

ENDORSED BY
Minutes of JSC Bank CenterCredit
Board of Directors Meeting
dated 05 April 2023

APPROVED BY
Minutes of the Annual General
Shareholders Meeting of JSC Bank
CenterCredit dated 12 May 2023

**Corporate Governance Code of
Joint-Stock Company
Bank CenterCredit**

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CHAPTER 1. GENERAL PROVISIONS

Article 1. Relations Governed by This Corporate Governance Code of Bank CenterCredit JSC

1. This Corporate Governance of Bank CenterCredit JSC (hereinafter referred to as the Code) governs relations arising in the process of managing Bank CenterCredit JSC (hereinafter referred to as the Bank), including relations between shareholders and bodies of the Bank, between bodies of the Bank, the Bank and stakeholders.

2. This Code has been developed in accordance with the applicable legislation of the Republic of Kazakhstan subject to the prevailing international corporate governance practices, ethical standards, specific business environment of the Bank at the current stage of development.

3. The Bank voluntarily accepts and follows the provisions of this Code in an effort to increase the Bank's attractiveness for existing and potential investors.

Article 2. Bank's Corporate Governance Principles

1. The Bank's corporate governance is implemented on the basis of principles set out in this chapter.

2. Corporate governance is based on respecting the rights and legal interests of shareholders and employees of the Bank which promotes efficient Bank activity, including: increase in value of the assets, support of financial standing and profitability, and creation of new workplaces.

3. The basis of efficient activity and investment attractiveness of the Bank is in transparency of activities performed by all participants of corporate governance. Corporate governance principles set out in this chapter are aimed at creation of trust in relations occurring in the process of Bank management.

4. These principles have been developed in consideration of provisions of the Law of the Republic of Kazakhstan 'On Joint Stock Companies', corporate governance principles of Organization for Economic Cooperation and Development (OECD), international corporate governance practices and other regulatory legal acts of the Republic of Kazakhstan.

5. Adherence to the corporate governance principles ensures building of an effective approach for objective analysis of the Bank's operations and obtaining appropriate recommendations from analysts, financial consultants, rating agencies.

6. The risk management system ensures awareness of the Bank's authorized collegial bodies making decisions that bear risks by building an effective corporate governance system, availability of complete, reliable and timely management information on significant risks inherent in the Bank's operations.

Article 3. Principle of Providing the Shareholders with Real Opportunities To Exercise Their Rights Related To Participation in the Bank Management.

1. Shareholders shall be provided with a reliable and effective system for recording titles to shares and the possibility of free disposal of their shares in accordance with the law.

2. A shareholder of the Bank shall not be liable for the Bank's obligations, nor bear the risk of losses related to the Bank's operations to the extent of the value of shares owned, except as otherwise provided by legislative acts of the Republic of Kazakhstan.

3. Shareholders shall be entitled to participate in the governance of the Bank by making decisions on the most important operation-related issues at the General Meeting of Shareholders. To exercise this right, the following has been established by the laws of the Republic of Kazakhstan and the Bank's Articles of Association:

1) the order of convening the General Meeting of Shareholders shall give the shareholders an opportunity to duly prepare for participation therein;

2) venue, date and time of the General Meeting shall be determined in a way allowing to participate as many persons entitled to take part at the meeting as possible;

3) rights of major shareholders to demand convention of the General Meeting and make proposals on the meeting agenda shall not be associated with any undue difficulties if existence of such rights has been proved by shareholders;

4) each shareholder shall have an opportunity to exercise his/her voting right in the most simple and convenient way.

4. Shareholders shall be provided with an opportunity to participate in distribution of the Bank profits. To exercise this right, the Bank:

1) has established a mechanism for determining the amount of dividends and payment thereof;

2) furnishes sufficient information to form a clear understanding of the conditions for dividends payout and the procedure for their payment;

3) ensures a simple dividend payout procedure, which is not associated with any undue difficulties when receiving dividends;

4) applies measures in respect of the executive bodies in case of incomplete or delayed payment of declared dividends.

5. Shareholders shall have the right to receive full and reliable information about the Bank on a regular and timely basis. To exercise this right, the Bank:

1) provides shareholders with detailed information on each agenda item when preparing for the General Meeting of Shareholders;

2) includes all necessary information in the annual report provided to shareholders allowing them to assess the results of the Bank's performance for the year;

3) introduces the position of a Corporate Secretary, who is responsible for ensuring the shareholders' access to information on the Bank.

6. The Bank shareholders shall not abuse any rights granted to them.

7. The shareholders shall not be allowed to undertake any actions solely with an intent of inflicting harm upon other shareholders or the Bank's operations, and any other abuse of shareholders' rights.

Article 4. Principle of Ensuring Equal Treatment of Shareholders Holding Shares of One Type and Effective Protection of All the Shareholders' Rights If Violated.

1. The Bank's credibility is based on Bank's equal treatment to equal shareholders. For the purposes of this Code, equal shareholders mean shareholders holding an equal number of shares of one type. The observance of this principle shall be ensured by:

1) establishment of the procedure for holding the General Meeting, which gives a reasonable equal opportunity to all persons attending the meeting to express their opinion and ask questions;

2) establishment of the procedure for effecting significant corporate actions, which allows the shareholders to receive information on such actions and guarantees observance of their rights;

3) banning the conduction of any transaction with use of insider and confidential information;

4) election of members of the Board of Directors, members of the Management Board and Bank President in accordance with the transparent procedure stipulating provision of information on these persons to shareholders;

5) provision by members of the Management Board and other parties, who may be recognized as interested in a transaction, of information on such interest;

6) taking all required and reasonable measures to settle a conflict arising between the Bank's governing body and its shareholder(s), as well as between shareholders if such conflict affects the interests of the Bank (hereinafter referred to as Corporate conflict).

Article 5. Principle of Ensuring Exercise of Strategic Management of the Bank's Business Operations by the Bank's Board of Directors and an Effective Supervision Over the Management Board's Performance by the Board of Directors and Accountability of the BoD Members To Its Shareholders

1. The Board of Directors shall determine the Bank's development strategy and ensure effective supervision over financial and economic activities of the Bank. For this purpose, the Board of Directors approves:

- 1) priority directions of the Bank's activities;
- 2) development strategy and annual budget;
- 3) internal control procedures.

2. The composition of the Bank's Board of Directors shall ensure the most effective fulfillment of functions conferred to the Board of Directors. For this purpose:

1) members of the Board of Directors shall be elected through a transparent procedure which takes into account various points of view of shareholders, ensures that composition of the Board of Directors is in compliance with legal requirements, and allows to elect independent members of the Board of Directors (hereinafter referred to as the Independent Director);

2) an adequate number of Independent Directors shall be included in the composition of the Board of Directors;

3) Independent Directors shall participate in the procedure for determination of a quorum of the Board of Directors meetings.

3. Personal composition of the Bank's Committees created under the Board of Directors shall ensure active participation of members of the Board of Directors therein.

4. Meetings of the Board of Directors shall be held on a regular basis and, if necessary, in absentia, depending on the importance of issues to be considered.

5. The Board of Directors shall ensure and control effective operation of the Bank's executive bodies (Management Board).

Article 6. Principle of Providing the Bank's Management Board With an Opportunity To Carry Out Effective Management of the Bank's Day-to-Day Operations Reasonably, In Good Faith, and Solely In the Interests of the Bank; Ensuring Accountability of the Bank's Management Board to the Bank's Board of Directors and Its Shareholders.

1. In accordance with the legislation of the Republic of Kazakhstan, a collegial executive body - the Management Board – has been created and is functioning in the Bank, which is in charge of operational management of the Bank's current activities.

2. The composition of the Management Board shall ensure the most effective implementation of functions assigned to the executive bodies. The Bank President, First Vice President, Member of the Management Board, and Vice President, Member of the Management Board shall be elected in accordance with a transparent procedure stipulating provision of full information about these persons to shareholders.

3. The Management Board shall operate according to the Bank's annual budget.

4. Remuneration of the Bank President and Vice Presidents, members of the Management Board, shall conform to their qualifications and take into account their real contribution to performance results of the Bank.

Article 7. Principle of Ensuring Timely Disclosure of Full and Accurate Information About the Bank, Including Its Financial Position, Economic Indicators, Ownership and Management Structure To Enable the Bank Shareholders and Investors To Take Informed Decisions

1. Shareholders shall have equal opportunities to access the same information.

2. The Bank's information policy shall ensure access to information about the Bank in accordance with the applicable laws of the Republic of Kazakhstan and the Bank's internal provisions.

3. Shareholders shall have an opportunity to obtain any information, including about the Bank's financial position, performance results, governance of the Bank, its major shareholders and material facts affecting its financial and economic activity.

4. The Bank shall monitor the use of confidential and insider information.

Article 8. Principle of Taking Into Account Statutory Rights of Stakeholders, Including the Bank Employees, and Encourage Active Cooperation Between the Bank and Stakeholders To Increase the Bank Assets, Value of Shares and Other Securities of the Bank, Creation of New Workplaces.

1. To ensure effective operation, the Bank's Management Board shall take into account interests of third parties, including creditors, the state and territorial authorities, on which territory the Bank or its structural units are located.

2. Governing bodies of the Bank shall incentivize interests of its employees in ensuring effective operations.

Article 9. Principle of Ensuring Effective Internal Control in the Bank To Protect Rights and Legitimate Interests of Shareholders

1. The Bank has created and is continuously improving its effectively functioning daily budget monitoring system. The Bank's operations shall be carried out based on the budget approved by the Board of Directors on an annual basis.

2. The Bank shall segregate responsibilities of bodies and persons involved in the system for monitoring its financial and economic activities, who are engaged in development, approval, application and evaluation of the internal control system. Head Office structural subdivisions shall elaborate internal control procedures in accordance with their functions assigned. Approval of fundamental internal control procedures shall be assigned to the Board of Directors of the Bank.

Article 10. Principle of Ensuring Environmental Protection In the Course of the Bank's Operations

In the course of its business, the Bank shall ensure careful and sustainable attitude towards the environment.

Article 11. Organizational Structure of the Bank

1. The organizational structure of the Bank corresponds to the selected business model, scale of operations, types and complexity of operations; minimizes conflicts of interest and distributes risk management powers between collegial bodies (Board of Directors, committees under the Board of Directors, Management Board, committees under the Management Board) and structural divisions, including, but not limited to:

- 1) General Shareholders Meeting of the Bank;
- 2) Bank's Board of Directors;
- 3) Committees under the Bank's Board of Directors;
- 4) Management Board;
- 5) Risk management unit (units);
- 6) Compliance control unit;
- 7) Internal audit unit.

2. The qualifications and professional experience of the Head of Risk Management meet the requirements of the chosen business model, the scope of operations, types and complexity of operations, and risk profile. The independence of the Head of Risk Management is determined as follows:

1) regardless of subordination, the Head of Risk Management is appointed and dismissed by the Board of Directors of the Bank;

2) has unhindered access to the Board of Directors of the Bank, without the participation of the Management Board;

3) has access to any information required to fulfill his/her duties;
4) does not combine the position of the Chief Operating Director, Financial Director, other similar functions of the Bank's operations (except for underwriting, collateral service), the Head of the Internal Audit unit.

3. Interaction between the Head of Risk Management and the Board of Directors and (or) the Risk Management Committee shall be carried out on a regular basis. The decision on the dismissal of the Head of Risk management shall be brought to the attention of the state body that carries out state regulation, control and supervision of the financial market and financial organizations (hereinafter referred to as the Authorized body). At the request of the Authorized body, the Bank's Board of Directors shall provide a justification for such decision.

4. The Head of Risk Management shall inform the Bank's Board of Directors of the existence of significant discrepancies between the opinion of the Risk Management and the decision of the Bank's Management Board regarding the level of risks accepted by the Bank.

CHAPTER 2. GENERAL MEETING OF SHAREHOLDERS

Article 12. General Provisions on the General Meeting of Shareholders

1. The General Shareholders Meeting of the Bank is the supreme governing body of the Bank.

2. The Bank's Articles of Association and the laws of the Republic of Kazakhstan shall determine the issues falling under the exclusive competence of the General Meeting of Shareholders in terms of decision-making.

3. The General Meetings of Shareholders shall be annual and extraordinary.

4. The Annual General Meeting of Bank CenterCredit JSC Shareholders shall be held once a year.

5. The Annual General Meeting of Shareholders shall be convened within five months after the end of the financial year.

6. The above-mentioned period may be extended up to three months in the event it is impossible to complete the Bank's audit for the reporting period.

7. Other General Meetings of Shareholders shall be extraordinary and can be held, inter alia, by absentee voting.

8. Organization and procedure for holding of the General Meeting of Bank CenterCredit JSC Shareholders shall ensure:

1. exercise of each shareholder's right to participate in the Bank governance.
2. fair and equal attitude towards all shareholders.
3. accessibility of participation in the General Meeting for all shareholders.
4. provision of organizational and reporting information.
5. simplicity and transparency of the General Meeting of Shareholders.

9. A shareholder shall have the right to participate at the General Meeting of Shareholders and vote on issues under consideration in person or through a representative.

10. Members the Bank's executive body shall not be entitled to act as representatives of shareholders at the general meeting of shareholders. The Bank employees may not act as representatives of shareholders at the general meeting of shareholders, except for the cases when such representation is based on a power of attorney containing clear voting instructions on all agenda items of the general meeting of shareholders.

11. The shareholder's representative shall act pursuant to a power of attorney executed in accordance with the legislation of the Republic of Kazakhstan.

12. No power of attorney is required for participation in the General Meeting of Shareholders and voting on the issues under consideration for a person who is entitled to act on behalf of the shareholder or represent his/her interests without any power of attorney according to the legislation of the Republic of Kazakhstan or a contract.

13. When conducting in-person voting or absentee voting, the Bank guarantees to its shareholders that all procedures established by the legislation of the Republic of Kazakhstan will be observed.

Article 13. Convening and Preparation of the General Meeting of Bank Shareholders

1. The Annual General Meeting of Shareholders shall be convened by the Board of Directors.

2. The Extraordinary General Meeting of Shareholders shall be convened under the initiative of:

- 1) Board of Directors;
- 2) major shareholder.

3. If the Extraordinary General Meeting of Shareholders is convened and held at the initiative of a major shareholder:

1) The request to convene the Extraordinary General Meeting of Shareholders shall be presented to the Board of Directors in writing at the location of the Bank's Management Board. Such request shall include the meeting agenda, name(s) of a shareholder (shareholders) requesting the meeting convocation with specification of the number and type of shares owned by such shareholder. The request for convening a General Meeting of Shareholders shall be signed by a person(s) requesting convocation of the extraordinary general meeting of shareholders;

2) The Bank's Board of Directors shall not be entitled to change the wording of the agenda items and modify the proposed order of holding the extraordinary General Meeting of Shareholders convened at the request of a major shareholder. When convening an extraordinary general meeting of shareholders as per the request presented, the Board of Directors may add any other items to the general meeting's agenda at its own discretion;

3) The Board of Directors shall, within ten business days from the date of receipt of the abovementioned request, pass a resolution and not later than three business days from the date of such resolution notify a person who has submitted such request, of the decision to convene the extraordinary General Meeting of Shareholders or to refuse its convention.

The Bank's Board of Directors may decide to refuse convening of the extraordinary general meeting of shareholders at the request of a major shareholder, if:

1) the procedure established for submitting requests to convene an extraordinary general meeting of shareholders is not observed;

2) items proposed for inclusion into the agenda of the extraordinary general meeting of shareholders fail to meet the requirements of laws of the Republic of Kazakhstan

The resolution of the Bank's Board of Directors to refuse convening of the extraordinary general meeting of shareholders may be contested in the court.

If within the time limit prescribed in sub-paragraph 3, part one of Paragraph 3 of this Article, the Board of Directors of the Bank fails to pass a resolution on convening an extraordinary general meeting of shareholders as per the request submitted, a person requesting such convocation may apply to the court to obligate the Bank to hold an extraordinary general meeting of shareholders.

4. The Bank's Board of Directors and the Management Board shall prepare and hold the General Meeting of Shareholders in accordance with the applicable laws.

5. The list of shareholders entitled to participate and vote at the General Meeting of Shareholders, shall be compiled by the Central Depository based on the data of the Bank shareholders registry system.

6. Date of compiling the above list shall not be earlier than the date of a resolution to hold the General Meeting of Shareholders.

7. If, after compilation of the list of shareholders entitled to participate and vote at the General Meeting of Shareholders, any person included in the list has disposed of his/her voting shares of the Bank, then the right to participate in the General Meeting of Shareholders passes to

the new shareholder. This new shareholder shall provide documents certifying his/her entitlement to the shares.

8. The date and time of the General Meeting of Shareholders shall be fixed in a way allowing as many persons entitled to participate in the meeting as possible to attend that meeting.

9. The Bank shareholders shall be entitled to attend of the General Meeting of Shareholders held in person, remotely using means of communication determined by the internal documents of the Bank.

When determining the quorum of the General Shareholders Meeting, whose resolutions are adopted by mixed voting, ballots of shareholders (representatives of shareholders) who voted in absentia shall be taken into account.

A shareholder (shareholder's representative) arriving at the General Meeting of Shareholders held in presentia must register.

10. Shareholders shall be notified of the upcoming General Meeting not later than thirty calendar days, and in the case of absentee or mixed voting, where postal communication means are used to notify one or more shareholders, not later than forty-five calendar days prior to the date of the Meeting.

In case of holding the General Meeting of Shareholders, the agenda of which includes the issue of increasing the number of the Bank's authorized shares in order to comply with prudential and other norms and limits established by the laws of the Republic of Kazakhstan, at the request of the authorized body, shareholders shall be notified of the upcoming General Meeting of Shareholders not later than ten business days, and in case of absentee or mixed voting, where postal communication means are used to notify one or more shareholders, not later than fifteen business days prior to the date of the General Shareholders Meeting.

11. Notification of the General Meeting of Shareholders shall be published in Kazakh and Russian languages on the Internet resource of the financial reporting depository or submitted to it. If the number of the Bank shareholders does not exceed fifty shareholders, the shareholder shall be notified by giving a written notice.

12. Written notice of the General Shareholders Meeting shall be given to shareholders on paper or electronically.

13. The notice of the General Shareholders Meeting of the Bank, resolutions of which are adopted by in-person or mixed voting, shall contain:

- 1) full name and location of the Management Board;
- 2) information about the initiator of the General Shareholders Meeting;
- 3) date, time and venue of the General Shareholders Meeting;
- 4) General Shareholders Meeting attendee registration time;
- 5) date and time of a reconvened General Shareholders Meeting of the Bank to be held in the event if the first meeting does not take place;
- 6) date of compiling the list of shareholders entitled to participate in the General Meeting of Shareholders;
- 7) agenda of the General Shareholders Meeting;
- 8) procedure for familiarization of Bank shareholders with the materials related to the agenda of the General Shareholders Meeting;
- 9) procedure for holding the General Shareholders Meeting;
- 10) absentee voting procedure;
- 11) regulatory enactments of the Republic of Kazakhstan according to which the General Shareholders Meeting is held.

14. In case of mixed voting, the notice of the General Shareholders Meeting shall specify the ballot submission deadline in addition to the information stipulated in paragraph 13 of this Article of the Code.

15. The notice of the General Shareholders Meeting of the Bank, resolutions of which are adopted by absentee voting, shall contain:

- 1) full name and location of the Bank's Management Board;
- 2) information about the initiator of the General Shareholders Meeting of the Bank;

- 3) date of compiling the list of shareholders entitled to participate in the General Shareholders Meeting of the Bank;
- 4) ballot submission start and end dates to count absentee voting results;
- 5) absentee voting results counting date;
- 6) agenda of the General Shareholders Meeting of the Bank;
- 7) procedure for familiarization of Bank shareholders with the materials related to the agenda of the General Shareholders Meeting;
- 8) voting procedure;
- 9) regulatory enactments of the Republic of Kazakhstan according to which the General Shareholders Meeting is held.

16. A minority shareholder shall be entitled to apply to the Central Depository of the Bank for the purpose of integrating with other shareholders when taking decisions on the items included in the agenda of the General Meeting of Shareholders.

17. A reconvened General Meeting of Shareholders may be appointed no sooner than the day following the date set for the initial (failed) General Meeting of Shareholders.

18. A reconvened General Meeting of Shareholders shall be held at the same venue as the failed General Shareholders Meeting did.

19. The agenda of the reconvened General Meeting of Shareholders shall not differ from the agenda of the General Meeting of Shareholders that failed to take place.

20. The agenda of the General Meeting of Shareholders shall be drafted by the Board of Directors.

21. The agenda shall contain an exhaustive list of clearly worded issues proposed for discussion.

22. The agenda of the General Meeting of Shareholders held by personal attendance may be:

- 1) amended as proposed by a shareholder holding five or more percent of the Bank's voting shares, severally or jointly with other shareholders, or by the Board of Directors provided that the Bank shareholders are notified of such amendments not later than fifteen days prior to the date of the General Meeting;

- 2) changed or amended if the majority of shareholders (or their representatives) attending the General Meeting of Shareholders and holding in the aggregate not less than ninety five percent of the Bank's voting shares voted in favor thereof.

23. When opening the General Meeting of Shareholders held by personal attendance, the Board of Directors must report on any proposals they have received regarding introduction of changes to the agenda.

24. The agenda of the General Meeting of Shareholders shall be approved by the majority of votes of the total number of Bank's voting shares presented at the meeting.

25. The agenda of the General Meeting of Shareholders held by personal attendance may be supplemented with an item, a decision on which may limit the rights of shareholders holding preferred shares, if at least two-thirds of the total number of outstanding (less repurchased) preferred shares voted for its introduction.

26. When the General Meeting of Shareholders adopts a resolution by absentee and (or) mixed voting, the agenda of such meeting cannot be changed and (or) amended.

27. The General Meeting of Shareholders may not consider matters not included in the agenda, and adopt any decisions with respect to them.

28. Wordings having a broad sense, including "miscellaneous", "otherwise", "other", and similar wordings shall be prohibited in the agenda.

29. The structural units of the Bank may take part in development and preparation of materials relating to the agenda of the General Meeting of Shareholders to the extent of their functions assigned.

30. Materials relating to the agenda of the General Meeting of Shareholders shall contain information in the amount required for the adoption of reasonable decisions on the matters included in the agenda.

31. Materials relating to election of the Bank bodies must contain the below information on proposed candidates:

- 1) surname, name, and patronymic (optionally);
- 2) education background;
- 3) information on any affiliation to the Bank;
- 4) information on places of work and positions held over the last three years;
- 5) other information certifying qualifications, work experience of candidates.

Should the issue on election of the Bank's Board of Directors (election of a new member of the Board of Directors) be included in the agenda of the General Meeting of Shareholders, the materials shall indicate whose representative the candidate proposed for the Board of Directors is, or if he/she is a candidate for the position of the Bank's Independent Director.

If any candidate to the Board of Directors is a shareholder or an individual who is not a Bank shareholder and is not nominated (not recommended) for election to the Board of Directors as the shareholder's representative, this information shall also be included in the materials with specification of the shareholder's ownership ratio of the Bank's voting shares as of the date of compiling the list of shareholders.

32. Materials relating to the agenda of the Annual General Meeting of Shareholders shall include:

- 1) annual financial statements of the Bank;
- 2) audit report to the annual financial statements;
- 3) proposals of the Board of Directors concerning the procedure for distribution of the Bank's net profit for the past financial year and the amount of dividend for the year per one ordinary share of the Bank;
- 4) information about shareholders' appeals related to actions of the Bank and its officials and the results of consideration thereof;
- 5) other documents at the discretion of an initiator of the General Meeting of Shareholders.

33. Materials relating the agenda of the General Meeting of Shareholders must be prepared and made available for the shareholders' review at the location of the Bank's Management Board not later than ten days prior to the date of the Meeting.

34. Shareholders may review the materials relating to the agenda of the General Meeting of Shareholders at the location of the Bank's executive body, or may obtain them through sending a written request. At the shareholder's request, the Bank shall send to a shareholder materials relating to the agenda of the General Meeting of Shareholders within three business days from the date of receipt of such request. The shareholder shall bear the costs of making copies of documents and their delivery, unless otherwise provided for by the Bank's Articles of Association.

35. The Board of Directors may present shareholders a rationale on each agenda item.

36. The General Meeting of Shareholders shall be held at the location of the Bank's Management Board.

37. Premises where the General Meeting of Shareholders is to be held shall give an opportunity to attend the meeting to all shareholders willing to take part therein.

38. The General Meeting of Shareholders held by personal attendance shall be held not earlier than 9.00 am and not later than 10.00 pm of local time.

39. Registration of shareholders (and their representatives) attending the meeting shall be held before opening of the General Meeting of Shareholders.

40. The shareholder's representative must present a power of attorney confirming his/her powers to participate and vote at the General Meeting of Shareholders executed in accordance with the laws of the Republic of Kazakhstan. When determining the quorum of the General Meeting of Shareholders whose resolutions are adopted by mixed voting, ballots of shareholders (representatives of shareholders) who voted in absentia shall be taken into account.

41. A shareholder (shareholder's representative) arriving at the General Meeting of Shareholders held in presential must register. A shareholder (shareholder's representative) who

has not been registered shall not be included in the quorum and shall not be entitled to participate in voting.

42. If a shareholder who has previously sent a voting ballot arrives to attend and vote at the General Meeting of Shareholders, where the mixed voting is used, the shareholder's previously sent ballot shall not be taken into account when determining the quorum of the General Meeting of Shareholders and when counting votes on the agenda items.

43. The Bank shareholder owning preferred shares may attend the General Meeting of Shareholders held by personal attendance and participate in discussion of issues under consideration.

44. Other persons, including Bank officials and other employees involved in preparation and holding of the General Meeting of Shareholders by personal attendance, Heads of subsidiaries may attend the Meeting.

45. The right of persons referred to in paragraph 44 herein to speak at the General Meeting of Shareholders shall be determined by the Articles of Association of the Bank or by the resolution of the General Meeting of Shareholders.

46. The Counting Board as elected by the Bank shareholders at the previous General Meeting shall be responsible for registration of participants, counting of votes and determination of a quorum.

47. The Counting Board shall be elected at the General Shareholders Meeting of the Bank, the number of shareholders of which is one hundred and more.

In the Bank with the number of shareholders less than one hundred, the functions of the Counting Board shall be performed by the Secretary of the General Shareholders Meeting. The functions of the Counting Board at the first General Meeting of Shareholders shall be performed by the Central Depository.

Upon resolution of the General Meeting of Shareholders, the functions of the Counting Board may be assigned to the Central Depository.

48. The Counting Board shall consist of at least three persons. The Counting Board may not include members of the Bank's collegial bodies, and a person solely exercising the functions of the Bank's executive body.

In case of absence of a member of the Counting Board during the General Meeting of Shareholders, additional election of a member to the Counting Board for the time of the meeting shall be allowed.

49. Time for starting registration of participants and meeting time shall give sufficient time for the Counting Board to register meeting participants, count their number and determine the presence of a quorum.

50. The Bank shall bear costs associated with convening, preparing and holding of the General Meeting of Shareholders, except as otherwise provided for by the laws of the Republic of Kazakhstan.

Article 14. Holding a General Meeting of Bank Shareholders

1. The General Meeting of Bank's Shareholders held by personal attendance shall be opened at the announced time subject to presence of quorum.

2. The General Meeting of Bank's Shareholders may not be opened earlier than the announced time, except when all shareholders (their representatives) have already been registered, notified thereof and do not object to changing the meeting opening time.

3. The General Meeting of Shareholders shall begin with the opening speech of the Chairperson of the Bank's Board of Directors, who:

1) suggests the Chair of the Counting Board to announce the registration results;

2) puts to vote an issue on approval of the registration results summarized by the Counting Board and opening of the meeting;

3) makes proposals and puts to vote issues on election of the Chair (Presidium) and a Secretary (Secretariat) of the Meeting; on determination of the voting method; on approval of the

agenda of the General Meeting of Shareholders; on approval of the Meeting Regulation; on the method of comments and questions submission, and responses thereto.

4. Decisions on these matters shall be adopted by a simple majority of total number of voting shares participating in the vote; each shareholder shall have one vote.

5. After adoption of decisions on the matters submitted by the Chairperson of the Bank's Board of Directors for consideration at the meeting, the General Meeting of Shareholders shall be declared open, and the Chair (Presidium) and the Secretary (Secretariat) elected at the Meeting shall start their work.

6. The Chair of the Meeting (Chair of the elected Presidium) shall manage the work of the General Meeting of Shareholders.

7. The General Meeting of Shareholders shall determine the form of voting - open or secret (by ballots). Unless otherwise provided by the Bank's Articles of Association, when voting on election of the Chair (Presidium) and the Secretary of the General Meeting of Shareholders, each shareholder shall have one vote, and the resolution shall be adopted by a simple majority of votes from the number of present shareholders.

8. The Bank President and members of the Bank's Management Board shall not chair the General Meeting of Shareholders.

9. Members of the Board of Directors, members of the Management Board, a representative of the external audit company and, by the decision of the Board of Directors, other employees of the Bank may report on the Agenda.

10. The Bank shareholders may comment on each agenda item and raise questions to members of the Board of Directors, the Bank President and members of the Bank's Management Board, and speakers in the manner as set out by the General Meeting of Shareholders. If complexity of a question does not allow answering it immediately, a person (s) who the question was addressed to shall give written answers thereto as soon as practically possible after the Meeting.

11. During the General Meeting of Shareholders, its Chair may put to vote a proposal to close debates on the issue under consideration and to change the method of voting on such issue.

12. The Chair shall have no right to prevent persons entitled to participate in the discussion of the agenda from speaking, except for the cases when such speeches cause breach of the order of conducting the General Meeting of Shareholders or when debates on the issue are closed.

13. The General Meeting of Shareholders may decide to have a break and to extend the working schedule, and to postpone consideration of certain agenda items of the General Meeting of Shareholders for the next day.

14. The General Meeting of Shareholders shall be declared closed only after consideration of and decision-making on all the agenda items.

15. The Secretary (Secretariat) of the General Meeting of Shareholders shall keep record of the entire process of the Meeting and the resolutions adopted, and then draw up a minutes of the meeting, be responsible for completeness and reliability of the information reflected in the minutes.

16. The minutes of the General Meeting of Shareholders shall be drawn up and signed within three business days following the close of the meeting.

17. The minutes of the General Meeting of Shareholders shall contain:

- 1) full name and location of the Bank's Management Board;
- 2) date, time and venue of the General Meeting of Shareholders;
- 3) information on the number of the Bank's voting shares presented at the General Meeting of Shareholders;
- 4) quorum of the General Meeting of Shareholders;
- 5) agenda of the General Meeting of Shareholders;
- 6) voting procedure at the General Meeting of Shareholders;
- 7) Chair (Presidium) and the Secretary (Secretariat) of the General Meeting of Shareholders;
- 8) speeches of persons participating at the General Meeting of Shareholders;

9) total number of shareholders' votes on each agenda item of the General Meeting of Shareholders put to vote;

10) matters put to the vote, the voting results;

11) decisions adopted by the General Meeting of Shareholders.

Should the issue on election of the Bank's Board of Directors (election of a new member of the Board of Directors) be considered at the General Meeting of Shareholders, the minutes of the general meeting shall indicate whose representative the elected member of the Board of Directors is, and (or) who of the elected members of the Board of Directors is an Independent Director.

18. The Minutes of the General Meeting of Shareholders held by personal attendance shall be signed by:

1) the Chair (Presidium members) and the Secretary (Secretaries) of the General Meeting of Shareholders;

2) members of the Counting Board (if any).

19. The Minutes of the General Meeting of Shareholders held by absentee voting shall be signed by members of the Counting Board (if election of the Counting Board is not required - by the Secretary of the General Meeting of Shareholders).

20. If any person responsible for signing the Minutes disagrees with its content, such person may refuse to sign the Minutes by giving a written explanation of the reasons for refusal which should be attached to the Minutes.

21. The Minutes of the General Meeting of Shareholders shall be bound together with the voting results minutes, powers of attorney authorizing to attend and vote at the General Meeting and sign the minutes, and written explanations of the reasons to refuse signing of the minutes.

22. The above documents shall be kept by the Bank's Management Board and made available to shareholders for review at any time.

23. At the shareholders' request, copies of the Minutes of the General Meeting of Shareholders shall be issued to them.

24. Counting of votes and checking presence of quorum on all agenda items of the General Meeting, and announcement of voting results shall be carried out by the Counting Board. The Counting Board shall draw up voting results minutes of the General Meeting of Shareholders.

25. If any shareholder has a special opinion on any issue put to the vote, the Counting Board shall reflect the respective opinion in the minutes.

26. The voting results minutes shall be attached to the minutes of the General Meeting of Shareholders.

27. Decisions of the General Meeting of Shareholders may adopted by absentee voting.

28. Absentee voting may be applied along with voting by shareholders attending the General Meeting of Shareholders (mixed voting), or without holding a General Meeting of Shareholders.

29. The Articles of Association of the Bank may impose a ban on adoption of decisions with respect to all or certain agenda items of the General Meeting of Shareholders by absentee voting.

30. When conducting an absentee voting, single voting ballots shall be prepared and sent (distributed) to persons included in the list of shareholders.

31. The Bank shall exclude sending of voting ballots selectively to certain shareholders with the view to influence voting results at the General Meeting of Shareholders.

32. Voting ballot must be served to persons included into the list of shareholders:

1) when using the postal communication means - not later than forty-five calendar days prior to the date of the General Meeting of Shareholders;

2) if the notice is sent electronically or posted on the Internet resource of the financial reporting depository - not later than thirty calendar days prior to the date of the General Meeting of Shareholders.

33. In the event of absentee voting with the number of shareholders of one hundred and more, the Bank shall publish the General Shareholder Meeting's absentee ballot along with a notice of holding the General Meeting of Shareholders on the Internet resource of the financial reporting depository.

34. The absentee ballot shall contain:

- 1) full name and location of the Management Board;
- 2) information about the person convening the Meeting;
- 3) deadline for absentee ballots submission;
- 4) closing date of the General Meeting of Shareholders;
- 5) agenda of the General Meeting of Shareholders;
- 6) names of candidates proposed for election, if agenda of the General Meeting of Shareholders contains the issues related to election of members of the Board of Directors;
- 7) wording of matters to be put to vote;
- 8) voting options with respect to each agenda item of the General Meeting of Shareholders, expressed by the words 'in favor', 'against', 'abstained';
- 9) explanation of the voting procedure (ballot filling-in) on each agenda item.

35. The absentee ballot must be signed by a shareholder, who is an individual, (representative of a shareholder who is an individual) with specification of his/her identity document details.

36. The absentee ballot of a shareholder, who is a legal entity, must be signed by the legal entity's Director or his/her alternate, and bear the seal (representative of a shareholder, who is a legal entity).

If the absentee ballot is signed by the shareholder's representative, a copy of the power of attorney or other document confirming the powers of the shareholder's representative shall be attached to the absentee ballot.

37. A voting ballot without the signature of a shareholder, who is an individual, or of the Director (or his/her alternate) of a shareholder, who is a legal entity, or of a representative of a shareholder, who is an individual, or of the shareholder's representative, and without the legal entity's seal shall be deemed invalid.

38. If voting is conducted in secret at the General Meeting of Shareholders held by personal attendance, ballots for such voting (secret ballot papers) shall be prepared for each item to be voted in secret. The in-person secret ballot paper shall contain:

- 1) wording of a matter or its serial number in the agenda of the meeting;
- 2) voting options with respect to a matter, expressed by the words 'in favor', 'against', 'abstained', or voting options with respect to each nominee to the Bank's bodies;
- 3) number of votes belonging to a shareholder.

39. An in-person secret ballot paper shall not be signed by a shareholder, except for the cases when such shareholder is willing to sign the ballot paper, including for the purpose of making a demand to the Bank to repurchase its shares according to the Law of the Republic of Kazakhstan.

40. When counting votes on in-person secret ballot papers, only those votes shall be counted for which a voter observed the voting procedure specified in the voting ballot, and which indicate only one of the voting options.

41. When counting votes, only those votes shall be counted for which the shareholder (shareholder's representative) observed the voting procedure specified in the voting ballot, and which indicate only one of the voting options.

42. If the agenda of the General Meeting of Shareholders contains an item on election of members of the Board of Directors, the absentee ballot shall contain fields required to indicate number of votes cast in favor of certain candidates.

43. To summarize the absentee voting results, the Counting Board shall:

1. check the validity of absentee ballots received, count the number of valid ballots and votes specified therein on each agenda item;

2. determine presence of the absentee voting quorum at the General Meeting of Shareholders;
 3. count votes on items considered by the General Meeting of Shareholders and summarize the voting results;
 4. draw up the minutes on voting results at the General Meeting of Shareholders;
 5. hand over the voting ballots and voting result minutes to the Bank's archive.
44. In the event of absence of a quorum when holding the General Meeting of Shareholders by absentee voting, the reconvened General Meeting of Shareholders shall not be held.
45. The Counting Board shall ensure confidentiality of the information contained in the ballots filled in to vote at the General Meeting of Shareholders.
46. If the General Meeting of Shareholders is held by absentee voting and ballots duly filled out were received from all shareholders before the appointed date of vote counting, then counting of votes by an earlier date is allowed, which is reflected in the minutes of the voting results.
47. The voting results of the General Meeting of Shareholders or the results of absentee voting shall be communicated to the shareholders by publishing them in Kazakh and Russian languages on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange and in accordance with the procedure (if any) determined by the Bank's Articles of Association within fifteen calendar days after the date of closing the General Meeting of Shareholders.
48. The procedure for notification of shareholders of voting results shall be specified in the Bank's Articles of Association.

CHAPTER 3. BOARD OF DIRECTORS

Article 15. Functions of the Board of Directors

1. The Board of Directors of the Bank carries out general management of the Bank's activities, except for resolving issues referred by the applicable laws of the Republic of Kazakhstan and (or) the Bank's Articles of Association to the exclusive competence of the General Meeting of Shareholders.
2. The exclusive competence of the Bank's Board of Directors is provided for by the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and the Bank's Articles of Association.
3. The basic principles and responsibilities of the Board of Directors of the Bank shall include the following:
 - 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 duty of care shall 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 having special relations with Bank, to the detriment of the interests of the Bank (duty of loyalty);
 - 3) active involvement in the Bank's operations and awareness of significant changes in the Bank's performance and external conditions; making timely decisions aimed at protecting the interests of the Bank in the long term;
 - 4) preliminary review of the draft Corporate Governance Code and (or) amendments to it.
 - 5) ensuring compliance of the Bank's Corporate Governance system with the following principles:
 - compliance with the scale and nature of the Bank's operations, its structure, risk profile, and Bank's business model;
 - protection of the shareholders' rights provided for 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 the implementation of these rights; 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, on the security market, anti-money laundering and combating financing of terrorism, on Joint-Stock Companies;

The members of the Board of Directors shall have access to complete, relevant and timely information to fulfill their duties.

6) approval of the following internal documents and control over their implementation:

organizational structure of the Bank;

Bank development strategies;

Bank profitability management policies;

stress testing procedures and scenarios;

contingency financing plan;

business continuity management policies;

the internal procedure for the payment of remuneration to senior employees of the Bank and employees of the Bank directly reporting to the Board of Directors of the Bank;

HR policy;

labour remuneration policies;

accounting policies;

tariff policy;

credit policy;

troubled asset policies;

a document regulating the main approaches and principles of the Internal Capital Adequacy Assessment Process (hereinafter referred to as ICAAP);

a document regulating the main approaches and principles of the Internal Liquidity Adequacy Assessment Process (hereinafter referred to as ILAAP);

management policy (policies) for Information Technologies and Information Security risks of the Bank;

internal control policies;

credit risk management policies;

market risk management policies;

operational risk management policies;

compliance risk management policies;

risk management policies for the Anti-Money Laundering and Combating Financing of Terrorism (hereinafter referred to as AML/CFT);

collateral policy;

liquidity management policies;

internal audit policies, code of ethics for the internal auditor, regulations on the internal audit unit, internal audit procedures, annual internal audit plan;

policies (procedures) for engaging an external auditor;

7) approval of the risk appetite strategy and risk appetite levels of the Bank. The risk appetite strategy defines clear boundaries of the volume of accepted risks in which the Bank operates within the framework of the Bank's overall strategy, determines the risk profile of the Bank's operations to prevent risks or minimize their negative impact on the bank's financial position, and also determines the incentive mechanism for Bank employees in assessing and adhering to the risk appetite strategy and risk appetite levels of the Bank);

8) monitoring compliance with the risk appetite strategy, levels of risk appetite and risk management policies;

9) ensuring the availability of a financial service responsible for accounting and the quality of financial reporting;

10) preliminary approval of the annual financial statements certified by an audit organization; sending requests for periodic independent audits as required;

11) electing members of the Management Board of the Bank, appointing the Head of Risk Management, the Head of the Internal Audit and the Chief Compliance Officer;

12) review of reports sent by the Audit Committee, with subsequent monitoring over the elimination of identified violations;

13) control over effective compliance with Bank procedures according to which the Bank employees confidentially report violations related to the bank operations and 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 the formation of credit histories, on collection activities, on mandatory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies, on abuses;

14) forming three lines of defense in the Bank:

The first line of defense is ensured by the structural divisions of the Bank responsible for timely identification, risk assessment, communication of information about them to the second line of defense units, and risk management. The first line of defense performs operations within the approved risk appetite levels of the Bank and operates within the framework of adopted risk management policies;

The second line of defense is ensured by independent Risk management, Compliance Control and other units exercising control functions (including, within their competence, units responsible for security, financial control, HR, legal risk management, operational risk). The Risk Management Unit conducts a comprehensive risk analysis of the Bank's operations, generates (forms) the necessary reports to the Bank's Board of Directors and the Risk Management Committee, and contributes to the critical assessment and identification of risks by the Management Board members and business units.

The Compliance Control Unit organizes procedures to comply 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 pensions, on the securities market, on accounting and financial reporting, on credit bureaus and the formation of credit histories, on collection activities, on mandatory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies, the laws of foreign countries affecting the Bank operations and internal documents of the Bank governing the procedure for provision of Bank services and conduction of operations in the financial market; and provides full and reliable information to the Board of Directors on the existence of compliance risks;

The third line of defense is ensured by an independent Internal Audit Unit responsible for assessing the quality and effectiveness of the risk management and internal control system, the first and second lines of defense;

15) exercising control over the performance of the Bank's Management Board Bank by:

monitoring the implementation of the strategy and policies approved by the Board of Directors, decisions of the General Meeting of Shareholders by the Bank's Management Board;

approval of internal documents governing the activities of the Bank's Management Board in accordance with the Rules for Formation of Risk Management and Internal Control System for second-tier banks, branches of non-resident banks of the Republic of Kazakhstan as approved by the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan No. 188 dated 12 November 2019 (hereinafter referred to as the Rules);

ensuring the implementation of the internal control system;

holding regular meetings with members of the Management Board of the Bank;

analysis and critical assessment of information provided by the Board;

setting the required performance standards and a remuneration system for members of the Management Board that meet the long-term goals defined by the Bank's strategy and aimed at ensuring financial stability;

16) interaction and control over the work of the Head of Risk Management;

17) periodic (at least once a year) assessment of performance of each member of the Bank's Board of Directors in accordance with the Bank's internal procedures setting out the process of analyzing the competencies and qualifications of members of the Bank's Board of Directors;

18) maintaining records of decisions adopted (minutes of meetings, brief information on issues considered, recommendations, if any, special opinions of members of the Bank's Board of Directors). Such documents and (or) materials are provided to the Authorized Body upon request in accordance with the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations;

19) ensuring a developed information technologies infrastructure in order to collect and analyze complete, reliable, timely information for risk management purposes; being aware of the limitations of information technology infrastructure to determine appetite risk levels;

20) making decisions on granting a loan, the amount of which exceeds five (5) percent of the Bank's equity on the basis of analysis and assessment of the appropriateness of loan granting;

21) making decisions on granting an unsecured consumer loan, the amount of which exceeds twenty million (20,000,000) tenge based on the analysis and assessment of the appropriateness of loan granting. This clause does not include cases of granting unsecured consumer loans when refinancing mortgage loans.

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

5. The Bank's Board of Directors shall be responsible for managing liquidity risk and determining the risk appetite. The Board of Directors of the Bank shall approve the report on compliance with the the ILAAP and the ICAAP no later than April 30 of the year following the reporting year. Within the framework of the ILAAP and the ICAAP, the Bank's Board of Directors shall be responsible for complying with the approved risk appetite strategy.

6. As part of the risk appetite strategy, the Board of Directors of the Bank shall form a statement of risk appetite.

7. In order to determine risk appetite, the Board of Directors of the Bank shall set the aggregated level (levels) of risk appetite and levels of risk appetite for each type of significant risk.

8. The Board of Directors of the Bank shall ensure functioning of a Risk Management Unit supervised and (or) headed by a Head of Risk Management with sufficient authorities, independence and resources, interacting with the Board of Directors.

9. In order to effectively manage significant risks, the Board of Directors of the Bank, the Risk Management Committee and the Head of Risk Management shall regularly assess the risks inherent in the Bank's operations and maintain the relevance of the Bank's risk profile. To overcome the problems associated with the exchange of information, the Board of Directors, the Management Board and the Bank's control units shall ensure the effectiveness of the internal communications system and make appropriate changes if required.

10. The Board of Directors of the Bank shall be responsible for managing capital adequacy for risk management and determining the level(s) of risk appetite.

11. The Board of Directors of the Bank shall approve the ICAAP compliance report, including information on maintaining the required level of capital adequacy.

12. The Board of Directors and the Risk Management Committee of the Bank shall ensure:

1) maintaining a sufficient level of provisions;

2) control over the credit risk assessment process, which is ensured by the following:

taking necessary measures to ensure the completeness and reliability of information in order to make decisions;

compliance with the requirements of the Civil Code of the Republic of Kazakhstan, the Code of the Republic of Kazakhstan “On Taxes and Other Obligatory Payments to the Budget (Tax Code)”, the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”, the Law of the Republic of Kazakhstan “On Accounting and Financial Reporting”, the Law of the Republic of Kazakhstan “Credit Bureaus and Formation of Credit Histories in the Republic of Kazakhstan”, internal credit risk management policies and procedures;

taking measures to ensure complete and reliable management, regulatory and financial reporting;

existence of a loan evaluation procedure independent of business units;

approval of an adequate system for classifying assets by credit risk level, based on the use of all available information in the loan assessment process;

presence of detailed and fully regulated procedures for interaction between participants in the credit risk management process;

3) construction of an effective system of internal control, including an assessment of the compliance of the level of provisions with expected losses within the framework of the approved methodology for the formation of provisions and the internal process for assessing capital adequacy.

13. In order to eliminate significant deviations in the Bank’s operations, the Board of Directors shall establish restrictions on the volume (amount of the loan) and (or) on the number of deviations and exercise control over compliance with the established restrictions.

14. The Board of Directors of the Bank shall determine the responsible departments for the development of the rating model and (or) scoring system, their implementation, application and monitoring of their functioning.

15. The Board of Directors shall ensure functioning of a market risk management system that is consistent with the current market situation, development strategy, volume of assets and the level of complexity of the Bank's operations.

16. The Board of Directors shall ensure functioning of an operational risk management system fully integrated into the overall risk management process of the Bank at all levels of the Bank’s organizational structure and in newly created products, activities, processes and system; effective identification, measurement, monitoring and control of operational risk Bank in order to ensure the adequacy of equity to cover thereof.

17. In order to build an effective operational risk management system, the Board of Directors shall be responsible for:

1) approval of operational risk management policies;

2) formation of a risk culture of operational risk management;

3) ensuring timely identification and management of operational risk caused by changes in external factors and operational risks associated with new products, activities, processes or systems, including changes in the level and types of risk;

4) ensuring the appropriate conditions for the application of best operational risk management practices;

5) approval and control of risk appetite levels in relation to operational risk with regular review.

18. The Board of Directors of the Bank shall take an active part in the stress testing process in terms of approving stress testing procedures, scenarios (including considering conservative scenarios during periods of economic growth), evaluating the results and, as a result, taking measures to minimize the capital or liquidity risk revealed during the stress testing.

The Board of Directors of the Bank shall approve stress test scenarios and assumptions made, as well as the results of stress testing.

The Board of Directors of the Bank shall regularly review stress testing scenarios for significant changes.

The Board of Directors of the Bank shall integrate the results of the stress testing process into the strategic and budget planning process of the Bank.

The Board of Directors of the Bank shall take into account the results of stress testing in the process of maintaining capital adequacy in the event of unforeseen circumstances, including in order to eliminate the shortcomings of the process.

The Board of Directors of the Bank shall include the results of stress testing in the evaluation and planning of the financing plan, including in order to correct deficiencies in the plan.

19. The Board of Directors of the Bank shall annually evaluate capital adequacy based on the results identified in the internal process of assessing the adequacy of equity and other information available to the Board of Directors of the Bank.

20. The Board of Directors of the Bank shall be responsible for managing liquidity risk and determining the level of risk appetite.

21. The Board of Directors, the Risk Management Committee and the Management Board of the Bank shall be informed about the characteristics and diversification of funding sources and periodically review the funding strategy in order to immediately respond to changes in the internal and external environment.

The Board of Directors, Risk Management Committee and the Management Board of the Bank shall periodically evaluate and monitor the ability to quickly raise funds from each funding source in order to evaluate the effectiveness of ensuring liquidity in the future.

The Board of Directors of the Bank shall approve a financing plan that clearly defines the process for eliminating liquidity shortages in emergency situations.

22. The Board of Directors of the Bank shall ensure functioning of the Bank's business continuity management system that matches the current market situation, strategy, volume of assets, and the level of complexity of the Bank's operations.

The Board of Directors of the Bank shall ensure functioning of the management information system that includes, but is not limited to, information on the status of implementation of procedures and processes for managing business continuity, revealed facts of violations of internal procedures and policies, incidents, results of inspections and plans to increase the Bank's stability and ability to restore certain operations.

23. The Board of Directors of the Bank shall ensure functioning of the information technology risk management system that is consistent with the external operating environment, strategy, organizational structure, volume of assets, the nature and level of complexity of the Bank's operations and ensure the minimization of information technology risks.

24. The Board of Directors of the Bank shall ensure functioning of the information security risk management system that is consistent with the external operating environment, the Bank's strategy, organizational structure, assets, nature and complexity of the Bank's operations and is aimed at minimizing information security risks.

25. The Board of Directors of the Bank shall control the compliance risk management process of the Bank, create a Compliance Control Unit at the Bank, appoint and dismiss the chief Compliance Controller, and approve the compliance risk management policy.

26. The Board of Directors of the Bank and the Internal Audit Committee shall contribute to improving the efficiency of the Internal Audit Unit.

27. In the event of outsourcing external contractors to carry out certain operations and (or) business processes, the Board of Directors of the Bank shall ensure the application of effective principles and practices for managing risks arising from the involvement of external contractors.

28. The Board of Directors shall be liable to:

1) monitor and, if possible, eliminate potential conflicts of interest at the level of officials and shareholders, including unlawful use of the Bank's property and abuse in transactions of interest;

2) monitor the effectiveness of corporate governance practices in the Bank.

29. The Board of Directors should not welcome the adoption of excessive risks; all decisions taken must comply with established risk criteria and an accepted risk management culture. Unacceptable behavior and/or violations shall entail the application of measures and accountability. Only employees acting in the interests of the Bank shall be encouraged and

motivated. The Board of Directors shall encourage and oblige each employee to report on risk events that have become known to them in the relevant units of the second line of defense and to comply with the requirements of the Code of Corporate Ethics. To maintain a high risk culture:

1) each employee of the first line of defense shall actively participate in the risk management process through:

- taking responsibility for ongoing risk management;

- identifying, evaluating and providing information on risks;

- self-control of own actions and decisions, taking into account the risk appetite of the bank and relevant policies, procedures and control systems. The way the first line of defense fulfills responsibilities, taking into account the risk appetite, reflects the risk management culture adopted by the bank;

2) the second line of defense shall carry out the functions of additional monitoring and control of the level of risk appetite independent of the first line of defense, performing a risk assessment and providing the Board of Directors with consolidated timely full and reliable reporting on the current risk level and risk management culture. The second line of defense shall involve senior management and other leaders in identifying and critically assessing risks, not relying solely on the assessment conducted by the first line of defense. The second line of defense shall ensure the timeliness, completeness and reliability of the information provided to the Board of Directors on the risks inherent to the Bank, on the current level of risk appetite and on missing or insufficient data for calculating risk.

30. Other issues may as well be referred to the competence of the Board of Directors, in addition to those prescribed by law. These issues shall be determined by the Bank's internal documents in such a way as to avoid ambiguity in the delimitation of the competence of the Board of Directors, the Management Board and the General Meeting of Shareholders.

Article 16. Composition of the Board of Directors

1. The composition of the Board of Directors of the Bank and the qualifying shall be as follows:

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 required qualifications, impeccable business reputation and experience, all of which are adequate for the general management of the Bank, in accordance with the chosen business model, scale of operations, type and complexity of operations;

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

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

2. The composition of the Board of Directors shall be determined by the General Meeting of Shareholders.

3. Only an individual shall be entitled to be a member of the Board of Directors.

Members of the Board of Directors shall be elected from:

1) individual shareholders;

2) persons proposed (recommended) for election to the Board of Directors as representatives of the shareholders' interests;

3) individuals who are not a shareholder of the Bank and are not proposed (not recommended) for election to the Board of Directors as a representative of the shareholder.

4. The Chairperson of the Board of Directors shall be elected from among its members by a majority of votes of the total number of members of the Board of Directors by open vote.

The Chairperson of the Board of Directors shall organize the work of the Board, conduct meetings of the Board and perform other functions specified in the Articles of Association. In the absence of the Chairperson of the Board of Directors, his/her duties shall be performed by one of the members of the Board of Directors at the discretion of the Board of Directors.

5. A person who does not meet the requirements set forth in Article 20 of the Law of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan” may not be elected as a member of the Board of Directors.

6. A member of the Board of Directors shall have knowledge, skills and experience required to make decisions falling under the competence of the Board of Directors.

Qualifying requirements for members of the Board shall be determined by the General Meeting of Shareholders.

7. The number of members of the Board of Directors shall be determined by the General Meeting of Shareholders in such a way that allows the Board of Directors to build fruitful and constructive discussions, adopt quick and carefully weighted decisions, and organize effective performance of the Board of Directors’ Committees.

8. The structure of the Board of Directors shall include Independent Directors. Members of the Board of Directors shall be qualified as an Independent Director if they:

1) are not affiliates of the Bank, and have not been the Bank affiliate over the past three years preceding to their election to the Board of Directors (except for the cases of their tenure as an Independent Director of the Bank);

2) are not affiliated to the Bank affiliates;

3) are not affiliated with officials of the Bank or organizations affiliated to the Bank, and have not been affiliated with such persons over the past three years preceding to their election to the Board of Directors;

4) are not a civil servant;

5) are not involved in the audit of the Bank as an auditor, and have not been involved in such audit over the past three years preceding to their election to the Board of Directors;

6) are not the shareholder’s representative at meetings of the Bank bodies and have not been the shareholder’s representative over the past three years preceding to their election to the Board of Directors.

9. Independent Directors shall constitute at least thirty percent of the structure of the Board of Directors.

10. Independent Director shall refrain from taking any actions which could result in loss of his/her independent status. If after election to the Board of Directors changes occur or circumstances arise resulting in loss of the Independent Director’s independent status, such Director shall submit a statement to the Board of Directors describing such changes and circumstances. In this case, and in cases when the Board of Directors becomes aware of such changes or circumstances, the Board of Directors shall inform the shareholders thereof, and if required, may convene an extraordinary General Meeting of Shareholders to elect a new Board of Directors. The grounds and procedure for electing the new Board of Directors shall be determined by the Bank's Articles of Association.

11. Information on Independent Directors shall be disclosed at the General Meeting of Shareholders at the time of their nomination to the Board of Directors.

12. Members of the Board of Directors shall be elected through a transparent procedure which takes into account various points of view of shareholders, ensures that composition of the Board of Directors is in compliance with legal requirements, and allows electing Independent Directors.

13. Shareholders shall be provided with information about the candidate’s education, positions held over the last 3 (three) years, information on affiliation to the Bank, whose representative the candidate proposed for the Board of Directors is, and if they are a candidate for the position of the Bank’s Independent Director. If any candidate to the Board of Directors is a shareholder or a natural person who is not a Bank shareholder and is not nominated (not recommended) for election to the Board of Directors as the shareholder’s representative, this information shall also be provided with inclusion of materials relating to the shareholder’s ownership ratio of the Bank’s voting shares as of the date of compiling the list of shareholders.

14. Members of the Board of Directors shall be elected by cumulative voting pursuant to the Bank's Articles of Association, except for the case when one candidate runs for one seat on the Board of Directors

15. Personal qualities of a member of the Board of Directors and his/her reputation must not raise any doubts that he/she will act in the best interests of the Bank.

16. Members of the Management Board, except for its Chairperson, cannot be elected to the Board of Directors. The head of the executive body cannot be elected a Chairperson of the Board of Directors

17. There shall be at least three members of the Board of Directors.

Persons elected to the Board of Directors may be re-elected an unlimited number of times.

18. The term of office of the Board of Directors shall be established by the General Meeting of Shareholders.

The term of office of the Board of Directors shall expire at the time of the General Meeting of Shareholders at which the election of the new Board of Directors takes place. The General Meeting of Shareholders shall be entitled to early terminate the powers of all or individual members of the Board of Directors. The powers of such a member of the Board of Directors shall be terminated from the date of adoption by the General Meeting of Shareholders of a decision on the early termination of their powers. Early termination of powers of a member of the Board of Directors on his/her initiative shall be carried out on the basis of a written notification of the Board of Directors. The powers of such a member of the Board of Directors shall terminate upon receipt of the notice by the Board of Directors, unless the notice indicates the date of early termination of the powers of the BoD member.

19. Candidates for the position of a member of the Board of Directors shall be approved by the Authorized Body.

20. The Board of Directors shall create a transparent system for evaluating its performance in accordance with corporate governance principles.

In order to determine the degree of effectiveness of the work of the Board of Directors, the Bank shall ensure that measures are taken to evaluate the work of members of the Board of Directors in one of the following ways:

- 1) independently by the Board of Directors (self-assessment) on a periodic basis;
- 2) by engaging an independent consultant.

The procedure and timing for evaluating the performance of each member of the Bank's Board of Directors shall be regulated by internal regulatory documents.

Article 17. Rights and Duties of Members of the Bank's Board of Directors

1. Members of the Board of Directors shall perform their duties in good faith and reasonably in the best interests of the Bank.

2. Members of the Board of Directors may request additional information when such information is required for making a carefully weighted decision.

3. Members of the Board of Directors shall not accept any gifts from persons interested in taking decisions related to performance of their duties, and receive any other direct or indirect benefits offered by such persons (except for symbolic favours according to the generally accepted rules of politeness or souvenirs during official events that are specifically reflected in the Bank's internal document).

4. Members of the Board of Directors shall refrain from taking any actions resulting in or that would potentially result in a conflict between their interests and interests of the Bank, and in case of a such conflict, shall inform the Board of Directors thereon and take measures to comply with the procedure for making actions or concluding transactions the member of the Board of Directors is interested in.

5. A member of the Board of Directors shall abstain from voting on matters they are personally interested in. A member of the Board of Directors shall immediately disclose to the Board of Directors via the Corporate Secretary the fact of such interest and the grounds for its

occurrence. The fact of non-participation in voting on matters they are personally interested in is recorded in the decision of the Board of Directors in the following wording: 'Abstained from voting'.

If the resolution of the Board of Directors provides for the conclusion of a transaction, the establishment of financing conditions and other criteria for the relationship of the Bank with a legal and/or individual, then the text of the resolution of the Board of Directors should indicate that this legal entity (individual) is (not) a person having special relations with Bank in accordance with the legislation of the Republic of Kazakhstan

6. Members of the Board of Directors, as officers of the Bank, fulfill their duties in good faith and use methods that most closely reflect the interests of the Bank and shareholders.

7. When performing their duties, members of the Board of Directors shall take into account interests of others persons, i.e. employees, Bank counterparties, the state and territorial authorities, on which territory the Bank or its structural subdivisions are located.

8. Members of the Board of Directors shall participate in meetings of the Board of Directors and Committees of the Board of Directors.

9. A member of the Board of Directors shall give prior notice to the Board of Directors of his/her inability to participate in the meeting of the Board of Directors and explain reasons.

10. Any member of the Board of Directors may demand convening of the Board of Directors meeting to discuss a matter, if such matter, in his/her opinion, needs to be promptly discussed for the benefit of the Bank and requires a resolution to be adopted by the Board of Directors.

11. Members of the Bank's Board of Directors shall have a right to be elected to the Board of Directors of other companies, or accept a proposal offering their nomination to other positions with other companies, after receiving approval. However, members of the Board of Directors shall have sufficient time to perform their functions in the Board of Directors.

12. A member of the Board of Directors must not disclose and use confidential information about the Bank and insider information in his/her personal interests or interests of third parties.

13. Members of the Board of Directors shall take measures to protect such information. Moreover, members of the Board of Directors having access to confidential information about the Bank shall not disclose it to any other persons who do not have access to such information, and use such information in their own interests or in the interests of other persons.

14. Members of the Board of Directors must notify the Board of Directors of making a transaction in securities of the Bank or its subsidiaries (affiliates), and disclose information on transactions in such securities in accordance with the procedure established for disclosure of material facts.

15. Members of the Board of Directors shall fulfill their duties in good faith and use methods that most closely reflect the interests of the Bank and shareholders;

16. Members of the Board of Directors shall not use the property of the Bank or allow its use in conflict with the Articles of Association and decisions of the General Meeting of Shareholders and the Board of Directors, as well as for personal purposes and abuse in transactions with their affiliates;

17. Members of the Board of Directors shall ensure the integrity of the accounting and financial reporting systems, including an independent audit;

18. Members of the Board of Directors shall control the disclosure and provision of information on the Bank's operations in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Article 18. Remuneration to Members of the Bank's Board of Directors

1. Total remuneration to members of the Board of Directors for performance of their duties shall be set in the amount of five percent of the Bank's payroll fund. The condition for payment of remuneration shall be a resolution of the Bank's Board of Directors on distribution of remuneration to each member of the Board of Directors and its Head.

2. Reimbursement of expenses to members of the Bank's Board of Directors for performance of their duties shall be established in the amount of actual expenses and shall be made at the Bank's expenses subject to documentary confirmation of such expenses.

Article 19. Responsibility of Members of the Bank's Board of Directors

1. Members of the Board of Directors shall be liable for improper performance of their duties.

2. The Board of Directors shall develop (specify) recommendations to the General Meeting of Shareholders on the termination of the powers of those members of the Board of Directors who caused losses to the Bank and holding them liable for violation of obligations owed to the Bank.

Article 20. Meeting of the Bank's Board of Directors

1. Meetings of the Board of Directors may be convened under the initiative of its Chairperson or the Management Board, or at the request of:

- 1) any member of the Board of Directors;
- 2) Internal Audit Service of the Bank;
- 3) the auditing organization conducting audit of the Bank;
- 4) a major shareholder.

The request to convene a meeting of the Board of Directors shall be presented to the Chairperson of the Board of Directors by sending a corresponding written message containing the proposed agenda for the meeting of the Board of Directors.

In case of refusal by the Chairperson of the Board of Directors to convene a meeting, the initiator shall be entitled to apply to the Management Board with this request, which then will be obliged to convene a meeting of the Board of Directors.

A meeting of the Board of Directors shall be convened by the Chairperson of the Board of Directors or the Management Board no later than ten calendar days from the date of receipt of the request for convening, unless another term is established by the Articles of Association of the Bank.

A meeting of the Board of Directors shall be held with a mandatory invitation of the person who submitted the said request.

The procedure for notifying the BoD members of the Board of Directors Meeting shall be determined by the Board of Directors.

Materials on the agenda items shall be provided to the members of the Board of Directors at least seven calendar days prior to the date of the meeting, unless another term is determined by the Articles of Association of the Bank.

2. The Bank's Articles of Association shall provide for the right of major shareholders to demand the convening of a meeting of the Board of Directors.

The Chairperson of the Board of Directors shall independently determine the procedure for consideration of issues initiated by shareholders in accordance with applicable law and the Bank's Articles of Association.

3. The quorum for holding a meeting of the Board of Directors shall be at least half of the number of members of the Board of Directors.

Each member of the Board of Directors shall have one vote. Decisions (resolutions) of the Board of Directors shall be adopted by a simple majority of votes of the members of the Board of Directors attending the meeting.

If the votes are equal, casting vote shall be given to the Chairperson of the Board of Directors.

The Board of Directors may decide on holding a closed meeting, which is available for the members of the Board of Directors only.

Decisions of the Board of Directors that were adopted at its meeting shall be recorded in the minutes drawn up and signed by the person chairing the meeting and the Secretary of the Board of Directors within seven days from the day of the meeting and contain:

- 1) the full name and location of the Bank's Management Board;

- 2) the date, time and venue of the meeting;
- 3) information about the persons participating in the meeting;
- 4) the agenda of the meeting;
- 5) issues put to a vote and the results of voting on them reflecting the result of voting by each member of the Board of Directors on each agenda item of the Board of Directors meeting;
- 6) decisions adopted;
- 7) other information by decision of the Board of Directors.

4. The Board of Directors shall be entitled to make decisions by absentee voting on issues submitted for consideration of the Board of Directors.

A decision by absentee ballot shall be deemed adopted if there is a quorum in the ballots received in due time. The presence of a signature (endorsement) of a member of the Board of Directors on the Resolution of the Board of Directors, with indication of his/her name and initials, shall be equivalent to the ballot.

The decision of the absentee meeting of the Board of Directors shall be drawn up in writing and signed by the Chairperson of the Board of Directors and the Secretary.

Decisions of the absentee meeting of the Board of Directors may subsequently be approved at an in-person meeting of the Board of Directors.

5. The personal composition of the Bank's committees under the Board of Directors shall ensure the active participation of members of the Board of Directors therein.

6. Meetings of the Board of Directors shall be held regularly, or by correspondence, if required, depending on the importance of the issues under consideration.

Article 21. Organization of the Board of Directors' Activities

1. The Chairperson of the Board of Directors shall ensure effective organization of the Board of Directors' activities and its interaction with other bodies of the Bank.

2. The Board of Directors is headed by a Chairperson who ensures successful solution of tasks by the Board of Directors in accordance with the legislation and Articles of Association of the Bank.

3. The Chairperson of the Board of Directors shall be a person having a spotless professional reputation in the field of Bank's business, a considerable work experience in managerial positions, possessing such qualities as honesty, adherence to principles and commitment to the Bank interests, having no doubts and enjoying unconditional confidence of shareholders and members of the Board of Directors.

4. The Chairperson of the Board of Directors shall be responsible for formation of the agenda of the Board of Directors meetings, organize working out of the most effective solutions on the agenda items and, if necessary, free discussion of these items, as well as friendly and constructive environment for holding of the Board of Directors' meetings.

5. The Chairperson of the Board of Directors shall give an opportunity to members of the Board of Directors to express their views on discussed issues, facilitate searching for a negotiated solution by members of the Board of Directors in the interests of shareholders. At the same time, they should demonstrate their adherence to principles and act in the interests of the Bank.

6. The Chairperson of the Board of Directors shall be in permanent contact with other bodies and officials of the Bank. The purpose of such contacts is not only to obtain complete and true information in due time, but also to ensure effective interaction between these bodies and officials and third parties, if possible.

7. The Chairperson of the Board of Directors shall ensure effective operation of the Board of Directors' Committees, take an initiative in nominating members of the Board of Directors to the composition of Committees based on their professional and personal qualities and considering proposals given by members of the Board of Directors as to formation of Committees, and if necessary, submit issues reviewed by a Committee to the Board of Directors for consideration. The Chairperson of the Board of Directors shall make necessary arrangements to ensure effective functioning of the Committees of the Board of Directors. The Chairs of the

Committees shall inform the Chairperson of the Board of Directors on work performed by their Committees.

8. Meetings of the Board of Directors shall be held regularly, but at least once a quarter. The first meeting of the Board of Directors shall be held immediately after the Meeting of Shareholders, where the members of the Board of Directors were elected.

9. The meetings of the Board of Directors can be held both by personal attendance and by correspondence.

10. As a rule, the following issues shall be decided at the in-person meetings of the Board of Directors:

1) approval of priority directions of the Bank's activity, development strategy and annual budget;

2) convening of the Annual General Meeting of Shareholders and adoption of decisions required for its convening and holding;

3) preliminary approval of the Bank's annual financial report;

4) convening of or refusal to convene an Extraordinary General Meeting of Shareholders;

5) election and re-election of the Chairperson of the Board of Directors;

6) election of the Bank's Management Board members and early termination of their powers;

7) suspension of the Management Board powers and appointment of a temporary sole executive body;

8) submission of proposals relating to reorganization or liquidation of the Bank to the General Meeting of Shareholders for consideration;

9) increase of the authorized capital by placing additional shares within the limits of the number and categories (types) of declared shares;

10) proposals on distribution of net profit.

11. If the agenda of the Board of Directors meeting includes an issue on election of the Bank President, members of the Management Board, then candidates for such positions shall personally attend the Board of Directors meeting. In the event of their absence, the members of the Board of Directors shall be provided with the candidate's written consent to occupy the respective position.

12. The Bank President, members of the Management Board and heads of basic structural subdivisions shall furnish in due time full and reliable information as requested by any member of the Board of Directors, and be liable for non-performance of this duty. The Management Board shall furnish information directly to the member of the Board of Directors via the Bank's Corporate Secretary.

Article 22. Committees of the Bank's Board of Directors

1. With the purpose of increasing the efficiency and ensuring 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 Bank's Board of Directors shall create special committees under the Bank's Board of Directors.

Each committee shall carry out its activities within the framework of a document specifying its powers, competence, principles of work, the internal procedure for submitting reports to the Board of Directors of the Bank, the tasks assigned for the members of the committee and restrictions on the term of office of members of the Bank's Board of Directors in the committee. The Bank's Board of Directors shall provide for periodic rotation of members (with the exception of experts) of such committees in order to avoid concentration of powers and to contribute to the promotion of new views.

The committees shall keep records of decisions adopted (minutes of meetings, brief information on the issues addressed, recommendations, if any; special opinions of committee members). The chairperson of the committee under the Board of Directors shall be a member of the Board of Directors who is not a Head or a member of the executive body.

2. As part of the risk management system, the committees of the Board of Directors of the Bank shall consider the following issues:

- 1) strategic planning;
- 2) human resources and remuneration;
- 3) audit;
- 4) risk management;
- 5) social issues;
- 6) other issues stipulated by the Bank's internal documents.

Consideration of the above issues may be referred to the competence of one or more Committees of the Board of Directors, with the exception of internal audit issues considered by a separate committee of the Board of Directors.

3. The requirements for the composition of the committees of the Board of Directors and their responsibility shall be provided for by the legislation of the Republic of Kazakhstan and their provisions. The Regulations on the Committees of the Board of Directors shall be approved by a resolution of the Board of Directors.

The committees under the Board of Directors considering the issues stipulated by subparagraph 1), 2), 3), 5) of paragraph 2 of Article 22 of this Code shall be headed only by independent members of the Board of Directors. The Risk Management Committee shall be headed by an Independent Director of the Bank, or by the Chairperson of the Bank's Board of Directors.

CHAPTER 4. MANAGEMENT BOARD

Article 23. Management Board of the Bank

1. The Management Board of the Bank shall manage the current operations of the Bank in accordance with the selected business model, scale of operations, types and complexity of operations, risk profile, and internal documents approved by the Board of Directors of the Bank.

2. The Management Board shall be obliged to serve in the best interests of the Bank, i.e. manage the Bank's activities in a way ensuring protection of the shareholders' interests and possibility for the Bank development.

3. To achieve these goals, the Management Board shall, first of all, solve the following tasks:

1) be responsible for day-to-day operation of the Bank and its conformity with the Bank's budget;

2) implement resolutions of the General Meeting of Shareholders and the Board of Directors in good faith, effectively and in a timely manner.

4. When performing its functions, the Management Board shall have broad powers to manage the Bank assets, and therefore, its activities shall be organized in a way to exclude distrust of shareholders. Trust, in its turn, shall be ensured by high requirements to personal and professional qualities of the Management Board officials, and by existing Bank procedures designed for exercising effective control by shareholders.

5. The Management Board shall comprise of the following executives of the Bank:

1) the Bank President – CEO of the Bank's executive body;

2) First Vice President, Member of the Management Board of the Bank - First Deputy CEO, member of the Bank's executive body;

3) Vice President, Member of the Management Board of the Bank – Deputy CEO, member of the Bank's executive body.

Article 24. Competence of the Bank's Management Board

1. The competence of the Management Board shall include solving of the most complex issues related to day-to-day management of the Bank's operation not referred to the competence of other Bank bodies and officials by the Law of the Republic of Kazakhstan 'On Joint-Stock Companies', other legislative acts of the Republic of Kazakhstan and the Articles of Association of the Bank.

2. The Management Board is a collegial executive body of the Bank.

3. The following shall refer to the competence of the Bank's Management Board:

- 1) control over resolution of issues related to loans, settlements, cash transactions, custody of cash and valuables, accounting and bookkeeping, disposal of securities, protection of customer interests and all other issues related to banking activities;
- 2) approval of transactions submitted to the Bank's Board of Directors for approval;
- 3) preparation of annual reports and balance sheets of the Bank.
4. As a part of its competence, the Management Board shall:
 1. approve internal regulatory documents and/or other documents;
 2. draft the Articles of Association and Regulations on Branches and Representative Offices;
 3. perform other functions determined in the Articles of Association, resolutions of the General Meeting of Shareholders and the Board of Directors.
5. The Bank's activity shall be carried out based on the Strategic Plan and the Bank's budget as approved by the Board of Directors. These documents shall be the Bank in carrying out day-to-day operations, and their implementation shall be the main criterion for evaluating performance of the Management Board which is in charge of managing the Bank's day-to-day operations.

Article 25. Responsibility of the Bank's Management Board

1. The Bank's Management Board shall be responsible for:
 - 1) ensuring the implementation of the Bank's strategy, compliance with the procedures, processes and policies approved by the Board of Directors of the Bank;
 - 2) development of a draft strategy of the Bank for further submission for approval by the Board of Directors of the Bank; monitoring the implementation of the strategy and assessing compliance of the Bank's strategy with the current market and economic situation, risk profile and financial potential, 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 the formation of credit histories, on collection activities, on compulsory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies;
 - 3) development of the draft budget of the Bank for the corresponding year for further submission for approval by the Board of Directors of the Bank;
 - 4) development of a draft profitability management policy of the Bank for further submission for approval by the Board of Directors of the Bank; monitoring adherence of the Bank and its employees to this policy;
 - 5) development of an internal procedure specifying the communication of the Bank's strategy, policies and other internal documents within ten (10) business days from the date of approval and (or) introduction of amendments and additions to the Bank's employees in the areas of activity assigned to them, and for monitoring observance of the Bank and its employees to requirements of the Rules;
 - 6) development of the HR policy of the Bank for further approval by the Board of Directors of the Bank; monitoring its compliance with the strategy, organizational structure, risk profile of the Bank, the results achieved and the requirements of the labor, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on joint-stock companies;
 - 7) development of the tariff policy for further submission for approval by the Board of Directors; monitoring adherence of the Bank policy and its employees to the tariff policy;
 - 8) development of the Bank's credit policy for further submission to the risk management committee and for approval by the Board of Directors of the Bank;
 - 9) approval of a plan (plans) for ensuring continuity and (or) restoration of activities;

10) providing the Board of Directors of the Bank with the necessary information to monitor and evaluate the quality of the work of the Board in accordance with the established internal documents of the Bank and the Rules, which includes:

achievement by the Bank's Board of the goals established in the Bank's strategy, indicating, if any, reasons hindering their achievement;

compliance of the Bank's activities with the strategies and policies approved by the Board of Directors of the Bank;

the results of the Bank's activities and its financial condition, including information on the stability (volatility) of the Bank's profitability;

inconsistency of the decisions adopted by the Bank with procedures, processes and policies approved by the Board of Directors of the Bank;

exceeding the approved levels of risk appetite and the reasons for their violation;

information on the timeliness, completeness and quality of elimination by the Bank's Board of violations and deficiencies identified by the Compliance Control, Risk Management, Internal Control, Internal Audit, and External Audit, and the Authorized Body; on implementation of their recommendations;

information on the state of internal control, in terms of the timely detection of incorrect, incomplete or unauthorized operations, shortcomings in activities to ensure the safety of assets, errors in the preparation of financial and regulatory reporting, violations of internal documents of the Bank, requirements of civil, tax, banking legislation of the Republic of Kazakhstan, legislation of the Republic 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 the formation of credit histories, on collection activities, on mandatory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies, as well as exclusion of conflicts of interest and internal abuse and fraud, including in relation to persons having special relations with the Bank;

11) development of the internal procedure for consideration of the customer appeals arising in the process of providing banking services; monitoring of the Bank's compliance with the requirements specified in this subparagraph. The internal procedure for consideration of customer appeals shall take into account the requirements and determines:

record keeping procedures for customer complaints (statements), including reception, initial processing, registration of applications received by the bank, and responses to customer requests;

the structural unit of the Bank, which is responsible for the management of customer complaints;

the procedures for bringing (transmitting) received applications to responsible structural units or employees who will be instructed to process and prepare a response to a customer's request;

terms for timely processing of customer requests and preparation of responses to customer requests;

the internal procedure for interaction between structural units of the Bank when considering customer requests and preparing responses to customer requests;

the internal procedure and procedures for maintaining the classifier of received requests from customers of the Bank;

12) development of a procedure and (or) an internal procedure for refusing to conduct transactions with high ML/TF risk, and termination of business relations with a customer subject to inherent risk factors.

2. The Bank's Management Board shall be responsible for the proper execution of duties delegated to collegial bodies or employees of the Bank within the approved organizational structure of the Bank.

Article 26. Organization of the Management Board's Activities

1. Organization of the Management Board's activities shall ensure its effective performance.

2. The procedure for organization of the Management Board's activities is set out in JSC Bank CenterCredit Management Board Regulation.

Article 27. Composition and Formation of the Management Board

1. Composition of the Management Board shall ensure the most effective performance of their functions assigned.

2. To fulfill duties of the Bank President and of a member of the Bank's Management Board, an individual shall have professional qualification required for managing the Bank's day-to-day operation. The Nominations and Social Issues Committee shall determine criteria for selection of candidates, and make recommendations to the Board of Directors on appointment of members of the Management Board, including the Bank President.

3. The Bank President and members of the Management Board shall act in the interests of the Bank.

4. Members of the Management Board must not have any conflicts of interest with the Bank.

5. Members of the Management Board shall be responsible for management of the Bank's day-to-day operation. For effective performance of this task, they must have adequate information about ongoing problems in the Bank's activities and work directly with the middle management.

6. When deciding on the number of members of the Management Board, the Bank shall assume that the number of Management Board members must be optimal for fruitful and constructive discussion of issues, and for making timely and carefully weighted decisions. The principles for formation of the Bank's Management shall be set out in the Articles of Association as approved by the General Meeting of Shareholders.

7. Members of the Management Board and the Bank President shall be elected in accordance with a transparent procedure providing shareholders with complete information on such persons.

8. Shareholders shall have information about candidates to the position of the Bank President and members of the Management Board. In particular, the shareholders shall be provided with the below information:

1. surname, first name, patronymic (optionally);
2. education background;
3. information on places of work and positions held over the last three years;
4. other information certifying qualifications, work experience of candidates.

9. An Employment Agreement to be concluded with the Bank President and members of the Management Board shall list their rights and duties. An individual Employment Agreement to be concluded with the Bank President shall be signed by the Chairperson of the Board of Directors, and Employment Agreements to be concluded with members of the Management Board shall be signed by the Bank President.

10. A major member of the Bank may not be appointed (elected) to the position of the CEO of the Bank's Management Board.

11. The number of members of the Bank's Management Board shall be at least three persons.

Article 28. Duties of the Bank President and Members of the Management Board

1. Activities of the Management Board performed in the interests of the Bank need to be trusted by shareholders and, therefore, shall exclude any possibility of outside influence on the Bank President or members of the Management Board provoking them into doing such actions and taking such decisions that would prejudice the said interests. To this end, all reasonable efforts shall be taken to prevent occurrence of such situations.

2. The Bank President, members of the Management Board shall not accept any gifts or receive any other direct or indirect benefits, the purpose of which is to have an influence on the activities of the Bank President or a member of the Management Board or decisions they take.

3. Members of the Bank's Management Board shall ensure that operation of the Bank is in strict compliance with the legislation, the Articles of Association, other internal documents of the Bank, and the policy pursued by the Bank's Board of Directors. The Management Board of the Bank shall ensure that the Bank avoids any illegal actions, payments or working methods in its operation. The Management Board shall report to the Board of Directors on its activities on a periodic basis.

4. The Management Board shall arrange its work in the Bank in a way that the system for collection, processing and provision of up-to-date information on quantitative financial and material performance indicators assists it in making informed managerial decisions.

5. The Bank President and members of the Management must not disclose or use in personal self-interests and in the interests of third parties any confidential and insider information about the Bank.

6. Any information about the Bank, which is material to the Bank, its shareholders, investors and counterparties to transactions can be measured in monetary terms, and is actually the Bank's property. The use of confidential and insider information about the Bank may cause substantial losses to the Bank and its shareholders.

7. To this end, the Management Board shall take all reasonable measures to protect such information. The Bank President and members of the Management Board having access to confidential and insider information about the Bank, shall not disclose it to any other persons who do not have access to such information, and use it in their own interests or in the interests of other persons. These requirements and liability for violation of such requirements must be reflected in contracts the Bank concludes with the above officials.

8. The Management Board shall take into account the interests of third parties to ensure effective operation of the Bank.

9. The main objective of the Management Board is to ensure effective operation of the Bank. However, such effective operation of the Bank requires taking into account the interests of other parties, i.e. Bank employees, counterparties, the state and territorial authorities, on which territory the Bank or its structural subdivisions are located.

10. The Management Board shall cooperate with professional organizations of Bank employees (trade unions) to incorporate their interests.

11. The Management Board shall create appropriate working conditions for the Bank employees, and apply best practices in labor remuneration and incentives.

Article 29. Powers of the Bank President

The Bank President shall:

1) organize implementation of resolutions adopted by the General Meeting of Shareholders and the Board of Directors;

2) act on behalf of the Bank in its relations with third parties without any power of attorney;

3) issue powers of attorney granting a right to represent the Bank in its relations with third parties;

4) hire, move and dismiss the Bank employees (except for the cases established by the Law of the Republic of Kazakhstan 'On Joint Stock Companies'), apply incentives and impose disciplinary penalties, determine the amount of salaries and personal bonuses for the Bank employees pursuant to Bank's staffing schedule, determine the amount of incentives to Bank employees, except for employees of the Bank's Internal Audit Service. Staffing matters related to employees accountable to the Board of Directors shall be resolved in accordance with the provisions of the existing internal procedures of the Bank, the Articles of Association and this Code;

5) if absent, vest his/her duties on one of members of the Management Board;

6) allocate duties, powers and responsibilities between members of the Management Board;

7) perform other functions as determined by the Bank's Articles of Association, decisions of the General Meeting of Shareholders and the Board of Directors.

Article 30. Remuneration for the Bank President and Members of the Management Board

Remuneration of the Bank President and members of the Management Board shall correspond to their qualifications and take into account their real contribution to the performance of the Bank according to internal regulatory documents of the Bank approved by the Board of Directors of the Bank.

Article 31. Responsibility of the Bank President and Members of the Management Board

1. The Bank President and members of the Bank's Management Board shall be liable for improper performance of their duties.

2. One of the most effective means for ensuring proper performance of duties by the Bank President and members of the Bank's Management Board is responsibility stipulated by legislation of the Republic of Kazakhstan before the Bank for losses caused as a results of their wrongdoings.

3. Members of the Management Board shall be exempt from liability if voted against the decision adopted by the Management Board which caused losses to the Bank or a shareholder, or if have not participated in voting.

CHAPTER 5. CORPORATE SECRETARY

Article 32. Functions of the Corporate Secretary

1. The Bank shall appoint a Corporate Secretary. One of the main functions of the Corporate Secretary is to ensure that the Bank bodies and officials comply with procedural requirements guaranteeing exercise of rights and interests of shareholders.

The procedure for appointment of the Corporate Secretary and his/her duties shall be defined by the Bank's Articles of Association.

2. In liaison with other Bank bodies, the Corporate Secretary shall ensure preparation and holding of the General Meeting of Shareholders in accordance with legal requirements, the Articles of Association and other internal documents of the Bank based on the decision to hold the General Meeting of Shareholders.

3. The Corporate Secretary shall make necessary arrangements for preparation and holding of the General Meeting of Shareholders in accordance with legal requirements, the Articles of Association and other internal documents of the Bank based on the decision to hold the General Meeting of Shareholders.

4. The decision on holding the General Meeting of Shareholders is mandatory for the Corporate Secretary, irrespective of who has adopted such decision, if it is in accordance with legal requirements and the Articles of Association of the Bank.

5. The Corporate Secretary, in liaison with other Bank bodies, shall ensure that persons entitled to participate at the General Meeting of Shareholders are duly notified of holding the general meeting; control preparation and sending (service) of voting ballots to such persons, and notify all members of the Board of Directors, the Bank President, members of the Management Board and the Bank's auditor of holding the General Meeting of Shareholders.

6. The Corporate Secretary jointly with other Bank bodies shall prepare materials to be furnished for the General Meeting of Shareholders, provide access thereto, in the prescribed manner certify and provide copies of respective documents at the request of persons entitled to participate in the General Meeting of Shareholders.

7. The Corporate Secretary shall control collection of completed voting ballots submitted to the Bank and their timely handover to the Counting Board.

8. The Corporate Secretary shall ensure observation of the procedure for registration of participants of the General Meeting of Shareholder, arrange taking minutes of the General Meeting and drawing up of the voting results minutes of the General Meeting, and in a timely manner communicate the voting results report to persons included in the list of those who are entitled to participate at the General Meeting.

9. The Corporate Secretary shall answer questions raised by the General Meeting participants with regard to the procedure applicable at such meetings, and take actions to settle conflicts related to the procedure for preparation and holding of the General Meeting of Shareholders.

10. The Corporate Secretary shall ensure preparation and holding of the Board of Directors meetings in accordance with legal requirements, the Articles of Association and other internal documents of the Bank.

11. Meetings of the Board of Directors shall be held by the decision of the Chairperson of the Board of Directors, and the Corporate Secretary shall solve all organizational issues related to preparation and holding of such meetings.

12. The Corporate Secretary shall notify all members of the Board of Directors of holding the Board of Directors meeting, and, if necessary, ensure sending (service) of voting ballots to them, collect completed ballots, written opinions of members of the Board of Directors who were absent, and hand them over to the Chairperson of the Board of Directors.

13. During the Board of Directors meeting held by personal attendance, the Corporate Secretary shall ensure that the procedure for holding of the Board of Directors meetings is properly observed. The Corporate Secretary shall take minutes of the Board of Directors meeting.

14. The Corporate Secretary shall render assistance to members of the Board of Directors in performance of their functions.

15. The Corporate Secretary shall assist members of the Board of Directors in obtaining information they need. For this purpose, in accordance with the Board of Directors Regulation the Corporate Secretary shall familiarize them with internal regulatory documents and other documents of the Bank, the Bank auditor's report and, by the decision of the Chairperson of the Board of Directors, with primary accounting documents.

16. The Corporate Secretary shall explain to the newly elected members of the Board of Directors applicable rules of conduct of the Board of Directors and other bodies of the Bank, organizational structure, inform about the Bank officials, familiarize with the Bank's internal documents and valid resolutions of the General Meeting of Shareholders and the Board of Directors meeting, provide any other information required for proper performance of duties by members of the Board of Directors.

17. The Corporate Secretary shall clarify to members of the Board of Directors legal requirements, the Articles of Association and other internal documents of the Bank relating to procedural issues for preparation and holding of the General Meeting of Shareholders, meetings of the Board of Directors, disclosure (provision) of information about the Bank.

18. The Corporate Secretary, on behalf of the Board of Directors of the Bank, shall ensure timely submission to the Authorized Body of a list of issues that were submitted to meetings of the Board of Directors of the Bank and information on the participation of members of the Board of Directors of the Bank

19. In liaison with other bodies of the Bank, the Corporate Secretary shall ensure disclosure (provision) of information about the Bank and keeping of Bank documents.

20. The Corporate Secretary shall ensure compliance with requirements related to the procedure for storage and disclosure (provision) of information about the Bank as established by the legislation, the Articles of Association and other internal documents of the Bank.

21. The Corporate Secretary shall exercise control over timely disclosure by the Bank of information contained in the Bank securities prospectus and in its quarterly reports, and information about material facts affecting financial and economic activities of the Bank.

22. The Corporate Secretary shall ensure due consideration by the Bank of shareholders' appeals and settlement of conflicts related to breach of shareholder rights.

23. The shareholders may submit their appeals to the Bank. Control over timely consideration of such appeals by the Bank's bodies and divisions shall be conferred on the Corporate Secretary.

24. The Corporate Secretary shall be authorized to apply directly to the independent registrar for explanations with respect to complaints received from shareholders. The registrar's duty to give respective clarifications to the Corporate Secretary shall be specified in the Bank's contract to be concluded with the registrar.

25. The Corporate Secretary shall be given authorities to fulfill functions assigned.

26. Executive bodies and officers of the Bank shall assist the Corporate Secretary in fulfillment of their functions.

27. For the purpose of ensuring effective performance by the Corporate Secretary of his/her duties, the Corporate Secretary Office may be established, the composition, headcount, structure and duties of which are to be defined by internal documents of the Bank.

28. The Corporate Secretary shall inform the Chairperson of the Board of Directors about all facts hindering compliance with procedures, implementation of which fall within the competence of the Corporate Secretary (actions or inactions by Bank officials, registrar, and other facts that violate the procedure for preparation and holding of the General Meeting of Shareholders, the Board of Directors meetings, disclosure (provision) of information).

Article 33. Appointment and Termination of Powers of the Corporate Secretary

1. Appointment of the Corporate Secretary shall fall within the competence of the Board of Directors.

2. The Corporate Secretary shall be accountable and subordinate to the Board of Directors in accordance with the terms of a contract to be concluded with such Corporate Secretary, including amount of remuneration.

3. The Corporate Secretary shall have knowledge required to perform functions assigned, and have confidence of shareholders and members of the Board of Directors.

4. When appointing the Corporate Secretary, the Board of Directors shall assess the candidate's capability to perform functions of a Corporate Secretary, including his/her education, work experience and professional qualities. The Bank's Articles of Association shall set out specific requirements to the candidacy of a Corporate Secretary.

5. A person having spotless reputation shall be recommended for the position of a Corporate Secretary. The competence and activities of the Corporate Secretary shall be determined by the internal documents of the Bank.

6. In this connection, every candidate for the position of a Corporate Secretary shall provide the Board of Directors with information about themselves as determined by internal documents of the Bank, allowing them to assess if the candidate meets requirements set. In case of changes in any information, the Corporate Secretary shall inform the Board of Directors thereon.

CHAPTER 6. CORPORATE ACTIONS (EVENTS)

Article 34. Actions (Events) Referred to the Bank's Corporate Actions (Events)

1. Corporate events shall mean events having a significant impact on the Bank's operations and affecting the interests of the Bank's securities holders and investors as defined by the Law of the Republic of Kazakhstan "On Securities Market".

2. Corporate actions shall include corporate events in accordance with the requirements of the Law of the Republic of Kazakhstan "On Securities Market".

3. Given importance of corporate actions, the Bank shall allow its shareholders to influence on taking such actions. This is achieved by establishment of a transparent and fair procedure based on duly disclosure of information about consequences that such actions may have on the Bank.

Article 35. Major Transactions and Other Bank Transactions Effected In a Manner Prescribed For Major Transactions

1. Signs of major transactions shall be established by the legislation of the Republic of Kazakhstan. A major transaction shall be:

1) a transaction or a series of related transactions, as a result of which the Bank acquires or disposes (may acquire or dispose) property the value of which is twenty-five per cent or more of the total book value of the Bank assets;

2) a transaction or a series of related transactions as the result of which the Bank may repurchase its placed securities or sell the repurchased securities of the Bank in the amount constituting twenty five per cent or more of the total number of the placed securities of one type;

3) other transactions recognized as a major transaction by the Bank's Articles of Association.

2. When deciding on inclusion into the Bank's Articles of Association of provisions stipulating application of major transactions procedure to other transactions of a significant importance for the Bank, it is necessary to ensure reasonable balance between effective management of the Bank's day-to-day operation by its executive bodies (the Management Board) and effective supervision over activities of executive bodies (the Management Board) by the Board of Directors and the General Meeting of Shareholders.

3. The decision on the Bank's entering into a major transaction shall be adopted by the Board of Directors, except for transactions, decision on conclusion of which shall be adopted by the General Meeting of Bank's Shareholders pursuant to the legal requirements of the Republic of Kazakhstan.

4. For the purpose of informing the Bank's creditors, shareholders and general public, the Bank shall, within three business days after the Board of Directors adopts a resolution on the Bank's entering into a major transaction, publish information about the transaction in Kazakh and Russian languages on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange and in mass media.

5. A shareholder who disagrees with the Bank's decision to conclude a major transaction which has been adopted in the manner stipulated by the legislation and the Bank's Articles of Association, shall have the right to demand redemption of its shares by the Bank in the manner established by the law of the Republic of Kazakhstan.

6. Decision on entering into a transaction as a result of which the Bank acquires or disposes property for the amount of ten per cent and more of the total value of the Bank assets, shall be adopted considering market value of this property as determined by the appraiser in accordance with the Law of the Republic of Kazakhstan 'On Appraisal Activity'.

If the subject of a transaction is money and (or) securities issued (placed) on the primary market, no appraisal shall be performed.

7. If securities traded on the organized securities market are the property which market value needs to be determined, then prices of transactions in such securities prevailing on the market or bid and offer prices for such securities shall be taken into account when determining their market value. If the Bank shares are the property which market value needs to be determined, then amount of the Bank's equity capital, prospects for its changes according to the development plans of the Bank and other factors that a person determining the market value deems essential, shall be considered with determining the market value of such shares.

Article 36. Interested Party Transactions

1. The resolution on conclusion by the Bank of an interested party transaction shall be adopted by a simple majority of votes of the BoD members who are not interested in its

conclusion, except for cases when standard terms of such transaction are approved by the Board of Directors of the Bank.

2. The resolution on conclusion by the Bank of an interested party transaction shall be adopted by the General Meeting of Shareholders by a majority of votes of shareholders not interested in its conclusion in cases:

- 1) if all members of the Board of Directors of the Bank are interested persons;
- 2) if the Board of Directors cannot adopt a resolution on conclusion of such a transaction due to lack of votes required to adopt a resolution.

3. The resolution on conclusion by the Bank of an interested party transaction shall be adopted by the General Meeting of Shareholders by a simple majority of votes of the total number of the Bank's voting shares in cases where all members of the Board of Directors of the Bank and all shareholders holding ordinary shares are interested parties and (or) Board of Directors is unable to adopt a resolution on conclusion of such transaction due to the lack of votes required to adopt a resolution.

4. The Management Board shall be obliged to submit quarterly reports on transactions of interest for approval by the Board of Directors (on transactions with persons having special relations with the Bank).

Article 37. Reorganization of the Bank

1. The Board of Directors shall actively participate in determining the terms and conditions for reorganization of the Bank.

2. Any issue related to reorganization of the Bank shall be submitted to the General Meeting of Shareholders for consideration on the proposal of the Board of Directors. The decision of the Board of Directors to submit reorganization issue to the shareholders' meeting shall be adopted only if the Board of Directors is confident that reorganization is needed, and terms and conditions for reorganization agreed between executive authorities of legal entities participating in potential reorganization, are acceptable. Prior to adoption of any decision on reorganization, it is recommended that certain members of the Board of Directors participate in reorganization negotiations held between executive bodies and arrange discussion on the course of negotiations with the Board of Directors. The Board of Directors may create a special committee to cooperate with executive bodies on this issue.

3. The Board of Directors shall approve final draft documents and submit the reorganization issue to the resolution of General Meeting of Shareholders, furnishing to the latter the opinion of the Board of Directors on the matter.

4. For the purpose of adopting a decision on submission of the reorganization issue to the General Meeting of Shareholders, the Board of Directors shall be provided with information and materials relating to potential reorganization.

It is recommended to include the following documents:

- 1) draft consolidation (merger) agreement or draft decision on split-up (spin-off);
- 2) draft constituent documents of companies newly created as a result of merger, split-up (spin-off) or transformation, or constituent documents of the acquiring company;
- 3) annual reports and annual balance sheets of all entities participating in merger (consolidation) for the last 3 financial years;
- 4) quarterly reports, made not later than six months before the date of meeting to which the reorganization issue is submitted, if more than six months have passed after the end of the last financial year;
- 5) draft deed of transfer or dividing balance sheet;
- 6) rationale for reorganization.

5. The Bank may engage an independent appraiser to determine the shares conversion ratio in case of reorganization.

6. The notice of holding a joint general meeting shall be given by each Bank participating in the consolidation (merger) in the manner established for that Bank.

7. The notice of holding a joint general meeting shall be given by each Bank participating in consolidation (merger), in the manner established for that Company. However, the Boards of Directors of companies under reorganization are recommended to hold a joint meeting for the purpose of fixing a date, venue and time of holding the joint General Meeting of Shareholders, and in the case of voting in absentia – final date and mailing address for submission of filled in ballots. It is essential that the resolutions to be adopted during the joint meeting of the Boards of Directors take into account interests of shareholders of all companies involved in consolidation (merger).

Article 38. Liquidation of the Bank

1. The decision on voluntary liquidation of the Bank shall be adopted by the General Meeting of Shareholders, which determines the liquidation procedure under the deed of arrangement and under supervision of creditors in accordance with the legislative acts of the Republic of Kazakhstan.

2. Forced liquidation of the Bank shall be made by the court in cases stipulated by legislative acts of the Republic of Kazakhstan. Interested parties may file a claim to the court seeking liquidation of the Bank, unless otherwise provided for by the legislative acts of the Republic of Kazakhstan.

3. The Liquidation Committee shall be appointed by the decision of the court or of the General Meeting of Shareholders on liquidation of the Bank. The Liquidation Committee shall have powers to manage the Bank during the period of its liquidation and make actions determined by the laws of the Republic of Kazakhstan.

4. The Liquidation Committee shall include representatives of the Bank creditors, major shareholders, and other persons in accordance with the decision of the General Meeting of Shareholders.

5. The Bank liquidation procedure and procedure for satisfying claims of its creditors shall be governed by the laws of the Republic of Kazakhstan.

CHAPTER 7. DISCLOSURE OF INFORMATION

Article 39. Ensuring Disclosure of the Bank Information

1. The Bank shall ensure timely and accurate disclosure of information to shareholders on all significant business issues by fulfilling the requirements established by law.

2. To that end, the Bank has developed the Regulation on Information Policy with respect to shareholders of Bank CenterCredit JSC.

3. Information shall be provided to shareholders through:

- 1) the Internet resource of the financial reporting depository;
- 2) the Internet resources of the Stock Exchange(s);
- 3) mass media;
- 4) advertising and informational leaflets of the Bank;
- 5) external website of JSC Bank CenterCredit on the Internet;
- 6) personal letters upon receipt of the shareholder's request.

4. The following information shall be placed on the Bank's external website:

- 1) organizational structure;
- 2) remuneration and salary structure policies;
- 3) annual reports on salary structure;
- 4) the powers of the committees created under the Board of Directors of the Bank.

5. To provide documents or give their copies, the Bank shall check if a requester is a holder of the Bank shares.

6. In accordance with the law, the Bank shall disclose the information set forth in this chapter by publishing it in a republican print media as well.

7. Information on the Bank's affiliates shall not be information constituting official, commercial or other secret protected by law.

8. The Bank shall keep records of its affiliate persons on the basis of information submitted by such persons or the Central Depository (only in respect of persons being major shareholders in accordance with the procedure established by the authorized body).

The procedure for submission by the Bank shareholders and officials of information on their affiliates shall be established by the Articles of Association.

9. Individuals and legal entities being affiliates of the Bank shall be obliged to submit to the Bank within seven days from the date of occurrence of affiliation information on their affiliates.

Article 40. Information on Holding of the General Meeting of the Bank's Shareholders (by absentee voting)

1. Shareholders shall be notified of the upcoming General Meeting of Shareholders not later than thirty calendar days prior to the date of the meeting, and not later than forty-five calendar days prior to the date of meeting in case of absentee voting or mixed voting, when one or more shareholders must be notified by post.

2. The notice of the General Meeting of Bank's Shareholders shall contain the information specified in paragraph 13 of Article 13 of this Code.

Article 41. Provision of Information During Preparation and Holding of the General Meeting of Bank's Shareholders

1. Materials relating to the agenda of the General Meeting of Shareholders shall contain information in the amount required for the adoption of reasonable decisions on the matters included in the agenda.

2. Materials relating to election of the Bank bodies must contain the below information on proposed candidates:

- 1) surname, name, and patronymic (optionally);
- 2) education background;
- 3) information on places of work and positions held over the last three years;
- 4) other information certifying qualifications, work experience of candidates;
- 5) information on any affiliation to the Bank.

3. Materials relating to the agenda of the Annual General Meeting of Shareholders shall include:

- 1) annual financial statements of the Bank;
- 2) audit report to the annual financial statements;
- 3) proposals of the Board of Directors concerning the procedure for distribution of the Bank's net profit for the past financial year and the amount of dividend for the year per ordinary share of the Bank;
- 4) information on shareholders' appeals on actions of the Bank and its officials and results of their consideration;
- 5) other documents at the discretion of the initiator of the General Meeting of Shareholders.

4. Materials relating the agenda of the General Meeting of Shareholders must be prepared and made available for the shareholders' review at the location of the Bank's Management Board not later than ten days prior to the date of the Bank's General Meeting, and, if requested by a shareholder, sent to the shareholder within three business days from the date of receiving the request; expenses for making copies of documents and delivery of documents shall be borne by the shareholder, unless otherwise provided for by the Articles of Association.

Article 42. Information on Results of the General Meeting of Shareholders (absentee voting)

Voting results of the General Meeting of Shareholders or absentee voting results shall be communicated to shareholders by means of their publication in Kazakh and Russian languages on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange within fifteen calendar days after the date of closing of the General Meeting of Shareholders.

Article 43. Information On the Decision To Pay (Not To Pay) Dividends on the Bank Shares

1. Dividends on ordinary shares of the Bank following the results of the quarter, six months or year shall be paid only after auditing the Bank's financial statements for the relevant period and upon the resolution of the General Meeting of Shareholders in accordance with the Articles of Association of the Bank. The resolution of the General Shareholders Meeting to pay dividends on ordinary shares shall specify the amount of dividend per ordinary share.

2. The resolution on payment of dividends on the Bank's ordinary shares shall include the following information:

- 1) name, address, banking and other details of the Bank;
- 2) period for which dividends are paid;
- 3) amount of dividend per one ordinary share;
- 4) dividend payment commencement date;
- 5) procedure and form of dividend payment;
- 6) name of the payment agent (if any).

3. Information on payment of dividends on preferred shares shall be published on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange within five business days before the dividend payment date with specification of the following details:

- 1) name, address, banking and other details of the Bank;
- 2) period for which dividends are paid;
- 3) amount of dividend per one ordinary share;
- 4) dividend payment commencement date;
- 5) procedure and form of dividend payment.

4. The resolution on payment of dividends on the Bank's ordinary shares according to the results of the year shall be adopted by the annual General Meeting of Shareholders. The General Shareholders Meeting of the Bank may adopt a resolution on non-payment of dividends on ordinary shares of the Bank.

Article 44. Information On the Decision To Repurchase Outstanding Shares At the Bank's Initiative

1. If the number of outstanding shares to be repurchased by the Bank exceeds one percent of the total number of shares, the Bank shall make an announcement about such repurchase to its shareholders.

2. The Bank's announcement on repurchase of its outstanding shares shall contain information on types, number of shares to be repurchased, price, date and conditions for their repurchase, and shall be published in Kazakh and Russian languages on the Internet resource of the financial reporting depository.

Article 45. Information on Entering Into a Major Transaction by the Bank

1. For the purpose of informing the Bank's creditors, shareholders and general public, the Bank shall, within three business days after the Board of Directors adopts a resolution on the Bank's entering into a major transaction, publish transaction information on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange and in mass media in Kazakh and Russian languages.

2. In addition to the information defined by applicable laws, the Regulation on the Information Policy in relation to shareholders of JSC Bank CenterCredit, any additional information may be disclosed in the manner prescribed by this Regulation.

CHAPTER 8. RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

Article 46. Bank's Internal Control as part of the Risk Management System

1. The Bank shall ensure the functioning of an internal control system that matches the current market situation, strategy, assets, level of complexity of the Bank's operations. Internal control is a process built into the daily activities carried out by authorized bodies of the Bank, structural divisions and all employees of the Bank in the course of their duties, and aimed at fulfilling the following goals:

1) ensuring the effectiveness of the Bank's operations, including the effectiveness of managing bank risks, assets and liabilities, ensuring the safety of assets;

2) ensuring the completeness, reliability and timeliness of financial, regulatory and other reporting for internal and external users, as well as information security;

3) 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 the formation of credit histories, on collection activities, on mandatory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies, Bank internal documents;

4) preventing the involvement of the Bank and its employees in illegal activities, including fraud, errors, inaccuracies, money laundering and the terrorism financing, in implementation of operations in the Republic of Kazakhstan related to conduction of transactions posing high ML/TF risk;

5) ensuring the process of making managerial decisions for compliance with the legislation of the Republic of Kazakhstan, internal policies of the Bank (including but not limited to the Compliance Risk Management Policy at Bank CenterCredit JSC), Bank procedures and other documents, decisions of authorized bodies Bank.

Effective internal control shall be ensured through the formation of appropriate management control and a control culture (control environment).

Management control and control culture (control environment) characterize the general attitude, awareness and practical actions of the Board of Directors of the Bank and the Management Board of the Bank aimed at creating and effective functioning of the Internal Control System.

2. Management control and control culture (control environment) shall be formed by the Board of Directors and the Management Board of the Bank on the basis of ethical principles, standards of professional activity and corporate governance, which, together with their legislatively established duties and responsibilities, provide adequate control by the Bank's management bodies, including control over:

1) organization of the Bank's activities, including the development and implementation of the Bank's strategy, internal documents of the Bank;

2) the functioning of the Bank Risk Management System and the assessment of banking risks;

3) the distribution of powers in banking operations and other transactions;

4) management of information flows (receiving and transmitting information) and ensuring information security;

5) the creation and functioning of the Internal Control System.

3. The Bank shall ensure the existence and functioning of the Bank's Internal Control System, which includes, but is not limited to the following:

1) principles of organization of the Internal Control System;

2) requirements for the professional qualities of employees;

3) the internal procedure and procedures for the implementation of internal control;

- 4) the definition of participants in the Internal Control System on the basis of three lines of defense, their authority, responsibility with a clear definition of the structure of accountability;
- 5) the internal procedure for interaction and exchange of information between participants in the Internal Control System along three lines of defense;
- 6) the internal procedure for amending internal documents of the Bank in cases of detection of deficiencies in the process of internal control.

The Bank's Internal Control System shall be based on the following principles:

participation in the process of internal control of all structural divisions and employees of the Bank and the organization of internal control as everyday activities at all levels of management;

internal control coverage of all areas of activity and business processes and the regulation of internal control procedures in all areas and business processes of the Bank;

ongoing internal control (continuity).

4. The Bank shall identify participants in the Internal Control System based on three lines of defense:

- 1) The first line of defense is ensured by the structural divisions of the Bank. Heads of structural divisions shall be responsible for the organization and implementation of internal control in the structural divisions;

- 2) The second line of defense shall be ensured by Risk management, Compliance Control, Legal Department, HR Department, Financial Control Unit and other units exercising control functions;

- 3) The third line of defense shall be ensured by the Internal Audit Unit through an independent assessment of the effectiveness of the Internal Control System

5. The Bank shall develop internal control procedures based on the following interrelated elements:

- 1) control over risk management;

- 2) control actions and separation of powers;

- 3) information and interaction;

- 4) monitoring and correction of deficiencies.

6. The Internal Control System shall ensure ongoing control over the timely identification and assessment of the risks inherent in the Bank and the adoption of timely measures to minimize significant risks in accordance with the Bank's internal documents. The Internal Control System shall ensure the following:

- 1) consideration and accounting during the risk assessment of internal factors (the complexity of the Bank's organizational structure, the nature of its operations, qualitative characteristics of personnel, organizational changes, staff turnover), as well as external factors (changes in economic conditions and the situation in the banking sector, technological innovations), which negatively affect the achievement of the goals set by the Bank;

- 2) risk assessment in certain areas of the Bank;

- 3) the Bank conducts new operations and services, subject to the availability of their regulation in the Bank's internal documents;

- 4) ensuring timely informing of persons (divisions, bodies of the Bank), defined in the relevant internal documents of the Bank, of factors affecting the Bank's level of exposure to risks.

The Internal Control System shall be subject to adjustment as any new or uncontrolled material risks are identified, including those related to the introduction of new services and products.

7. Control actions shall include but are not limited to the following:

- 1) control exercised by the Board of Directors of the Bank, committees of the Board of Directors and the Management Board of the Bank in order to identify and eliminate deficiencies in internal control, violations, errors;

- 2) control carried out by the Heads of structural units;

- 3) control of physical availability and access to material assets, ensuring the protection of premises for the storage of material assets;
- 4) verification of compliance with the established limits;
- 5) a system of coordination and delegation of rights and powers;
- 6) verification of the timely and correct reflection of the operations and transactions of the Bank in accounting and reporting;
- 7) verification of compliance with the policies and procedures of the Bank in transactions.

Control actions within the framework of separation of duties shall contribute to minimizing the conflict of interests and the conditions for its occurrence, committing unlawful actions, as well as preventing the same structural unit and (or) employee from being able to:

make banking operations and other transactions and simultaneously reflecting them in accounting;

authorize the payment of money and carry out their actual payment, taking into account the limits established by the Bank's internal documents;

conduct operations on the Bank's customer accounts and accounts reflecting the Bank's own financial and economic activities;

evaluate the accuracy and completeness of the documents presented when granting a loan, and monitor the repayment of the loan;

perform actions in any other areas of activity in which a conflict of interest arises.

Depending on the Bank's operations, the following control methods shall be applied:

double control (four-eye and shared access principles).

The four-eye principle requires that the work of one employee be checked (approved) by another employee in order to involve the second employee in verifying the correctness of calculation, authorization and documentation of the operation.

The shared access principle implies a procedure in which two (2) or more employees are equally responsible for the physical protection of values and documents. Responsibility is established by the relevant internal document of the Bank and communicated to all employees;

analysis of operations.

Preliminary analysis of the operation to prevent an incorrect or unauthorized operation.

Subsequent analysis after its completion in order to reveal the fact of an unauthorized operation.

To ensure the effectiveness of the subsequent analysis, it is necessary that the person conducting the subsequent analysis be independent of the workers conducting this operation;

reports on the results of operations to provide the Bank management with information on the Bank's performance indicators, financial conditions and deviations from the budget;

training Bank staff in control techniques and error detection;

data protection;

providing protection against personnel errors;

checking for errors in order to detect them in a timely manner.

8. The Internal Control Unit shall ensure availability of reliable and detailed financial, operational information and information on compliance with the established 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 the formation of credit histories, on collection activities, on mandatory guarantee of deposits, on anti-money laundering and combating the financing of terrorism, on joint-stock companies, as well as incoming external market information on events and conditions related to decision-making. The collection, analysis of information and its transfer to its intended purpose shall involve:

1) provision of information for making decisions and fulfilling duties to the Board of Directors of the Bank, the Management Board of the Bank and persons (divisions, bodies of the Bank) specified in the relevant internal documents;

2) the availability of information flows that ensure the integrity, security and availability of information inside and outside the Bank;

3) adequate control over the management of information flows and the information security of the Bank.

Internal control of the functioning of information systems and technical means shall provide for the control of information technology systems, carried out in order to ensure their security, uninterrupted and continuous operation.

The Internal Control Unit shall ensure mandatory accounting of all operations and transactions of the Bank.

Monitoring the timeliness, reliability and sufficiency of the Bank's financial information requires verification of the following (but not limited to):

information systems ensuring accounting in the Bank for compliance with the legislation of the Republic of Kazakhstan in the field of accounting and financial reporting and IFRS;

availability of internal documents in the Bank regarding accounting;

ensuring chronological and timely registration of operations and events in accounting;

the ability to generate financial statements at the end of each business day;

correspondence of synthetic (final) accounting to analytical (detailed) accounting;

regular checks of accounting records by employees who are not involved in the process of authorizing or reporting transactions in the financial statements;

accounting records based on primary documents and ensuring the proper design and preservation of primary documents.

9. Monitoring of the Bank's Internal Control System on an ongoing basis shall be carried out by the first and second line of defense, as well as by the Management Board of the Bank.

Significant deficiencies in internal control shall be brought to the attention of the Board of Directors of the Bank.

The Internal Audit Unit shall evaluate the effectiveness of internal control.

The Risk Management Committee shall oversee the functioning of the Internal Control System.

10. The Bank's management reporting on internal control shall include information on material violations and deficiencies identified in the course of internal control, as well as on the results of decisions or measures taken to eliminate them.

11., Upon recruitment Bank's employees shall get familiarized with the Bank's internal regulatory documents in the field of risk management and internal control, containing a description of approaches to accepting risks and ways of interaction on issues related to risks within the Bank, as well as in the field of compliance risk management.

Article 47. The Bank's Internal Audit as part of the Risk Management System

1. The Bank shall ensure the functioning of an Internal Audit taking into account the strategy, organizational structure, volume of assets, nature and level of complexity of the Bank's operations. The Internal Audit Unit shall have clearly defined powers, be independent in its activity, accountable to the Board of Directors of the Bank. The Internal Audit Unit shall have sufficient resources and authority to objectively and efficiently fulfill its functions and responsibilities.

The Head and employees of the Internal Audit Unit shall not hold a different position, be members of the collegial body of the Bank nor combine responsibilities in the Bank and (or) subsidiaries.

The Internal Audit Unit shall be guided in its activities by international standards of internal audit.

2. The Board of Directors of the Bank and the Internal Audit Committee shall contribute to improving the efficiency of the Internal Audit Unit through:

1) ensuring unlimited access for the Internal Audit staff to any documents, information and facilities of the Bank, including access to systems, records and minutes of meetings of collegial bodies of the Bank;

2) establishing requirements for the Internal Audit Unit to independently evaluate the effectiveness of the Internal Control System, Risk Management System, Corporate Governance in all areas of the Bank's activities;

3) establishing requirements for internal auditors to comply with the code of ethics and requirements of the banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on joint-stock companies;

4) establishing requirements for Internal Audit staff to have sufficient knowledge of banking activities and internal audit methods, the skills to collect the necessary and sufficient information, the ability to analyze and evaluate to perform their duties;

5) establishing requirements for the Management Board of the Bank to implement an action plan in a timely and effective manner to eliminate violations and deficiencies identified in the course of the audit;

6) requirements to conduct a periodic assessment of the effectiveness of the Bank's risk management system, internal accounting procedures, preparation and ensuring the integrity of financial and regulatory reporting, compliance risk management systems, internal control systems.

The Internal Audit Unit shall carry out an independent, comprehensive assessment of the effectiveness of Corporate Governance, Internal Control, and Risk Management Systems.

The Internal Audit Unit shall use a risk-based approach in developing its plans and actions; form an independent, informed opinion on the risks inherent in the Bank's activities, and carry out appropriate assessments of internal processes.

3. The effective activity of the Internal Audit Unit shall be based on the following principles:

1) independence and objectivity, which are achieved through the following:

conducting an audit in any divisions of the Bank and in any areas of activity based on a risk-based approach;

lack of involvement of the Internal Audit Unit in the development, implementation and application of internal control measures;

the absence of a conflict of interest in the activities of the Internal Audit staff;

rotation of performed duties between the Internal Audit staff, if possible, without prejudice to the competence and professionalism of employees;

lack of connection between the remuneration of Internal Audit staff and the financial results of the activities of the Bank's structural units. The bonus part of the remuneration of the Head and Internal Audit staff shall be established in such a way as to exclude the occurrence of a conflict of interest and not to question the independence and objectivity of the Internal Audit Unit;

submission of reports of the Internal Audit Unit for consideration by the Board of Directors and the Internal Audit Committee, for review without the right to adjust such reports to the Management Board of the Bank;

accountability of the Head of the Internal Audit Unit directly to the Board of Directors of the Bank, which appoints to the post, controls its activities and, if necessary, makes a decision on dismissal;

information on the decision on the dismissal of the Head of the Internal Audit Unit from the post shall be communicated to the Authorized Body. Upon receipt of a request from an Authorized Body, the Bank shall provide an explanation of the reasons for making such a decision;

2) professional competence and professional discretion, which meet the following characteristics:

the ability of the Internal Audit staff to collect and perceive information, verify and evaluate the revealed facts and interact with the Internal Audit staff;

responsibility of the Head of the Internal Audit Unit for staffing, and constant monitoring and evaluation of the required level of skills;

the level of qualifications and skills of Internal Audit staff; and (or) external experts who meet the requirements of professional competence, and the ability to conduct internal audits of the audited areas of the Bank's activities at the appropriate level;

advanced training in order to comply with changes in the internal and external environment;

3) professional ethics, which meets the following principles:

conscientious performance of duties by Internal Audit staff, their responsibility, decency and honesty;

maintaining confidentiality of information obtained in the course of the performance of official duties;

exclusion of a conflict of interest. The Internal Audit staff accepted from among the employees of the Bank shall not be allowed to conduct an audit of the unit in which they previously worked within the next twelve (12) months from the day they are transferred to the Internal Audit Unit;

The Internal Audit staff shall comply with the requirements of internal documents, banking legislation of the Republic of Kazakhstan, legislation of the Republic of Kazakhstan on joint-stock companies.

4. The Bank shall approve the regulation on the Internal Audit Unit in order to ensure the efficiency of operations. The provision shall include, but not limited to:

1) the status of the Internal Audit Unit in the Bank, the powers, duties and internal procedures for interaction with other units of the Bank;

2) the tasks and scope of the Internal Audit Unit;

3) the responsibilities of the Internal Audit Unit to inform the Board of Directors, the Management Board and other interested units of the Bank of the results of the work performed;

4) the conditions under which the Internal Audit Unit provides advice;

5) responsibility and accountability of the Head of the Internal Audit Unit;

6) requirements to be guided by international standards of internal audit;

7) procedures for the interaction of the Internal Audit Unit with the external auditor of the Bank;

8) powers of the Internal Audit Unit in the course of business (including verification of any unit and type of activity of the Bank and its subsidiaries, unlimited access to the Bank's documents, data, material objects, management reporting, records and minutes of all meetings and decisions made).

5. The scope of the internal audit function shall include the assessment of the following:

1) the effectiveness of the Risk Management System and Internal Control;

2) the effectiveness of policies and procedures of the Bank;

3) the reliability of the accounting system and information;

4) the reliability, efficiency and integrity of management reporting systems (including relevance, accuracy, completeness, accessibility, confidentiality and the comprehensive nature of the data);

5) safekeeping of assets and capital.

6. The activity of the Internal Audit Unit shall adequately cover all issues related to the regulation of the Bank's activities (based on a risk-based approach), in particular:

1) risk management, including:

assessment of the organization of the risk management process, including the responsibilities of structural units;

assessment of compliance of the Bank's activities with a risk appetite strategy and risk appetite determination procedures;

assessment of the effectiveness of the internal procedure for informing and disseminating issues and decisions adopted in the framework of risk management;

assessment of the effectiveness of risk management systems, including identification, assessment, monitoring and control, response, reporting on risks arising in the activities of the Bank;

assessment of the process of generating data in information systems used in the framework of risk management, with a view to ensuring accuracy, reliability and completeness;

assessment of the approval process and application of risk assessment models, including verification of the sequence of approaches, relevance, independence and reliability of data sources used in these models.

If during inspections the Internal Audit Unit reveals significant facts of decision-making by the Bank's Management Board in the presence of a negative opinion of the risk management division(s), such facts shall be communicated by the Internal Audit Unit to the Board of Directors of the Bank;

2) internal control system, including:

checking the organization of the Internal Control System;

assessment of processes and procedures of internal control;

assessment of management information on internal control for reliability, completeness and timeliness;

3) capital adequacy and liquidity, including:

assessment of the effectiveness of internal processes for assessing capital adequacy and liquidity, the adequacy of the ratio of capital, liquidity and risks taken by the Bank, compliance with mandatory standards;

assessment of stress testing processes for capital and liquidity levels taking into account the frequency of stress tests, testing tasks, realistic scenarios and assumptions made, process reliability;

4) regulatory and management reporting.

The Internal Audit Unit shall evaluate the effectiveness of risk management and reporting processes for the management of the Bank and the Authorized Body;

5) compliance.

Assessment of the effectiveness of processes and procedures for managing compliance risk and AML/CFT risk;

6) the activities of the Financial Block:

assessment of the process of generating initial financial data with a view to ensuring their adequacy, accuracy and completeness, and the subsequent transfer of key data, including financial results, evaluation of financial instruments and reducing their value;

assessment of the approval process and application of pricing models, including verification of the sequence of approaches, relevance, independence and reliability of data sources used in these models;

assessment of existing control mechanisms to prevent and detect violations of the rules for operations;

assessment of the Bank's procedures for measuring and monitoring bank positions in terms of liquidity, currency and interest rate for compliance with the Bank's risk profile, external environment and minimum regulatory requirements;

selective testing of the Bank's transactions for their compliance with the policies and procedures during the audit and assessment of the effectiveness of internal control measures in relation to these transactions;

assessment of the effectiveness of accounting processes, including control procedures.

7. Based on the results of audits, a report shall be generated on the results of the internal audit, which contains, but is not limited to the following:

1) general information, including goals, scope, timing of the audit, information about the composition of the audit team;

2) a list of violations and deficiencies identified during the audit, indicating the reasons that caused the violations and deficiencies, and their impact on the Bank's activities;

3) recommendations for eliminating identified violations and deficiencies;

4) a list of persons to whom the audit report is sent.

The report on the internal audit results shall be sent to the Board of the Bank for review; the material facts and conclusions drawn shall be sent to the Audit Committee and the Board of Directors of the Bank.

8. The Head of the Internal Audit Unit shall be responsible for preparing the annual audit plan based on a risk-based approach, which includes, but is not limited to:

- 1) objectives and scope of the audit;
- 2) areas subject to audit;
- 3) the timing of the audit;
- 4) the required staff and other resources.

The annual audit plan shall be based on a risk assessment and, if required, be reviewed during the year.

Chapter 9. DIVIDEND POLICY AND NET PROFIT DISTRIBUTION

Article 48. Determination of the Amount of Dividends

1. The Bank has established a transparent and shareholder-friendly method for determining the size of dividends and their payout.

2. Information about the Bank's strategy with regard to determining the size of dividends and their payout is required both to existing and potential shareholders of the Bank, as it can significantly affect their decisions regarding acquisition or sale of the Bank shares.

3. For this purpose, the Bank has developed the Regulation on Dividend Policy.

4. The Dividend Policy shall be considered as a part of the Bank's general financial strategy, and intended for optimization of ratios of consumed and capitalized parts of gained profit to ensure growth of the market value of shares.

5. The Bank's Dividend Policy is aimed at addressing two interrelated objectives: maximum observance of the rights and legitimate interests of shareholders and adequate financially stable position of the Bank.

6. The Bank shall pursue a moderate (compromise) dividend policy by adhering to the following principles:

1) Dividend Policy shall be consistent;

2) Balance between interests of shareholders and the Bank's need to increase capital shall be maintained;

3) Any decision taken shall be based on what is best for majority of shareholders.

7. The Dividend policy may be adjusted based on the projected performance of the Bank and other external factors,

8. The Regulations on Dividend Policy shall establish a procedure for determining the minimum size of dividends on common shares of the Bank.

9. The procedure for determining the size of dividends shall exclude any possibility of misleading the shareholders with regard to the size of their dividends.

10. The decision on payment of dividends and approval of the size of dividends as per results of the year payable per one ordinary share of the Bank shall be adopted by the Annual General Meeting of Shareholders.

11. Payment of dividends on preferred shares of the Bank does not require any decision of the Bank's supreme body, except in cases established by applicable law.

12. Frequency of dividends payout and amount of dividend per preferred share shall be established by the Bank's Articles of Association and the issue prospectus. The amount of dividends payable on preferred shares may not lower than the amount of dividends payment on ordinary shares for the same period.

13. Dividends on the Bank's ordinary shares may not be paid until dividends on preferred shares are paid in full.

14. The guaranteed amount of dividends on preferred shares can be set either in fixed terms or with indexation against a certain indicator, provided that its values are regular and publicly available.

Article 49. Payment of Dividends

1. Net profit shall be distributed between shareholders in the form of dividends pro rata the number of shares they hold.

2. The General Meeting of Shareholders may adopt a resolution on non-payment of dividends on ordinary shares with its mandatory publication on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange as established by the Law on the Securities Market and the regulatory legal act of the authorized body within ten days from the date the resolution is adopted.

3. The decision on payment of dividends on ordinary shares shall be published on the Internet resource of the financial reporting depository, on the Internet resource of the Stock Exchange as established by the Law on the Securities Market and the regulatory legal act of the authorized body within ten days from the date the resolution is adopted, and contain the following information:

- 1) name, address, banking and other details of the Bank;
- 2) period for which dividends are paid;
- 3) amount of dividend per one ordinary share;
- 4) dividend payment commencement date;
- 5) procedure and form of dividend payment;
- 6) name of the payment agent (if any).

4. Information on payment of dividends on preferred shares shall be published in Kazakh and Russian languages on the Internet resource of the financial reporting depository within five business days prior to the date of dividend payment on preferred shares with specification of following details:

- 1) name, address, banking and other details of the Bank;
- 2) period for which dividends are paid;
- 3) amount of dividend per one preferred share;
- 4) dividend payment commencement date;
- 5) procedure and form of dividend payment.

5. Dividends on ordinary shares can be paid in cash or securities. If there is a written consent of a shareholder, dividends on shares can be paid with the Bank securities, provided only that such payment is made with the Bank's declared shares and bonds issued by the Bank. Dividends on preferred shares shall be paid in cash only.

6. Dividends can be paid both in cash and non-cash form. Dividends shall be paid upon the shareholder's application stating the respective request for payment and the manner of payment. In case of payment in non-cash form, the application shall include banking details. The application shall be signed by a shareholder, who is an individual, with specification of identity document details. The application of a shareholder who is a legal entity shall be signed by the legal entity's Director and bear the legal entity's seal.

7. The list of shareholders entitled to receive dividends shall be generated as of a date preceding the dividend payment commencement.

8. No dividends shall be assessed and paid on shares which have not been placed or have been repurchased by the Bank, and if the court or the General Meeting of Bank's Shareholders adopted a resolution on its liquidation.

Article 50. Consequences of Incomplete or Untimely Payment of Dividends

1. The shareholder shall have the right to demand payment of non-received dividends irrespective of the date the Bank's payable became overdue.

2. In case of failure to pay dividends on time fixed for their payment, the sum of due dividends and default interest, calculated on the basis of official refinance rate of the National Bank of Kazakhstan as of the date of discharge of monetary obligation, or its appropriate part shall be paid to the shareholder.

Article 51. Distribution of the Bank's Net Profit

1. The Bank shall use net profit to form reserve capital and other special funds required for the efficient operation of the Bank.

The minimum amount of reserve capital and the procedure for its formation shall be established by the legislation of the Republic of Kazakhstan.

Reserve capital funds shall be used to cover losses associated with banking operations.

2. The procedure for using the reserve capital of the Bank and other special funds shall be determined by the Board of Directors of the Bank.

3. The Bank may allocate a certain part of net profit after taxes and other obligatory payments for distribution among the staff.

CHAPTER 10. SETTLEMENT OF CORPORATE CONFLICTS AND ACTIVITY-RELATED VIOLATIONS

Article 52. General Provisions For Settlement of Corporate Conflicts

1. The Bank has established the Conflict of Interest Management Policy (including settlement of conflicts of interest arising in cases of information exchange between the Bank and its subsidiaries).

2. For the purpose of this Code, a Procedure shall be developed to manage the conflict of interests, mechanisms for its implementation and control over implementation. The procedure shall contain the following components:

1) a mechanism for minimizing conflicts of interest in the Bank's operations;

2) the approval process that a member of the Board of Directors of the Bank passes before taking up the functions of an official in another organization in order to prevent a conflict of interest;

3) the obligation of members of the Board of Directors of the Bank to immediately provide information on any issue that creates a conflict of interest or is a potential reason for its occurrence;

4) the obligation of members of the Board of Directors of the Bank to abstain from voting on issues regarding which a member of the Board of Directors of the Bank has a conflict of interest;

5) the response mechanism of the Board of Directors of the Bank to violations of the provisions of the procedure.

3. Prevention and settlement of corporate conflicts in the Bank shall equally allow to ensure the observance and protection of the rights and legitimate interests of shareholders and protect the property interests and business reputation of the Bank.

4. The provisions on the pre-trial settlement of corporate conflicts set forth in this chapter shall not prevent persons whose rights have been violated from contacting the judiciary.

5. All bodies of the Bank shall be obliged to ensure effective coordination of actions in order to prevent and resolve corporate conflicts.

6. Any disagreement or dispute between a body of the Bank and a shareholder of the Bank, arising in connection with the shareholder's participation in the Bank (including issues related to duly implementation of recommendations of this Code or internal documents of the Bank adopted as per recommendations of the Code), or a disagreement or dispute among shareholders if such disagreement or dispute affect interests of the Bank, represents a corporate conflict, as it affects or may affect relations within the Bank.

7. The Corporate Secretary of the Bank shall be responsible for keeping records of corporate conflicts. The Corporate Secretary shall register appeals, letters and claims received from shareholders, give them preliminary assessment and transfer to the Bank's body in charge of considering such corporate conflicts according to the internal regulatory documents of the Bank.

The organization of this work in the branches and representative offices of the Bank shall be assigned to the top managers of branches and representative offices. In this case, the Bank's Corporate Secretary shall have full information about any corporate conflict that occurred in Bank branches and representative offices.

8. Heads of branches and representative offices of the Bank shall immediately inform the Corporate Secretary of any shareholders' appeals, letters and claims received.

9. The Bank shall as promptly as practicable determine its position towards the conflict and take appropriate decision and bring it to the notice of a shareholder.

10. The Bank's position with regard to a corporate conflict shall rely on provisions of the legislation.

11. The Bank's position must be communicated to a shareholder in a timely manner. The Bank shall give a detailed and comprehensive reply to the shareholder's appeal; and notice of refusal to satisfy the shareholder's request or claim shall be substantiated and based on provisions of the law.

12. If the Bank's consent to satisfy shareholder's claim is contingent on necessity to undertake certain actions by such shareholder as prescribed by the law, the Articles of Association or other internal documents of the Bank, the Bank's response to a shareholder shall specify such prerequisites and include information required to meet such prerequisites (for example, fee for making copies of documents requested by a shareholder or the Bank details).

13. In cases when there is no any dispute between the shareholder and the Bank on the matter of their obligations, but there is a disagreement on the procedure, method, timing and other conditions of their discharge, the Bank shall offer the shareholder to settle disagreements arisen, and set out the conditions under which the Bank is ready to satisfy the shareholder's claim.

Article 53. Procedure of Work of the Bank Bodies For Settling Corporate Conflicts

1. Responsibilities of the Bank bodies with respect to consideration and settlement of corporate conflicts shall be clearly distinguished.

2. As a rule, the Management Board shall settle corporate conflicts on behalf of the Bank on the matters which decision-making does not fall within the competence of other Bank bodies.

The Bank President or his/her alternate shall establish own flow of work for settling corporate conflicts.

3. The Board of Directors shall settle corporate conflicts on the matters falling within its competence.

4. Certain corporate conflicts falling within the competence of the Management Board (if the subject of conflict is actions (omissions) of the Management Board or acts taken by the Management Board) may be transferred to the Board of Directors for consideration.

5. In the event of a corporate conflict between the shareholders of the Bank, the Board of Directors shall be entitled to recommend measures to resolve the conflict to the shareholders.

6. The main objective of the Bank bodies in the process of corporate conflict settlement is to find a lawful and justified solution that would meet the interests of the Bank. Any efforts for settling a conflict shall be made with direct participation of a shareholder through direct negotiations or correspondence.

7. If required, the Corporate Conflict Settlement Agreement may be signed between the Bank and the shareholder.

8. To ensure objective evaluation of the corporate conflict and create conditions for its effective settlement, persons whose interests are affected or may be affected by the conflict, shall not participate in the process of decision-making on such conflict.

9. In case any conflict at any stage of its development affects or may affect the interests of the Bank President, then such conflict shall be transferred to the Board of Directors for settlement. Members of the Board of Directors, whose interests are affected or may be affected by the conflict, shall not participate in its settlement.

10. A person, who by virtue of his/her mandate in the Bank is obliged to participate in conflict settlement, shall notify if such conflict affects or may affect his/her interests, immediately after he/she becomes aware thereof.

Article 54. Bank's Participation in Settlement of Corporate Conflicts Arising Among Shareholders

1. In case of a corporate conflict among shareholders of the Bank which may affect interests of the Bank or other shareholders of the Bank, the Bank's body in charge of consideration of such conflict shall decide if such conflict affects the interests of the Bank, and if its participation would facilitate settlement of conflict, and shall take all reasonable efforts to settle such conflict.

2. In case of a corporate conflict arising between shareholders of the Bank, the Management Board shall have the right to offer its services the Bank shareholders to act as a mediator in settlement of such conflict.

3. With the consent of shareholders who are parties to the corporate conflict, the Bank's Board of Directors, other than the Management Board, may also act as a mediator in settlement of the conflict.

4. With the consent of shareholders who are parties to the corporate conflict, the Bank bodies may participate in negotiations among shareholders, provide to shareholders available information and documents relating to the conflict, explain norms of corporate legislation and provisions of internal documents of the Bank, give advice and recommendations to shareholders, prepare draft documents on settlement of the conflict for their signing by shareholders, on behalf of the Bank and within the limits of its competence undertake obligations to shareholders to the extent that may promote settlement of the conflict.

Article 55. Confidential Report of Violations related to the Bank's Activity

For the purposes of this Code, a procedure shall be developed following which the Bank staff confidentially report violations related to the Bank's activity as well as a procedure for conducting an independent, objective investigation of the information received on such violations.

Article 56. Disciplinary Actions for Taking Significant Risks

Disciplinary action for taking significant risks shall be provided for by the internal regulatory documents of the Bank.

CHAPTER 11. HUMAN RESOURCES POLICY

Article 57. General Provisions on the Bank's HR Policy

1. The Human Resources Policy of the Bank shall define the mission, values, principles and main lines of activity in the field of human resources management.

2. The Human Resources Policy of the Bank is a fundamental document in the field of human resources management and is focused on the development of human capital.

The Human Resources Policy shall establish standards, conditions and mechanisms to ensure the involvement of competent senior officials in the bank operations and ensure:

1) the availability of staff with the necessary experience, qualifications and impeccable business reputation, capable of managing the processes and risks associated with the operations of the Bank;

- 2) maintaining a sufficient amount of resources for the effective implementation of functions and responsibilities;
 - 3) minimization of the conflict of interests during the performance of their duties;
 - 4) minimization of the risk of power concentration on one employee;
 - 5) the internal procedure for remuneration of staff, including the procedure for payment of remuneration, as well as other types of material incentives;
 - 6) assessment of the performance of the Bank staff.
3. The objectives of the Human Resources Policy of the Bank:
- 1) human resource planning;
 - 2) forecasting future needs for the quantitative and qualitative composition of the staff;
 - 3) attracting, retaining, developing and motivating effective employees with the necessary professional knowledge, skills and competencies;
 - 4) providing employees with opportunities for professional and career development.

Article 58. Key Areas of the Bank's HR Policy

1. The Bank seeks to improve the wage system and performance management system, which will help achieve real and concrete results, increase labor productivity.
2. The following is being carried out to fulfill the task set:
 - 1) the introduction of grading as a system for managing the permanent part of the total remuneration;
 - 2) development and implementation of flexible evaluation and bonus programs depending on individual work results of each Bank employee and taking into account the specifics of divisions based on the principles of Performance Management;
 - 3) building an optimal system of benefits and compensations to strengthen the image of a socially responsible employer, attracting the best candidates and retaining the best employees.
3. The remuneration system of the Bank shall:
 - 1) assist in the implementation of the accepted risk management culture and encouraging employees to act in the best interests of the Bank; to incentivize the Bank's employees to assess risks and comply with established risk appetite and risk limits through assessment and bonus programs.
 - 2) ensure the independence of the size and procedure for remuneration, bonuses and motivation of employees of risk management divisions, the Internal Audit Service and the Compliance Service from the performance results of other structural divisions of the Bank and its general performance.
4. The purpose of staff selection is to ensure the recruitment of the most qualified specialists for work at the Bank.
5. The basis of the selection process is to compare the requirements of the Bank for this position with the level of qualification and personal qualities of the candidate. The main approach to the competitive selection of personnel at the Bank is the employee's compliance with the requirements of the position: functions, tasks, job duties, working conditions.
6. The staff training system was created to form and maintain the necessary level of staff qualifications taking into account current and future needs based on the strategic development goals of the Bank.
7. The objectives of the Bank in terms of staff development:
 - 1) the development and implementation of a training system, including the identification of training needs, planning and budgeting, the organization of training and monitoring its effectiveness;
 - 2) building training in accordance with the strategic goals and specifics of the Bank's business processes;
 - 3) the inclusion of the best practices, knowledge, effective methods of labor organization in the process of staff training.

CHAPTER 12. ENVIRONMENTAL PROTECTION IN THE COURSE OF THE OPERATIONS

Article 59. Environmental Protection In the Course of the Bank's Operations

1. The Bank shall comply with the requirements of basic environment protection principles and applicable regulatory legal acts relating to environment protection in the course of its activities.

2. The basic environment protection principles of the Bank shall be as follows:

1) priority to protection of human life and health, conservation and restoration of the environment favorable for life, work and rest;

2) prevention of potential environmental damage through direct banking financial transactions.

3. When financing projects, the Bank must assess environmental aspects with special emphasis, and support environmentally-friendly projects.

4. According to the Credit Policy of the Bank, one of the prohibited fields in lending is to provide loans to projects damaging the environment.

5. The Bank shall take proper measures to avoid any legal, financial and reputational implications to the Bank associated with environmental issues. When considering the project, authorized subdivisions of the Bank shall conduct comprehensive examination in order to determine if the project complies with basic environment protection principles of the Bank. In the process of lending, the Bank monitors borrowers' business activity, tracks intended use of loan proceeds pursuant to the basic environment protection principles.

6. The Environmental and Social Management System is being introduced into existing procedures of the Bank, the main purpose of which is to ensure compliance with the basic principles of the Bank and to meet requirements of the international financial institutions related to environmental protection:

1) monitoring of customers' compliance with environment protection requirements;

2) reduction of adverse effect of the Bank's activities on environment by inclusion into customer responsibilities under loan contracts of certain clauses obliging them not to breach basic environmental protection requirements pursuant to the legislation of the Republic of Kazakhstan;

3) elaboration of an action plan for each project with the view to improve efficiency of project evaluation as to its compliance with environment protection requirements, and control over its execution;

4) activation of environment protection measures through cooperation with customers, and international financial institutions to improve and modify projects which are unfavorable in terms of environmental protection.

CHAPTER 13. FINAL PROVISIONS

Article 60. Entry of this Code Into Force

1. This Code shall enter into force from the moment of approval by the General Meeting of Shareholders.

2. The provisions of this Code shall be binding on shareholders, bodies, officials and employees of the Bank.

3. Adherence to standards and rules set forth in this Code shall mean that the Bank will elaborate and adopt additional internal documents, regulations and procedures aimed at adaptation and application of corporate governance principles disclosed in the Code.

4. In case of changes in the laws of the Republic of Kazakhstan, emergence of additional recommendations of the authorized bodies of the Republic of Kazakhstan, new

international corporate governance practices, the provisions of this Code may be supplemented or amended. Such amendments and (or) modifications shall be submitted to the Bank's General Meeting for consideration.

5. If, as a result of changes in the laws or the Articles of Association of the Bank, certain norms of the Code contradict the laws of the Republic of Kazakhstan or the Articles of Association, the Code shall be applied to the extent not contradicting the laws and the Bank's Articles of Association.