of the annual financial statements certified by an audit organization, as well as sending a request for periodic independent audits as necessary;
- 11) elect members of the Management Board of the Bank, appoint the Chief Risk Officer, the head of the internal audit and the Chief Compliance Controller;
- 12) consideration of reports sent by the audit committee, with subsequent monitoring of the elimination of identified violations;
- 13) monitoring effective compliance with the Bank's procedures through which the Bank's employees confidentially report violations related to the activities of the Bank and the civil, tax, banking legislation of the Republic of Kazakhstan, legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, legislation of the Republic of Kazakhstan on currency regulation and currency control, on payments and payment systems, on pension provision, on the securities market, on accounting and financial reporting, on credit bureaus and formation of credit histories, on collection activities, on compulsory guarantee of deposits, on counteracting legalization (laundering) of proceeds from crime and financing of terrorism, on joint-stock companies, as well as on abuses ;
- 14) formation of three lines of protection at the Bank;
- 15) control over the activities of the Management Board of the Bank;
- 16) interaction and control over the work of the Chief Risk Officer;
- 17) periodic (at least once a year) assessment of the activities of each member of the Board of Directors of the Bank;
- 18) maintaining records of decisions made (minutes of meetings, brief information on issues considered, recommendations, if any, as well as special opinions of members of the Board of Directors of the Bank);
- 19) providing a developed infrastructure of information technologies in order to collect and analyze complete, reliable, timely information for risk management purposes. Awareness of the limitations of information technology infrastructure in determining levels of risk appetite;
- 20) making decision on granting a loan, the amount of which exceeds 5 (five) percent of the Bank's equity on the basis of analysis and assessment of appropriateness of issuing a loan;
- 21) making decision on issuing an unsecured consumer loan, the amount of which exceeds 20,000,000 (twenty million) tenge on the basis of analysis and assessment of advisability of issuing a bank loan. This clause does not include cases of issuing unsecured consumer loans when refinancing mortgage loans.

The exclusive competence of the Board of Directors is determined by the Charter of the Bank.

### **§ 1. Main functions of the Board of Directors**

60. The Board of Directors determines the long-term priority areas of the Bank's activities, reviews and approves the documents defining the priority areas of the Bank's activities, controls their execution. The Board of Directors approves the Bank's development strategy, approves the Bank's development plan in cases stipulated by the legislative acts of the Republic of Kazakhstan, creates conditions for maintaining an adequate level and quality of financial and labor resources in the Bank, and approves the Bank's internal rules in accordance with the competence defined by the Bank's Charter. The Board of Directors monitors the implementation of the Bank's development strategy and evaluates its compliance with the current market and economic situation, risk profile

and financial potential, as well as the legislation of the Republic of Kazakhstan.

The Board of Directors preliminarily approves the annual financial statements of the Bank.

The Board of Directors should monitor the effectiveness of corporate governance practices at the Bank.

61. The Board of Directors creates and maintains the necessary procedures for monitoring the activities of the Management Board, evaluates the results of its activities to achieve strategic goals and objectives.

The Board of Directors establishes a transparent and effective system of criteria and procedures for appointing and replacing members of the Management Board, including determining the number of members, term of office of members of the Bank's Management Board, electing the Chairman and Management Board members and deciding on early termination of their powers.

The Board of Directors, based on the recommendations of the relevant committee, determines the remuneration system for the Chairman and members of the Management Board.

The Board of Directors is not entitled to make decisions on matters that, in accordance with the Charter of the Bank, fall within the competence of the Management Board of the Bank, as well as make decisions contrary to decisions of the general meeting of shareholders.

62. The Board of Directors makes decisions on issues related to the activities of the general meeting of shareholders (participants) of a legal entity, ten or more percent of shares (shares in the authorized capital) of which belongs to the Bank.

63. The Board of Directors decides on the repurchase by the Bank of placed shares or other securities and the repurchase price, determines the conditions for issuing bonds and derivative securities of the Bank, and also decides on their issuance.

64. The Board of Directors determines the order of quantitative composition, the term of office of the Bank's internal audit service, appoints its head and members; prematurely terminate their powers, determine the procedure for the work of the internal audit service of the Bank, the amount and terms of remuneration and bonuses for employees of the internal audit service of the Bank; and also determines the amount of payment for the services of an auditing organization and an appraiser to assess the market value of the property transferred as payment for the shares of the Bank or being the subject of a major transaction.

65. The Board of Directors ensures control over the Bank's risk management and risk assessment system (credit risk, market risk, interest rate risk, liquidity risk, and other risks).

66. The Board of Directors shall establish a system for identifying and resolving conflicts of interest arising between shareholders and bodies, officials of the Bank and shareholders in accordance with this Code and the internal rules of the Bank.

The Board of Directors monitors and, if possible, eliminates potential conflicts of interest at the level of officials and shareholders, including unlawful use of the Bank's property and abuse in carrying out related-party transactions.

67. The Board of Directors makes decisions on concluding major transactions and transactions in which the Bank has an interest, transactions with parties who have special relations with the Bank within the limits and in the manner established by the legislation of the Republic of Kazakhstan, the Bank's Charter and internal regulatory documents of the Bank.

The Board of Directors decides to increase the Bank's liabilities by an amount of ten or more percent of its own capital.

The Board of Directors makes decisions on the acquisition by the Bank of ten or more percent of shares (shares in the authorized capital) of other legal entities.

The Board of Directors decides on the sale, transfer, hiring or alienation of any other form of assets more than five percent of the Bank's own capital.

68. The Board of Directors has the right to meet with major shareholders to discuss management and strategy of the Bank.

The Board of Directors determines the issues to be included in the agenda of the general meeting of shareholders.

## **§ 2. Composition and formation of the Board of Directors**

69. In forming the composition of the Board of Directors, the interests and opinions of all shareholders of the Bank are taken into account. The composition of the Board of Directors ensures its effective work, taking into account various interests and points of view of shareholders when making decisions.

70. Directors are elected by the general meeting of shareholders. The number of members and the term of office of the Directors of the Bank shall be established by the general meeting of shareholders.

The composition of the Board of Directors of the Bank and its powers are sufficient to exercise effective control.

Shareholders of the Bank are provided with information on candidates for election to the position of Director, as provided by the legislation of the Republic of Kazakhstan.

Information about candidates for election to the Board of Directors, the term of office of Directors (including Independent Directors, as this term is defined by legislative acts of the Republic of Kazakhstan) is communicated to shareholders prior to the general meeting of shareholders in accordance with the laws of the Republic of Kazakhstan.

71. In order to increase efficiency and more detailed work in certain areas of the Bank's business and based on the selected business model, scale of operations, types and complexity of operations, risk profile, the Board of Directors of the Bank creates special committees under the Board of Directors of the Bank.

Each committee carries out its activities within the framework of a document defining its powers, competence, as well as the principles of work, the internal procedure for submitting reports to the Board of Directors of the Bank, the tasks facing the members of the committee and restrictions on duration of work of the Directors of the Bank in the committee. The Board of Directors of the Bank provides for periodic rotation of members (with the exception of experts) of such committees in order to avoid concentration of powers and to promote promotion of new views.

The committees keep records of decisions made (minutes of meetings, brief information on the issues considered, recommendations, if any, as well as special opinions of committee members). The Chairman of the Committee under the Board of Directors is a Director who is not a leader or member of the Management Board.

In the framework of the risk management system, the committees of the Bank's Board of Directors consider the following issues:

- 1) strategic planning;
- 2) staff and remuneration;
- 3) audit;
- 4) risk management;
- 5) other issues stipulated by the internal documents of the Bank.

Consideration of these issues is carried out by one or several committees of the Bank's Board of Directors, with the exception of audit issues considered by a separate committee of the Board of Directors.

72. Members of the Management Board, other than the Chairman of the Management Board, may not be Directors of the Bank. The Chairman of the Management Board of the Bank may not simultaneously be the Chairman of the Board of Directors of the Bank.

73. By decision of the general meeting of shareholders, the powers of any Director (all Directors) may be terminated early. In the event of early termination of the Director's powers, the election of a new Director is carried out by cumulative voting, with the exception of the case when one candidate is running for one seat on the Board of Directors. The powers of the newly elected Director expire with the expiration of the term of office of all Directors. Early termination of powers of the Director on his initiative is carried out on the basis of a written notice to the Board of Directors. The authority of such a Director shall cease upon receipt of the said notice by the Board of Directors, unless the date of early termination of the powers of the member of the Board of Directors is indicated in the notice.

74. Directors, including Independent Directors, may be re-elected to the Board of Directors an unlimited number of times, subject to satisfactory results of their activities, unless otherwise provided by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

### **§ 3. Requirements to the Director**

75. Candidates for Directors must have a good professional and personal reputation, the ability to contribute to the work of the Board of Directors and the desire to work to achieve common goals and results.

The Director is only an individual. Directors are elected from among shareholders - individuals, individuals proposed (recommended) for election to the Board of Directors as representatives of shareholders - individuals and legal entities, individuals who are not a shareholder of the Bank and not proposed (not recommended) for election to the Board of Directors as a shareholder representative.

Directors are subject to coordination with the authorized body in the manner established by the legislation of the Republic of Kazakhstan.

The composition of the Board of Directors of the Bank and qualification requirements for Directors meet the following requirements:

1) the composition of the Board of Directors of the Bank and its powers are sufficient to exercise effective control;

2) the Board of Directors of the Bank consists of persons with necessary qualifications, impeccable business reputation and experience, all of which are sufficient for general management of the Bank, in accordance with the selected business model, scope of activity, type and complexity of operations;

3) the Directors of the Bank are focused on interaction, cooperation and critical discussion in the decision-making process;

4) the Directors of the Bank conscientiously fulfill their duties and make decisions, minimize conflicts of interest.

76. The Director should:

1) make decisions objectively, consciously and responsibly in the interests of all shareholders and the Bank as a whole;

2) act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter of the Bank and the internal documents of the Bank in the interests of the Bank and its shareholders;

3) to have enough time, allowing him to effectively perform the functions assigned to him. The Director, when deciding on the combination of position in the management bodies of other organizations, must proceed from the fact that, only having enough time, he will be able to properly perform the duties assigned to him;

4) to express his objective opinion and defend him if he believes that this is in the interests of the Bank;

5) from the moment of being elected to a position, not to represent the interests of only one person or group of persons and act in the interests of the Bank and its shareholders;

6) treat all shareholders fairly, make an objective independent judgment on corporate matters;

7) to disclose honestly and fully information on interest in the Bank's transactions;

8) regularly improve their skills and knowledge.

### **§ 4. Independent Directors**

77. An Independent Director does not take action as a result of which he may cease to be independent. If, after being elected to the Board of Directors, changes occur or circumstances arise as a result of which the Independent Director ceases to be such, this Director must submit an application to the Board of Directors setting out these changes and circumstances. In this case, the Board of Directors informs shareholders of this, and if necessary, may convene an extraordinary general meeting of shareholders to elect a new Board of Directors.

## **§ 5. Duties of the Director**

78. The Director objectively and in good faith performs the duties assigned to him in the interests of the Bank and its shareholders as a whole.

The Board of Directors ensures the efficient operation of the Management Board and controls this activity.

In order to properly fulfill the duties the Director has the right to require and receipt necessary information from the Management Board of the Bank.

79. The Director must refrain from actions that may or may potentially lead to a conflict between the interests of a member of the Board of Directors and the interests of the Bank, and in the event of such or the occurrence of such a conflict, disclose information about him to the Board of Directors and take measures to comply with the procedure for taking actions.

The Director notifies the Board of Directors in writing of the intention to make an interested party transaction, as well as disclose information on the transactions concluded by him in the manner prescribed by law for information disclosure.

80. The Director actively participates in meetings of the Board of Directors.

The Director notifies the Bank's Management Board about the impossibility of its participation in the meeting with an explanation of the reasons.

Each Director has the right to demand the convocation of a meeting of the Board of Directors, the procedure for convening and holding which are determined by the Bank's Charter.

If the Directors have a special opinion regarding the management of the Bank or proposed for decision-making, such discrepancies should be reflected in the minutes of the Board of Directors meeting.

The Director does not participate in voting on issues and making decisions on which he has an interest (a transaction in which the Director or his affiliates have an interest).

81. The Director shall not disclose and use in his personal interests or in the interests of third parties confidential information about the Bank, insider information, as well as information constituting the subject matter of legally protected banking and commercial secrets, during the period of fulfilling the duties of the Director and after the completion of work in the Bank during term established by the internal rules of the Bank.

## **§ 6. Organization of work of the Board of Directors**

82. The Board of Directors is headed by the Chairman, who ensures that the Board of Directors successfully accomplishes its tasks. The Chairman of the Board of Directors is a person who has an impeccable business reputation and experience in senior positions, has such qualities as honesty, integrity, and enjoys the absolute confidence of shareholders and Directors.

83. The procedure for convening and preparing for the meeting provides the Directors with the opportunity to properly prepare for it. The procedure for convening, preparing and conducting meetings of the Board of Directors, making decisions by the Board of Directors is determined by the Bank's Charter, this Code and internal regulatory documents of the Bank.

Meetings of the Board of Directors are held as necessary. In addition, in order to effectively perform their specific duties, Independent Directors may meet without the presence of other Directors.

The list of issues to be considered at relevant meetings is tentatively communicated to the Director by the Secretary of the Board of Directors.

84. The Chairman of the Board of Directors ensures the effective organization of the activities of the Board of Directors and its interaction with other bodies and heads of structural divisions of the Bank.

The Board of Directors should be provided in a timely manner with sufficient information to fulfill its duties.

The Chairman of the Board of Directors organizes the development of the most effective decisions on agenda issues and, if necessary, free discussion of these issues, as well as a friendly

atmosphere for holding meetings of the Board of Directors.

The Chairman of the Board of Directors takes all necessary measures to timely provide the Director through the Bank's Management Board with information necessary for making decisions on agenda issues, encouraging the Director to freely express his opinions on these issues and to openly discuss them, takes the lead in formulating draft decisions on issues addressed.

85. Directors are provided with information on the most important events in the financial and economic activities of the Bank, as well as other events affecting the interests of shareholders.

The Chairman and members of the Management Board, heads of structural subdivisions of the Bank, through the Secretary of the Board of Directors, timely provide necessary and reliable information on the agenda issues of meetings of the Board of Directors and at the request of any Director.

86. Meetings of the Board of Directors are held both in person and in absentia.

87. The Charter of the Bank may provide a special procedure for making decisions on certain issues that fall within the exclusive competence of the Board of Directors.

88. Decisions of the Board of Directors, made at a meeting held in person, are recorded in the minutes of the meeting of the Board of Directors.

89. The minutes of in-person and absentee meetings of the Board of Directors are stored in the Bank's archive and are provided by the Secretary of the Board of Directors at the request of any Director for review and (or) by issuing an extract from the minutes of in-person and (or) absentee meetings of the Board of Directors certified by the established procedure.

#### **§ 7. Responsibility of Directors**

90. The Chairman of the Board of Directors is responsible for managing the activities of the Board of Directors, ensuring the effectiveness of its activities in all aspects of its functions. The Chairman of the Board of Directors is also responsible for ensuring that the Directors receive timely and accurate information. The Chairman of the Board of Directors should also ensure effective communication with shareholders, facilitate effective participation of Independent Directors and ensure constructive relations between Independent Directors, as well as Directors and the Management Board of the Bank.

The Chairman of the Board of Directors and the Directors are responsible for the failure to fulfill or improper performance of their duties.

The Chairman of the Board of Directors and the Directors shall be liable in accordance with the law for losses of the Bank caused by their guilty actions.

91. The Chairman of the Board of Directors ensures that the Directors continually improve their skills and knowledge, and also bring to the attention of the Directors information on the Bank's activities and results necessary for the performance of their duties both on the Board of Directors and on the Board of Directors committees.

#### **§ 8. Evaluation of the Board of Directors**

92. The performance of the Board of Directors is assessed by the annual general meeting of shareholders.

93. The Board of Directors conducts on a yearly basis a formal and rigorous assessment of its own activities, as well as the activities of its committees.

94. The evaluation of the Directors is aimed at identifying the effectiveness of the participation of each Director in the work of the Board of Directors, as well as the Director's performance of duties, including analysis of information on participation in meetings of the Board of Directors and its committees.

#### **§ 9. Remuneration of Directors**

95. The procedure and conditions for the payment of remuneration to Directors are determined by the general meeting of shareholders of the Bank in accordance with the laws of the Republic of Kazakhstan and the internal rules of the Bank.

## **Chapter 5. Management Board of the Bank**

96. The Bank has a collegial executive body - the Management Board.

The Management Board in good faith manages the current activities of the Bank, is responsible for the compliance of the Bank's work with the Bank's Development Strategy, approved by a decision of the Board of Directors, and also for the timely and effective implementation of decisions of the general meeting of shareholders and the Board of Directors of the Bank.

The Chairman and members of the Management Board should be trusted by shareholders and employees of the Bank. The members of the Management Board are subject to high requirements for their personal and professional qualities. The Board of Directors exercises effective control over the activities of the members of the Management Board. The Management Board of the Bank is accountable to the Board of Directors of the Bank.

### **§ 1. Competence of the Management Board of the Bank**

97. The competence of the Management Board includes the management of the current activities of the Bank, the organization of the development of documents - the Bank's Development Strategy, approved by the Board of Directors, the Bank's budget for a certain period, and the approval of internal rules and documents of the Bank on matters within its competence.

98. The Management Board of the Bank makes decisions on any issues of the Bank's activities that are not referred by the legislative acts of the Republic of Kazakhstan, the Bank's Charter to the exclusive competence of the general meeting of shareholders, the Board of Directors, other bodies and officials of the Bank.

99. The Management Board of the Bank presents financial statements (balance sheet, profit and loss statement, cash flow statement and other statements in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting) to the Board of Directors and the general meeting of shareholders in accordance with the procedure established by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

100. The competence of the Management Board of the Bank includes deciding on the conclusion of real estate transactions in the manner prescribed by the Charter and internal rules of the Bank, on determining the size (setting limits) of loans (guarantees, sureties) provided by the Bank to third parties in accordance with internal documents of the Bank exclusion of issues related to the exclusive competence of other bodies of the Bank.

The Management Board has the right to consider issues related to the receipt of loans by the Bank from other banks, financial organizations, and consortia of banks, if such transactions are not related to the normal business activities of the Bank and are not within the competence of other bodies of the Bank.

101. The competence of the Management Board includes issues related to the interaction of the Bank with affiliated organizations and branches, in the manner determined by the Bank's Charter and internal rules of the Bank. The Management Board makes decisions on the appointment (election) and dismissal of the Heads of branches of the Bank.

102. The Bank's Management Board approves the Bank's staff, internal work regulations, Bank's internal rules that are not within the exclusive competence of Bank's other bodies, including those governing the imposition of penalties and the provision of incentives using remuneration measures, as well as considering and deciding on collective bargaining of contracts.

103. The Management Board develops and submits a draft organizational structure of the Bank to the authorized collegial body of the Bank for preliminary consideration and issuance of recommendations to the Board of Directors. The Board of Directors approves the organizational structure of the Bank.

### **§ 2. Composition and formation of the Management Board**

104. The composition of the Management Board ensures the most conscientious and efficient

implementation of the functions assigned by the members of the Management Board.

Only an individual may be elected as a member of the Management Board. The member of the Management Board is elected from among the persons proposed (recommended) by the Board of Directors and (or) shareholders of the Bank.

The Chairman and members of the Management Board of the Bank act in the interests of the Bank and the shareholders, must have an impeccable business reputation, possess professional qualifications necessary to manage the current activities of the Bank, have special knowledge in the field of the Bank's activities, as well as in management, and also properly perform the assigned tasks and their duties.

The Chairman and members of the Management Board shall be subject to agreement with the authorized body in the manner established by the legislation of the Republic of Kazakhstan.

105. The Chairman of the Management Board is a person to whom shareholders have entrusted the management of the current activities of the Bank.

The Chairman of the Management Board properly executes the duties assigned to him on the management of the Bank.

The Chairman and members of the Management Board are entitled to work in other organizations with the consent of the Board of Directors in the manner determined by the legislation of the Republic of Kazakhstan.

106. The Chairman and members of the Management Board of the Bank are elected and terminate their powers on the basis of a decision of the Board of Directors in accordance with a transparent procedure providing for the submission to the Directors of information on candidates for election for the position of Chairman and member of the Management Board.

### **§ 3. Responsibilities of the Chairman and members of the Management Board**

107. The Management Board of the Bank ensures the activities of the Bank in strict accordance with the laws of the Republic of Kazakhstan, the Bank's Charter and other internal regulatory documents of the Bank.

The Management Board of the Bank, as necessary, reports to the Board of Directors on its activities by presenting management reports or submitting issues for consideration by the Board of Directors that require a decision by the Board of Directors.

108. The Chairman and members of the Management Board, as well as their affiliates, shall not accept gifts or receive other direct or indirect benefits, the purpose of which is to influence their activities or decisions made by them (with the exception of symbolic signs of attention in accordance with generally accepted rules of politeness and souvenirs during official events).

109. The Chairman and members of the Management Board refrain from taking actions that will lead to a conflict between their interests and the interests of the Bank, and in the event of such a conflict, they immediately inform the Board of Directors about this.

110. The Chairman and members of the Management Board shall not disclose or use in their personal interests and in the interests of third parties confidential and insider information about the Bank, as well as Bank secrecy and commercial secrets of the Bank.

111. The Management Board of the Bank creates an atmosphere of interest of Bank employees in its effective work.

When establishing remuneration for employees and other material incentives, the Management Board takes into account the employee's contribution to the Bank's activities and other factors affecting pay, determines (approves) the criteria for determining remuneration and incentive measures.

112. The Management Board of the Bank ensures control over the implementation of the Bank's policy aimed at ensuring the health of employees and their labor safety and, if necessary, proposes measures to the Board of Directors for its improvement if the adoption of these measures requires a decision of the Board of Directors.

### **§ 4. Organization of the work of the Management Board**

113. The procedure for convening, preparing and holding meetings of the Management Board, including the adoption of decisions by the Management Board of the Bank, are determined by the Bank's Charter and internal regulatory documents of the Bank.

114. Scheduled meetings of the Management Board are held at least once a week. Any member of the Management Board is entitled to make proposals for convening an extraordinary meeting of the Management Board and to propose issues that it is advisable to consider at this meeting.

115. The Secretary of the Management Board of the Bank shall, in advance, send each member of the Management Board for familiarization message about the meeting (on paper or by e-mail) with the application of the agenda and materials to be considered at the meeting.

116. Decisions on issues submitted for consideration by the Management Board may be made by absentee voting in the manner prescribed by the Charter and internal regulatory documents of the Bank.

#### **§ 5. Responsibility of the Chairman and members of the Management Board of the Bank**

117. The Chairman and members of the Management Board are responsible for the failure or improper performance of their duties.

The Chairman and members of the Management Board of the Bank are liable under the legislation of the Republic of Kazakhstan to the Bank for losses caused by their guilty actions.

#### **Chapter 6. Corporate Secretary**

118. The Corporate Secretary is an employee of the Bank, who is not a member of the Board of Directors and / or the Management Board of the Bank, who reports to the Board of Directors of the Bank.

As part of his activities, the Corporate Secretary of the Bank oversees the preparation and holding of meetings of general meetings of shareholders and the Board of Directors of the Bank, ensures the formation of materials on the agenda of the general meeting of shareholders and materials for the meeting of the Board of Directors, and monitors access to them.

119. The Corporate Secretary of the Bank is responsible for corporate policy and corporate processes at the Bank. The Corporate Secretary is intended to ensure the resolution of conflict situations in relations between shareholders and other governing bodies, as well as in relations between shareholders.

120. The Corporate Secretary of the Bank ensures proper consideration by the relevant bodies of the Bank of shareholders' appeals and resolution of conflicts related to violation of shareholder's rights. The control over the timely consideration by the bodies and divisions of the Bank of such appeals is responsibility of Corporate Secretary.

121. The competence and activities of the Corporate Secretary are determined by the relevant internal regulatory documents of the Bank.

122. The appointment, determination of the term of office of the Corporate Secretary, early termination of his authority, as well as determination of the amount of the salary and conditions of remuneration of the Corporate Secretary fall within the competence of the Board of Directors.

#### **Chapter 7. Significant Corporate Actions**

123. Significant corporate actions are actions that may lead to changes in the legal status of the Bank and its property and significantly affect the interests of the Bank and its shareholders.

The Bank is aware that significant corporate actions are accompanied by maximum openness and transparency, which are achieved by following the Bank's compliance with certain corporate actions defined by law, the Bank's Charter and this Code.

When committing significant corporate actions, the Bank undertakes to prevent actions that damage or may damage the interests of the Bank.

124. The Bank considers as significant corporate actions:

1) conclusion of transactions recognized as major transactions in accordance with the

legislation of the Republic of Kazakhstan;

- 2) the acquisition of 30 percent or more of the outstanding shares of the Bank;
- 3) reorganization and liquidation of the Bank;
- 4) other actions and events entailing fundamental corporate changes.

**§ 1. Procedure for the execution of major transactions, related-party transactions, and transactions with persons connected with the Bank by special relations**

125. Preliminary consideration of the terms of major transactions, interested-party transactions, and / or transactions with persons connected with the Bank by special relations is carried out by the Management Board and / or another authorized body of the Bank on the basis of the explanatory note of the structural unit whose competence issues on the upcoming transaction. If necessary, copies of documents on the forthcoming transaction are attached to the explanatory note.

126. When considering the issue of the expediency of concluding a major transaction, an interested party transaction, and / or a transaction with a person who has special relations with the Bank, the Management Board and / or another authorized body of the Bank shall proceed from the priority of ensuring the Bank's interests. For this, the Management Board and / or another authorized body of the Bank carefully examines all the conditions and possible consequences of the proposed deal. In the event of insufficiency of the submitted materials, the Management Board and / or another authorized body of the Bank are entitled to request additional materials for the deal in issue for making informed decision.

127. In the event that the Management Board and / or another authorized body of the Bank considers the issue of concluding an interested party transaction, members of the Management Board and / or other authorized body of the Bank, who are:

- 1) a party to the transaction; and / or
- 2) affiliates of a legal entity that is a party to the transaction or participates in it as a representative or intermediary.

128. In case of a decision by the Management Board and / or another authorized body of the Bank on the advisability of a major transaction by the Bank, an interested party transaction or a transaction with a person with special relations with the Bank, the Management Board and / or another authorized body of the Bank pre-approve and petition the Board of Directors and / or another authorized body of the Bank to conclude such a transaction. At the same time, the Management Board and / or another authorized body of the Bank submits to the Board of Directors and / or other authorized body of the Bank all previously reviewed materials on the proposed transaction, on the basis of which it was decided to apply to the Board of Directors of the Bank to make a decision on prior approval of the proposed transaction. In addition, in the event that the transaction proposed for consideration is related to the alienation or acquisition of property, then proposals for appraising the appraiser are attached.

129. Based on the submitted documents, the Board of Directors and / or another authorized body of the Bank makes one of the following decisions:

1) on the satisfaction of the application of the Management Board and / or other authorized body of the Bank and the conclusion of a major transaction, an interested party transaction or a transaction with a person who has special relations with the Bank;

2) on satisfying the application of the Management Board and / or other authorized body of the Bank and concluding a major transaction, interested party transaction or concluding a transaction with a person who has special relations with the Bank with revising the terms of the transaction, appraising an appraiser and revising other proposals of the Management Board and / or other authorized body of the Bank;

3) to refuse to satisfy the request of the Management Board and / or other authorized body of the Bank to conclude a major transaction, an interested party transaction or a transaction with a person who has special relations with the Bank.

130. Directors, who are:

- 1) a party to the transaction; and / or

2) affiliates of a legal entity that is a party to the transaction or participates in it as a representative or intermediary.

If necessary, the Board of Directors of the Bank is entitled to request additional documents for the transaction on issue.

131. Bank officials are liable, as established by the laws of the Republic of Kazakhstan, to the Bank and shareholders for the harm caused by their actions and / or inaction, and for losses incurred by the Bank, including but not limited to losses incurred as a result of the proposal to the conclusion and (or) making decisions on concluding major transactions, interested-party transactions that caused the Bank to incur losses as a result of their unfair actions and (or) inaction, including with the aim of obtaining or their affiliates profits (income) from such transactions with the Bank.

The adoption by the general meeting in cases stipulated by the legislative acts of the Republic of Kazakhstan and (or) the Bank's Charter, the decision to conclude a major transaction, an interested party transaction does not exempt from responsibility the official who offered them to conclude, or the official acting in bad faith and (or) inactive at a meeting of the Bank's body of which it is a member, including for the purpose of obtaining profit (or income) by them or their affiliates if the Bank suffered losses.

## **§ 2. Acquisition by a third party of 30 percent or more of the Bank's voting shares (takeover)**

132. In accordance with the legislation of the Republic of Kazakhstan, a person who intends to acquire 30 or more percent of the Bank's voting shares on the secondary securities market, or a different number of voting shares, as a result of which 30 or more percent of the voting shares will be owned by this person independently or jointly with its affiliates must notify the Bank and the authorized body in accordance with the established procedure.

133. The Management Board of the Bank, within 3 working days, considers this notification and determines the Bank's position regarding the upcoming takeover and requests the Board of Directors of the Bank to approve the decision and the text of the information message for the Bank's shareholders, containing the Bank's opinion on the upcoming takeover, in order to publish this opinion in mass media.

134. The Board of Directors of the Bank, within 5 working days, considers the application of the Management Board and makes one of the following decisions:

1) to satisfy the request of the Bank's Management Board and agree with the Bank's position proposed by the Bank's Management Board regarding the upcoming takeover and approve the text of the information message for the Bank's shareholders; or

2) refuse to satisfy the request of the Management Board of the Bank and review the position of the Bank regarding the upcoming take-over proposed by the Management Board of the Bank, with appropriate adjustments made to the text of the information message.

135. The Announcement is published in the mass media, defined by the Bank's Charter, within 15 business days from the date of approval by the Board of Directors of the Bank of the text of the informative message for shareholders of the Bank.

136. The Bank, in the manner determined by the legislation of the Republic of Kazakhstan, is entitled to make an offer to a person who wishes to sell the Bank's shares to purchase them by the Bank itself or by a third party at a price that exceeds the price offered. The Bank's proposal must contain information on the number of shares, price and details of the buyers in the event of the purchase of shares by a third party.

137. In the case of consent of the person who wishes to sell the shares to the Bank's offer, the conclusion of a transaction agreement for the purchase and sale of shares is carried out in the manner prescribed by the legislation of the Republic of Kazakhstan, taking into account the requirements established for major transactions and the procedure for the Bank to repurchase placed shares.

138. A person who, independently or jointly with his affiliates, acquired 30 or more percent of the Bank's voting shares on the secondary securities market, or a different number of voting shares, as a result of which 30 or more percent of the Bank's shares will be owned by this person alone or

together with its affiliates, within fifteen working days after the date of acquisition, must send to the Bank an offer to the remaining shareholders to sell their shares of the Bank.

139. The Bank, within three working days after the date of receipt of the offer to sell the shares specified in clause 138 of this Code, ensures its placement in the Kazakh and Russian languages on the Internet resource of the financial statements depository.

140. The remaining shareholders are entitled to accept the offer of the person indicated in clause 138 of this Code to sell their Bank shares within no more than thirty working days after the date of publication of the offer to sell them.

141. The procedure for the alienation and payment of shares of the Bank in favor of the person referred to in clause 138 of this Code, is determined by the legislation of the Republic of Kazakhstan.

### **§ 3. Reorganization of the Bank**

142. The issue of the Bank's reorganization, together with the terms of such a reorganization, is submitted to the general meeting of shareholders by the Board of Directors.

The Board of Directors is actively involved in determining the conditions and procedure for the reorganization of the Bank.

Before making a decision on reorganization in the form of merger, spin-off, some Directors are entitled to participate in reorganization negotiations held by the Bank's Management Board with executive bodies of companies involved in reorganization and organize discussions on the course of these negotiations by the Board of Directors.

The Board of Directors approves the final draft documents on reorganization and puts forward the issue of reorganization for a decision of the general meeting of shareholders with attachment of the opinion of the Board of Directors on this issue.

143. The Management Board of the Bank shall submit to the Board of Directors, prior to the latter's submission of the issue of reorganization to the general meeting of shareholders, information and materials related to the proposed reorganization. The following documents are submitted to the Board of Directors:

- 1) the draft agreement on merger (accession) or a draft decision on the division (separation);
- 2) the draft constituent documents newly created as a result of the reorganization (merger, division, separation or transformation) of organizations, or the constituent documents of the organization to which the merger is made;
- 3) the annual financial statements of all organizations participating in the merger (affiliation) for the last 3 completed financial years;
- 4) quarterly reports compiled no later than six months before the date of the meeting, at which the issue of reorganization is submitted, if more than six months have passed since the end of the last financial year;
- 5) draft transfer act or separation balance sheet;
- 6) the rationale for the reorganization.

The Bank has the right to attract an appraiser in order to determine the ratio of conversion of shares during the Bank's reorganization.

144. Notification of the holding of a joint general meeting is made by each company participating in the merger (accession), in the manner prescribed by the legislation and the charters of these companies.

Boards of directors of reorganized companies may hold a joint meeting to determine the date, place and time of the joint general meeting of shareholders, and in the case of voting in absentia, the date before which the completed ballots should be sent and the mailing address to which they should be sent.

The procedure for voting at a joint general meeting of participants of legal entities participating in a merger or affiliation, persons acting as bodies of the general meeting of participants shall be determined in accordance with the rules specified in the merger agreement (affiliation).

#### **§ 4. Liquidation of the Bank**

145. The grounds and procedure for liquidating the Bank are governed by the laws of the Republic of Kazakhstan.

The Bank may be liquidated:

- 1) by decision of the general meeting of shareholders with the permission of the authorized body (voluntary liquidation);
- 2) by a court decision in the cases provided by the legislative acts of the Republic of Kazakhstan (compulsory liquidation).

146. In the event of the voluntary liquidation of the Bank, the general meeting of shareholders (after receiving permission from the authorized body by agreement with creditors and under their control in accordance with the legislation of the Republic of Kazakhstan) determines the liquidation procedure and appoints a liquidation commission. From the moment of appointment of the liquidation commission, the authority to manage the affairs of the Bank is transferred to it. The specifics of the activity of the liquidation commission in case of voluntary liquidation of the Bank are determined by the legislation of the Republic of Kazakhstan.

Shareholders holding in aggregate ten or more percent of the Bank's voting shares are entitled to have a representative in the liquidation commission.

147. Compulsory liquidation is made by the court in connection with:

- 1) bankruptcy of the Bank;
- 2) revocation of Bank licenses for conducting banking operations on the grounds stipulated by the banking legislation of the Republic of Kazakhstan;
- 3) a statement (claim) of authorized state bodies, legal entities or individuals on the termination of the Bank's activities on other grounds stipulated by legislative acts.

Insolvency of the Bank are established by the conclusion of the authorized body submitted to the court, drawn up taking into account the method of calculating prudential standards (and other mandatory standards and limits), the amount of capital of the Bank.

The Bank may be declared bankrupt only by a court decision in the prescribed manner.

An extrajudicial procedure for liquidating an insolvent Bank by a decision of its creditors and the Bank itself is not allowed.

148. Liquidation (property) mass is formed in the manner determined by the legislation of the Republic of Kazakhstan.

The claims of creditors in case of the compulsory liquidation of the Bank are satisfied in the manner established by the banking legislation of the Republic of Kazakhstan.

The Bank is considered terminated from the moment of making the corresponding entry in the state register of legal entities.

The property of the Bank remaining after the completion of settlements with creditors is distributed by the liquidation commission between the shareholders in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

#### **Chapter 8. Disclosure of Information by the Bank**

149. Considering the extreme importance of maximum informational openness of the Bank for a proper assessment of the Bank's activities and for maintaining its credibility, the Bank ensures a timely and complete presentation to shareholders, investors and the authorized body of information on corporate events of the Bank.

150. The main purpose of the Bank disclosing information about corporate events of the Bank to shareholders, investors and the authorized body is to provide these parties with accessible, regular and reliable information about the Bank. At the same time, the Bank proceeds from the fact that the amount of information allows it to make a correct and complete picture of the Bank's corporate events and make an informed decision on participation in the Bank's activities (acquisition of Bank's shares) and on other actions in the Bank's management process. In addition, such informational openness facilitates control by the authorized body.

151. At the same time, when disclosing specific information, the Bank must protect and keep its corporate (internal) information confidential, subject to the requirements of the law and the information disclosure rules of any stock exchange in respect of Bank securities admitted to circulation on these stock exchanges in accordance with the decision of the Bank.

152. Upon admission of the Bank's securities to circulation on stock exchanges in accordance with the decision of the Bank, a list of information that may influence pricing of securities is determined and appropriate procedures and systems are introduced to control the distribution of such information.

153. In certain cases, the Bank may, in accordance with the disclosure rules, delay public disclosure of information in order to protect the interests of the Bank, provided that such actions do not mislead the public and the Bank can ensure the confidentiality of such information.

154. The Bank informs the relevant employees of the Bank, as well as other persons, of the restrictions imposed on the Bank's disclosure of information about the Bank and ensures that the Directors and relevant employees of the Bank receive adequate training in applying the disclosure policy.

### **§ 1. The procedure for submitting information to the authorized bodies and shareholders of the Bank**

155. The Bank submits to the authorized body annual financial statements (balance sheet, profit and loss statement, cash flow statement and other statements in accordance with the legislation on accounting and financial reporting and banking legislation) and the audit report in the period established by the legislation of the Republic Kazakhstan.

The Bank, in accordance with the provisions of the legislation of the Republic of Kazakhstan, submits quarterly financial statements to the authorized body.

156. In accordance with the requirements of the legislation of the Republic of Kazakhstan and in order to ensure informational transparency, the Bank provides mandatory disclosure to shareholders, investors and the authorized body in accordance with the current legislation information on corporate events of the Bank, defined by the legislation of the Republic of Kazakhstan.

157. Disclosure of information affecting the interests of the Bank's shareholders, which is subject to disclosure in accordance with the requirements of the legislation of the Republic of Kazakhstan, is carried out by posting it in the prescribed manner on the Internet resource of the financial statements depository.

158. The Bank provides placement on the Internet site of the depository of financial statements defined in accordance with the legislation of the Republic of Kazakhstan on accounting and financial statements, information on corporate events, annual financial statements of the Bank and audit reports, as well as other information specified by the legislation of the Republic of Kazakhstan, in the order and terms established by the regulatory legal act of the authorized body.

159. Information is disclosed by the Bank through:

1) submission of information to the authorized body in accordance with the legislation of the Republic of Kazakhstan;

2) providing information to the organizer of trading in securities in accordance with the internal rules of the organizer of trading in securities and the legislation of the Republic of Kazakhstan;

3) publication of information on the Internet site of the depository of financial statements.

160. In accordance with the legislation of the Republic of Kazakhstan and the Charter, the Bank provides its shareholders with access to the following documents:

1) the Charter of the Bank, changes and additions made to it;

2) the decision on the establishment of the Bank, the certificate of state registration (re-registration) of the Bank as a legal entity;

3) licenses for banking activities and other types of licenses to engage in certain types of activities and (or) to perform certain actions;

- 4) documents confirming the Bank's rights to property that is (was) on its balance sheet;
- 5) prospectuses for issuing securities of the Bank;
- 6) documents confirming the state registration of the Bank's securities issue, cancellation of securities, as well as approval of reports on the results of the placement and redemption of Bank securities submitted to the authorized body;
- 7) regulations on branches and representative offices of the Bank;
- 8) minutes of general meetings of shareholders, protocols on voting results and ballots (including ballots declared invalid), materials on the agenda issues of general meetings of shareholders;
- 9) lists of shareholders submitted for the general meeting of shareholders;
- 10) minutes of meetings of the Board of Directors and ballots (including those deemed invalid), materials on the agenda issues of the Board of Directors;
- 11) minutes of meetings (decisions) of the Management Board of the Bank;
- 12) internal rules and documents of the Bank, approved by the general meeting of shareholders and other bodies of the Bank, subject to presentation to shareholders of the Bank in accordance with the laws of the Republic of Kazakhstan;
- 13) the financial statements of the Bank;
- 14) corporate governance code, changes and additions to it;
- 15) other documents in accordance with decisions of general meetings of shareholders or the Board of Directors of the Bank.

## **§ 2. Procedure for receiving Bank's documents**

161. To receive the documents specified in clause 160 of this Code that do not constitute the subject of commercial or other confidential information of the Bank, the shareholder sends a written request to the Chairman of the Bank's Management Board indicating the name of the documents and the date on which they were drawn up (must be drawn up) which the shareholder would like to review or receive their copies (certified extracts from them), indicating the address to which they should be sent.

The application must be considered no later than ten calendar days from the date of its receipt by the Bank, except for the cases established by the legislation of the Republic of Kazakhstan. Upon expiration of the specified period, the Bank is obliged to notify the applicant in writing of the results of the consideration of the submitted application.

At the written request of the shareholder, the Bank provides him with copies of the Charter, amendments and additions to it within three working days from the date of receipt of such a request.

The Bank sets the fee for the submission of copies of documents, which cannot exceed the cost of making copies of documents and paying the costs associated with delivering documents to a shareholder.

162. By the decision of the Chairman of the Management Board of the Bank, the submission of documents that are confidential and constitute official, commercial or other secrets protected by law may be limited.

To obtain the necessary information constituting the subject of a commercial or other protected secret of the Bank, the shareholder of the Bank:

- 1) sends to the name of the Chairman of the Management Board of the Bank a written request indicating the name of the documents and the date on which they were made (must be made), with which the shareholder would like to read or receive copies of them;

- 2) The Chairman of the Management Board of the Bank considers the request for the possibility of presenting the information requested by the shareholder, as well as the type of documents to be submitted (its copy, certified extract from the document, etc.) and the form of presentation of the requested information. If the Chairman of the Management Board decides to submit the requested information, the relevant structural unit informs the shareholder about the time and place of possible familiarization with the documents or the amount of expenses for making copies of documents (certified extracts from them, etc.) and sending them or delivering them to the

shareholder, as well as details which the shareholder must pay the cost of these expenses;

3) within five working days from the date of receipt of money in payment of postage and expenses of the Bank for making copies of documents and signing by the shareholder of the obligation to not disclose banking, commercial and official secrets, the Bank sends by registered mail or hands in personally to the shareholder copies of the requested documents (certified extracts from them).

If the shareholder does not sign the above obligation, the requested information (documents) is not submitted by the Bank.

163. If the Chairman of the Bank's Management Board decides to refuse to provide the shareholder with the requested information, the relevant structural unit sends a notice to the shareholder setting out the reasons and reasons for the refusal.

164. When an annual general meeting of shareholders is held, at the time of shareholders (their representatives) registration as participants of the general meeting there are provided with materials on the agenda issues of the general meeting of shareholders.

## **Chapter 9. Organization of risk management systems and internal Bank's control, and their independent assessment**

### **§ 1. Organization of risk management system**

165. The Bank forms an adequate risk management system, providing for the Bank to use methods of identification, assessment, control and monitoring in risk management.

The availability of the Bank's risk management system provides for compliance with the requirements of the current legislation of the Republic of Kazakhstan, including requirements established by the regulatory legal acts of the authorized body.

The Board of Directors, the Management Board, other bodies and structural divisions of the Bank in carrying out their activities ensure compliance with the requirements for the presence of risk management systems.

In order to effectively fulfill the assigned duties in accordance with the requirements of the regulatory legal act on the formation of a risk management and internal control system, the Board of Directors monitors and controls risk management, auditing, compliance with the requirements of the laws of the Republic of Kazakhstan and internal documents of the Bank through Authorized collegial bodies of the Bank.

The Board of Directors of the Bank ensures that a risk management system is in place that matches the selected business model, scale of operations, types and complexity of operations, and provides an appropriate process for identifying, measuring and evaluating, monitoring, controlling and minimizing the Bank's significant risks in order to determine the Bank's equity and liquidity, necessary to cover essential risks inherent in the Bank's business.

The risk management system is a set of components established by a regulatory legal act on formation of a risk management system and internal control, which provides a mechanism for interaction of the Bank's internal procedures, processes, policies, structural divisions developed and regulated by the Bank in order to timely identify, measure, control and monitor the Bank's risks, as well as their minimization to ensure its financial stability and stable functioning.

### **§ 2. Organization of the internal control system**

166. The Board of Directors ensures that an internal control system is in place to protect the investments of shareholders and the assets of the Bank.

167. The Bank ensures existence of an internal control system that matches the current market situation, strategy, volume of assets, and the level of complexity of the Bank's operations. The internal control system is aimed at achieving the following goals:

1) ensuring effectiveness of the Bank, including the effectiveness of risk, asset and liability management, ensuring the safety of assets;

2) ensuring completeness, reliability and timeliness of financial, regulatory and other

reporting for internal and external users;

3) ensuring information security;

4) ensuring compliance by the Bank with the requirements of the civil, tax, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan on currency regulation and currency control, on payments and payment systems, on pension provision, on the securities market, on accounting and financial reporting, on credit bureaus and formation of credit histories, on the collection act activities, on compulsory guarantee of deposits, on counteracting legalization (laundering) of proceeds from crime and financing of terrorism, on joint-stock companies, internal documents of the Bank.

In the framework of internal control, checks are carried out of the Bank's processes for carrying out activities for compliance with internal policies and procedures, as well as with the requirements of the civil, tax, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan on currency regulation and currency control, about payments and payment systems, about pension provision, on the securities market, on accounting and financial reporting, on credit bureaus and formation of credit histories, on collection activities, on compulsory guarantee of deposits, on counteracting legalization (laundering) of proceeds from crime and financing of terrorism, on joint-stock companies.

The Bank has reliable internal and external information in order to manage risks, make strategic business decisions and determine the adequacy of equity and liquidity. The Board of Directors of the Bank and the relevant committees of the Board of Directors of the Bank make decisions related to the adoption of risks based on high-quality, relevant and reliable data.

Risk measurement and modeling methods are used in addition to qualitative risk analysis and monitoring. The Chief Risk Officer informs the Board of Directors of the Bank and the Risk Management Committee about the methods used and potential shortcomings of risk management models and analytical approaches at the Bank.

168. Assessment of the adequacy and effectiveness of the Bank's internal control system is carried out by the Internal Audit Service, as well as by an independent auditing organization.

### **§ 3. Internal Audit Service**

169. The Internal Audit Service is the Bank's division that carries out an objective assessment of the activities of the Bank's divisions, provides assessment and recommendations for improving risk management and internal control systems.

170. The tasks and functions of the Internal Audit Service are determined by the legislative acts of the Republic of Kazakhstan and the internal documents of the Bank.

171. The Internal Audit Service is independent of the daily operations of the Bank and has access to all types of operations conducted by the Bank, including its branches. The Bank's internal audit service is independent of the activities being audited and of the daily internal control procedure.

172. The Internal Audit Service reports directly to the Board of Directors of the Bank. The procedure for appointing employees of the Internal Audit Service, the structure and composition of the Internal Audit Service, the requirements for its employees, are determined by the internal rules of the Bank, approved by the Board of Directors.

173. The list and procedure for submission to the Internal Audit Service of information and materials on the Bank's operations, as well as the responsibility of officials and employees of the Bank for failure to provide information are established by the relevant internal rules of the Bank.

174. The Internal Audit Service is entitled to submit recommendations to the Audit Committee on the candidacy of the external auditor of the Bank. A proposal for the selection of an external auditor is submitted to the Audit Committee for consideration.

### **§ 4. External audit**

175. An audit of financial statements and other information is conducted by an audit organization authorized to conduct an audit in accordance with the legislation on auditing activities and complying with the requirements of the legislation of the Republic of Kazakhstan.

176. The Audit Committee provides recommendations on the selection of an audit organization that audits the financial statements of the Bank, taking into account the requirements defined by the banking legislation of the Republic of Kazakhstan.

The Board of Directors takes all necessary measures to ensure that the General Meeting of Shareholders approves an auditor of the Bank recommended by the Audit Committee.

### **Chapter 10. Dividends**

177. Dividends are an integral part of the existence and development of joint-stock companies. The optimization of the dividend policy, along with the improvement of the financial condition, is one of the key moments of the Bank's overall financial development strategy, a tool for increasing its investment attractiveness and an indicator of the Bank's condition for investors. Competent dividend policy and maximum investor awareness are a key factor in the long-term development of the Bank.

Payment of dividends on shares of the Bank is carried out in the manner determined by the legislation of the Republic of Kazakhstan, the Bank's Charter, the Bank's share issue prospectus.

178. The main purpose of the dividend policy is to promote the growth of the well-being of its shareholders by ensuring:

1) gradual growth of dividends on shares of the Bank;

To achieve this goal, the Bank seeks to ensure a gradual increase in the Bank's net income (profit), which will ensure a gradual increase in the size of dividends paid by sending the Bank's net income (profit) for these purposes;

2) compliance with shareholders' rights to guaranteed receipt of dividends on preferred shares of the Bank;

In order to realize this goal, the Bank may develop a mechanism to ensure the payment of the guaranteed dividend on preferred shares of the Bank, established by the Bank's Charter, which allows shareholders to see the Bank's profit remaining after the dividend is calculated.

In addition, the Bank may form reserve capital, the funds of which may be used to pay dividends on preferred shares of the Bank in the event of the absence or insufficiency of the Bank's income;

3) the creation of the necessary conditions for the timely and full receipt of dividends by shareholders.

The Bank ensures that the necessary conditions are created for the shareholders to receive dividends on ordinary shares in a timely and complete manner by determining at the Bank's general meeting of shareholders the date on which dividends on ordinary shares begin to pay, where shareholders can receive dividends on ordinary shares, the amount of dividends due on ordinary shares and need other parameters. In addition, within five working days before the maturity of dividend payments on preferred shares, the Bank ensures that the Bank's shareholders are timely informed about the payment of dividends on preferred shares by publishing in the media established by the Bank's Charter information on the payment of dividends on preferred shares and other information, stipulated by the Bank's Charter and (or) legislation, as well as by using other methods of notifying the Bank's shareholders on the payment of dividends on preferred shares.

### **§ 1. The procedure for payment of dividends on shares of the Bank**

179. The decision to pay dividends on ordinary shares and above the guaranteed size of dividends on preferred shares is taken by the annual general meeting of shareholders of the Bank if the Bank has income for the reporting year in an amount that allows such payments to be made.

The decision to pay dividends on ordinary shares of the Bank is made by the general meeting of shareholders of the Bank by a simple majority of the total voting shares of the Bank participating in the voting.

The payment of guaranteed dividends on preferred shares of the Bank, established by the Bank's Charter, does not require a decision by the General Meeting of Shareholders of the Bank and is carried out in the manner and time provided for by the Bank's Charter, issue prospectus.

180. With the written consent of the shareholder, the Bank is entitled to pay dividends on the Bank's shares in its securities: declared shares of the Bank or bonds issued by the Bank. The decision of the general meeting of shareholders on the payment of dividends on ordinary shares should indicate the possibility of paying dividends of the Bank with these securities.

Payment of dividends by securities on preferred shares of the Bank is not allowed.

181. The Bank has the right to pay dividends in a mixed way, involving the payment of dividends, partly in cash and partly in securities, as well as in various types of securities (partially declared shares and partially issued bonds), subject to the written consent of the shareholder.

182. A list of shareholders of the Bank who are entitled to receive dividends must be compiled in the manner determined by the legislation of the Republic of Kazakhstan.

The Bank does not accrue and pay dividends on shares that have not been placed or have been repurchased by the Bank, and also if the court or the general meeting of shareholders of the Bank decided to liquidate it.

The Bank is not entitled to pay dividends on ordinary and preferred shares:

- 1) in case of a negative amount of the Bank's own capital or if the amount of the Bank's own capital becomes negative as a result of calculating dividends on the Bank's shares;
- 2) if the Bank meets the signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, or such signs will appear to the Bank as a result of the accrual of dividends on its shares.
- 3) in other cases stipulated by the laws of the Republic of Kazakhstan.

183. A shareholder has the right to demand payment of non-received dividends regardless of the period of the Bank's debt, unless a dividend is not accrued on the grounds, stipulated by clause 182 of this Code. In the event of non-payment of dividends due to the Bank's fault, the Bank's shareholder is paid the amount of dividends due and penalty calculated on the basis of the official refinancing rate of the National Bank of the Republic of Kazakhstan on the day of the fulfillment of the monetary obligation or its relevant part.

184. If there is sufficient income from the Bank for the year and based on the financial statements of the Bank for the reporting year, confirmed by an auditing organization elected by the general meeting of shareholders, and in order to ensure the rights of the Bank's shareholders to participate in the Bank's income, the Bank's Management Board has the right to decide on applying to the Board of Directors of the Bank on the inclusion in the agenda of the annual general meeting of shareholders of the issue of paying dividends on ordinary shares of the Bank. The application should be accompanied by an explanatory note to the Board of Directors of the Bank, containing a justification for the Bank's ability to pay dividends on ordinary shares of the Bank and calculate the dividend per one ordinary share of the Bank.

185. The determination of the amount of the Bank's income offered for payment as dividends and the calculation of the dividend per ordinary share shall be made taking into account the requirements of clause 182 of this Code.

186. When forming a proposal for the Board of Directors of the Bank to pay dividends on ordinary shares, the Bank's Management Board proceeds primarily from the amount of the Bank's income for the reporting year sufficient to meet the entire year, with the projected growth of the Bank's assets at the end of the year, the prudential standards established by the authorized state body for second-tier banks, after making such a payment, as well as sufficient to meet other needs

of the Bank.

187. Having considered the application of the Management Board of the Bank, the Board of Directors is entitled to take one of the following decisions:

- 1) to satisfy the request of the Management Board and include in the agenda of the annual general meeting of shareholders the issue of paying dividends on ordinary shares of the Bank;
- 2) to satisfy the request of the Management Board with a review of the size of the total amount of income offered to pay dividends on ordinary shares of the Bank, and the size of dividends per one ordinary share of the Bank;
- 3) refuse to satisfy the request of the Management Board.

188. The final decision on the payment of dividends on ordinary and higher guaranteed amounts on preferred shares of the Bank and the determination of dividends per ordinary share and dividends above the guaranteed on preferred shares of the Bank is made by the general meeting of shareholders of the Bank.

If a decision is made to pay dividends on ordinary shares of the Bank, the size of dividends on ordinary shares should be established taking into account the requirements of the Law of the Republic of Kazakhstan "On banks and banking activities in the Republic of Kazakhstan".

Taking into account the financial results for the year, the General Meeting of Shareholders of the Bank is entitled to decide on the inexpediency of paying dividends on ordinary shares of the Bank.

189. The size of dividends accrued on preferred shares may not be less than the size of dividends accrued on ordinary shares of the Bank. If the amount of dividends on ordinary shares of the Bank is exceeded by the size of guaranteed dividends on preferred shares, the Bank is obliged to charge additional dividends on preferred shares of the Bank in order to equalize the amount of dividends paid on ordinary and preferred shares of the Bank.

190. Dividends on preferred shares of the Bank are paid out in the manner and within the time provided for by the legislation, the Charter and internal regulatory documents of the Bank.

## **§ 2. Payment of dividends by securities**

191. A shareholder of the Bank, with the exception of a shareholder owning preferred shares of the Bank who expressed a desire to receive dividends in securities (if there is an appropriate decision of the general meeting of shareholders of the Bank), must submit a written statement to the Bank outlining consent to receive dividends in securities of the Bank.

192. The calculation of the number of securities paid in the form of dividends is calculated based on the amount of dividend per share, established by the general meeting of shareholders (on ordinary shares), taking into account the taxation of income on securities in accordance with the tax laws of the Republic of Kazakhstan.

193. In the event that the number of securities declared by shareholders of the Bank to receive as dividends over the number of securities held by the Bank is exceeded, dividends are paid to shareholders by these securities in proportion to the shares of the Bank owned by them. Part of dividends not paid in securities is paid in cash.

194. Transfer of securities paid in the form of dividends to personal accounts of shareholders is carried out in the manner determined by the legislation of the Republic of Kazakhstan.

## **§ 3. The Bank's strategy in the area of dividend policy and the procedure for calculating dividends**

195. The amount of dividend payout on all shares of the Bank is determined from the Bank's net income after all calculations have been made of the Bank's need to form its own financial resources, ensuring the full realization of the Bank's investment opportunities.

196. If for existing investment projects, the level of the internal rate of return exceeds the weighted average cost of capital, then the bulk of net income should be directed to the implementation of such projects. Through such investments, the Management Board of the Bank intends to bring benefits to shareholders, achieving a growth in the value of the Bank.

#### **§ 4. Responsibility for non-payment or late payment of dividends**

197. In case of delay in paying dividends by more than 10 working days, the Chairman of the Management Board of the Bank is obliged to immediately notify all the Directors about this with a description of the reason for the delay in paying dividends and the measures taken to eliminate the reasons for the delay in paying dividends.

The Bank's Board of Directors is entitled to decide on bringing the Chairman of the Bank's Management Board and other members of the Bank's Management Board to account for the improper execution of the decision of the general meeting of shareholders regarding the payment of dividends.

### **Chapter 11. Settlement of corporate conflicts**

198. Given the importance of maintaining the Bank's good business reputation and the extreme undesirability of corporate conflicts, the Bank considers it necessary for itself to develop mechanisms for the prevention and resolution of corporate conflicts.

#### **§ 1. General Provisions**

199. By conflict within the framework of this Code, the Bank recognizes any disagreement or dispute between a body of the Bank and its shareholder, which arose in connection with the management of the Bank, or a disagreement or dispute between shareholders if it affects or may affect the interests of the Bank.

200. In the event of a corporate conflict, the Bank determines its position on the conflict that has arisen as soon as possible, takes an appropriate decision and communicates it to the shareholders.

In determining its position, the Bank is based on the laws of the Republic of Kazakhstan and ensuring a reasonable combination of interests of the Bank and all its shareholders.

201. If necessary, the Bank provides the party to the conflict, the court, the authorized body and other state bodies with the necessary information to clarify the real situation of the conflict and take measures to resolve it in the manner prescribed by the Bank's Charter, this Code and internal documents of the Bank.

202. The Bank undertakes to take all possible measures to resolve the ensuing corporate conflict and to provide shareholders with the opportunity to exercise and protect their rights. In the event of a forced refusal to satisfy a shareholder's request, the Bank undertakes to strictly base itself on the provisions of current legislation.

203. The competence of the Bank's bodies to resolution of corporate conflict is delimited depending on whether the issue of a corporate conflict is within the competence of a Bank body.

204. In the event of a corporate conflict between shareholders capable of affecting the interests of the Bank, the Bank has the right to appeal to the parties to the conflict for the Bank's participation in the settlement process as an intermediary between the parties. In addition, the Bank has the right to offer itself as a consultant and provide the parties with the necessary information and documents, advice on current legislation, the provisions of the internal documents of the Bank.

#### **§ 2. The procedure for determining the position of the Bank in a corporate conflict**

205. In the event of a corporate conflict or a situation that could lead to a corporate conflict, the relevant structural unit submits the issue to the Management Board of the Bank no later than 3 working days, with the documents and explanations necessary for making an informed decision and determining the Bank's position.

206. In the event that an issue in relation to which a corporate conflict may arise or has arisen falls within the competence of the Bank's Board of Directors, the Bank's Management Board, after reviewing the relevant documents and formulating its position on this issue, requests the Bank's Board of Directors to approve the Bank's position.

207. The Board of Directors of the Bank, having considered the application of the

Management Board, has the right to take one of the following decisions:

- 1) approve the position of the Bank proposed by the Management Board;
- 2) refuse to satisfy the position proposed by the Management Board of the Bank and to determine a different position of the Bank on the issue of corporate conflict.

208. In considering the issue of determining the position of the Bank in relation to corporate conflict should not take part members of the Management Board or the Board of Directors of the Bank, who are:

- 1) a party to the conflict;
- 2) an affiliate of the party of the conflict.

209. The position of the Bank in relation to a corporate conflict must be communicated to the party (parties) of the conflict Bank's shareholders within 5 business days from the date the Bank's position is determined.

210. In the event that the Bank is a party to the conflict, the Bank's Management Board or the Bank's Board of Directors, when determining the Bank's position on the corporate conflict, also approve the list of the Bank's actions to resolve the conflict.

With the consent of the shareholders who are parties to the corporate conflict, the Management Board and (or) the Board of Directors (their members) can participate in negotiations between shareholders, provide shareholders with information and documents related to the conflict, explain the norms of the legislation of the Republic of Kazakhstan and the provisions of internal rules of the Bank, to give advice and recommendations to shareholders, to prepare draft documents on the settlement of the conflict for signing by the shareholders, on behalf of the Bank, within its competence, take obligations to shareholders to the extent that it can help resolve the conflict.

211. Based on the results of actions to resolve a corporate conflict, the Bank has the right to sign an agreement to resolve the conflict.

## **Chapter 12. Conflict of Interest**

212. For purpose of timely identification, measurement, control and monitoring of the Bank's risks, as well as their minimization to ensure its financial stability and stable functioning, the Bank has identified a conflict of interest management procedure and mechanisms for its implementation, as well as control over its implementation.

213. The procedure contains the following components:

- 1) a mechanism for minimizing conflicts of interest in the Bank's activities;
- 2) approval process that the Director goes through before taking up the functions of an official in another organization in order to prevent a conflict of interest;
- 3) obligation of the Directors to immediately provide information on any issue that creates a conflict of interest or is a potential reason for its occurrence;
- 4) obligation of the Directors to abstain from voting on issues within which the Director has a conflict of interest;
- 5) response mechanism of the Board of Directors to violations of the provisions of the procedure;
- 6) procedures by which employees of the Bank confidentially report violations related to the activities of the Bank.

### **§ 1. Mechanism of the procedure for minimizing conflicts of interest in the activities of the Bank**

214. The most important mechanisms in preventing occurrence of a conflict of interest when executing by Bank's officials, its shareholders and (or) employees of their official powers are:

- 1) compliance with the requirements of the legislation of the Republic of Kazakhstan;
- 2) compliance with existing procedures, processes, policies and other internal documents of the Bank;
- 3) monitoring compliance by officials and employees of the Bank with the requirements of the legislation of the Republic of Kazakhstan and existing procedures, processes, policies and other

internal documents of the Bank;

4) monitoring effective compliance with the Bank's procedures, through which the Bank's employees confidentially report violations related to the activities of the Bank, as well as abuses;

5) ethical norms and standards of professional activity that meet the following principles:

- conscientious performance of duties by officials and employees of the Bank, their responsibility, decency and honesty;

- Observance of confidentiality of information obtained in the course of performing official duties;

- exclusion of a conflict of interest.

215. In order to prevent a conflict of interests, the Bank has developed and approved in the prescribed manner an internal regulatory document that defines the basic requirements for each employee with respect to compliance with the Law and the principles of anti-corruption.

216. The Bank has developed and approved in accordance with the established procedure an internal regulatory document that defines general principles and norms to prevent conflicts of interest in the Bank, observance of which should help minimize banking risks, as well as prevent violations of the Laws of the Republic of Kazakhstan by employees of the Bank and protect property interests and business reputation of the Bank.

217. In order to minimize the conflict of interests, the Bank approved an organizational structure that delimits competences and distributes powers between authorized collegial bodies and structural divisions of the Bank.

## **§ 2. Conflict of interests of the Bank's officials**

218. Conflict of interest may arise when officials make decisions:

1) on transactions concluded between the Bank and other legal entity or persons;

2) in transactions concluded by the Bank with parties related to the Bank by special relations;

3) other decisions provided by the competence of officials and authorized collegial bodies of the Bank.

219. In order to avoid a conflict of interests, officials make decisions within their competence in strict accordance with the requirements stipulated by the legislation of the Republic of Kazakhstan and internal documents of the Bank.

220. For transactions concluded by the Bank with parties related to the Bank by special relations, decisions are made by the Directors who are not interested in the transaction, in accordance with the requirements of the legislation of the Republic of Kazakhstan.

221. In order to prevent a conflict of interest, the Director of the Bank must go through the approval process of the Board of Directors of the Bank before proceeding with the functions of an official in another organization, which includes the following steps:

1) informing the Bank about the planned work in another organization, with the exception of cases of fulfilling the functions of an independent director;

2) submission to the Committee of the Board of Directors, whose functions include consideration staff and remuneration issues, of detailed information on the functions of an official in another organization;

3) provision of recommendations by a committee of the Board of Directors, whose functions include consideration staff and remuneration issues, to the Board of Directors;

4) consideration by the Board of Directors of the issue of granting consent to the Director to perform the functions of an official in another organization (when considering this issue, the Director who plans to perform the functions of an official in another organization does not participate in the vote);

5) informing the Director who plans to perform the functions of an official in another organization about the results of a decision made by the Board of Directors.

222. The Director must immediately provide information on any issue that creates a conflict of interest or is a potential cause of its occurrence. Information is provided in writing.

223. The Director is obliged to abstain from voting on issues within which the Director has a

conflict of interest.

### **§ 3. Response mechanism of the Board of Directors to violations of provisions of the procedure**

224. Conflicts of interest may affect ability of officials or employees of the Bank to make fair, honest judgments and lead to misuse of the Bank's resources and abuse of authority.

225. All employees of the Bank and officials must behave in such a way as to prevent a situation in which a conflict of interest may arise, neither in relation to themselves (or related parties) nor to others.

226. The balance of the interests of the Bank and private interests of employees and officers of the Bank is one of the conditions for the stability of relations.

227. The Bank establishes the following conflict of interest management system:

1) timely disclosure of information by employees and officials of the Bank about a real or potential conflict of interest;

2) consideration and assessment of the Bank's risks in the event of a conflict of interest;

3) confidentiality of the conflict of interest disclosure process and the settlement process;

4) balancing the interests of the Bank and the interests of employees and officers of the Bank;

5) protection of an employee of the Bank who timely discloses a conflict of interest;

6) settlement of conflicts of interest.

7) taking measures to identify cases of concealment of a conflict of interest that arose during performance by employees and officials of the Bank of their official powers.

228. Disclosure of information by employees and officials of the Bank about a real or potential conflict of interest includes provision of information established by internal regulatory documents:

1) when applying for a job;

2) appointment to a new position;

3) election (appointment) to the position of a leading employee or official;

4) periodic information requested by the relevant divisions of the Bank;

5) as a situation arises that creates a conflict of interest or is a potential cause of its occurrence.

229. Consideration and assessment of the Bank's risks in the event of a conflict of interest is carried out by the Bank's departments with functions that include these issues in accordance with the Bank's internal regulatory documents.

230. Settlement of the conflict of interests of employees of the Bank is carried out by authorized collegial bodies of the Bank on the basis of a comprehensive assessment of the financial and reputation risks of the Bank.

231. The Board of Directors of the Bank considers cases of a conflict of interest among members of the Management Board, as well as Directors of the Bank.

232. The response mechanism of the Board of Directors to violations of the conflict of interest management procedure includes, but is not limited to:

1) order to conduct an investigation by the relevant units authorized by the Bank;

2) taking disciplinary measures against an official who violated the provisions of the procedure;

3) recognition of a violation of the procedure as insignificant in cases where the Bank does not have losses, reputational and other risks;

4) restricting the official's access to specific information;

5) transfer of an official to another position not related to a conflict of interest;

6) review and change of functional duties of an official;

7) early termination of the powers of a member of the Management Board or provision of recommendations to the general meeting of shareholders on the need to terminate the powers of the Director;

8) other measures by decision of the Board of Directors of the Bank.

233. The Bank seeks to mitigate any consequences of a conflict of interest, including minimizing losses and damage to the Bank's reputation and its operations.

#### **§ 4. Procedures by which employees of the Bank confidentially report violations related to the activities of the Bank**

234. The Bank encourages submission of information on violations related to the Bank's activities, including when the violation may lead to significant risks and harm the interests, reputation, operations or strategic development of the Bank.

The Bank distinguishes between abuse representing a significant risk and individual complaints, which are considered in the manner established by the relevant internal regulatory documents of the Bank.

235. Harassment of the Bank employees confidentially reporting violations related to the activities of the Bank is not allowed and is an offense.

236. Harassment violates the basic duty of all employees to maintain the highest standards of integrity and to fulfill their duties and build their behavior in accordance with the interests of the Bank.

237. Employees of the Bank confidentially report violations related to the activities of the Bank, a division of the Bank whose functions include compliance with legislation and internal regulatory documents of the Bank by:

- 1) personal meeting;
- 2) a phone call;
- 3) sending information in writing and / or e-mail;
- 4) in other ways.

238. Violations relating to the activities of the Bank include, but are not limited to, information about:

- 1) fraud, that is, intentional and misleading actions with the intention of gaining unauthorized profit, money, property or services through fraud or other unethical methods;
- 2) corruption;
- 3) wasteful use of the Bank's resources;
- 4) other information that may lead to significant risks and harm the interests, reputation, operations or strategic development of the Bank.

239. The Bank's subdivision whose functions include compliance with the Laws and internal regulatory documents of the Bank verify information and facts with involvement of relevant authorized collegial bodies and / or divisions (if necessary).

240. Unconfirmed information and facts, as well as disagreements regarding managerial decisions, staff matters, when there is a personal interest in the final result, complaints of harassment and personal disagreements or conflicts with colleagues are left without consideration or are considered in the manner established by the relevant internal regulatory documents of the Bank.

241. Malicious reporting of a violation in the absence of facts or reasonable suspicions in order to prejudice integrity or reputation of another person is a violation and is subject to disciplinary action.

242. The information on identity of the Bank's employee who has privately reported violations related to the Bank's activities is subject to protection, except for cases of consent to the disclosure of information by himself.

243. Based on the results of verification of information and facts about violations related to the activities of the Bank, information is submitted for consideration by the authorized collegial bodies of the Bank in the manner established by the relevant internal regulatory documents of the Bank.

#### **Chapter 13. Final Provisions**

244. This Code comes into effect from the moment of its approval by the General Meeting of

Shareholders of the Bank.

245. The provisions of this Code are binding on shareholders of the Bank, officials and employees of the Bank.

246. Persons who violate the provisions of this Code are responsible in accordance with the legislation of the Republic of Kazakhstan.

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