

**APPROVED**  
**by the Extraordinary General Meeting of Shareholders of**  
**“Bank RBK” JSC**  
**30 November 2012**

**CODE OF**  
**CORPORATE GOVERNANCE**  
**of**  
**“Bank RBK”**  
**Joint-Stock Company**

**Karaganda, 2012**

## **TABLE OF CONTENTS**

Chapter 1. GENERAL PROVISIONS	3
Chapter 2. PRINCIPLES OF CORPORATE GOVERNANCE	3
Chapter 3. GENERAL MEETING OF SHAREHOLDERS OF THE BANK	7
Chapter 4. BOARD OF DIRECTORS OF THE BANK	11
Chapter 5. MANAGEMENT BOARD OF THE BANK	14
Chapter 6. CORPORATE SECRETARY	15
Chapter 7. RESPONSIBILITY OF OFFICIALS	16
Chapter 8. MATERIAL CORPORATE ACTIONS	18
Chapter 9. CORPORATE CONDUCT – INTERACTION WITH INVESTORS AND OTHER CONCERN PERSONS	22
Chapter 10. INFORMATION POLICY OF THE BANK	23
Chapter 11. CONTROL OF ECONOMIC AND FINANCIAL ACTIVITY OF THE BANK	27
Chapter 12. DIVIDEND POLICY	28
Chapter 13. SETTLEMENT OF CORPORATE CONFLICTS	29
Chapter 14. FINAL PROVISIONS	30

## **Chapter 1. General provisions**

1. The Code of Corporate Governance of “**Bank RBK**” Joint-Stock Company (hereinafter referred to as “the Code”) shall be a fundamental document determining the basic principles and standards used in governance of “**Bank RBK**” Joint-Stock Company (hereinafter referred to as “the Bank”), including relations between the Board of Directors and the Management Board of the Bank, the shareholders and officials of the Bank, as well as the procedure for functioning and making decisions by the mentioned bodies of the Bank.

2. The main goal of use of the standards of corporate governance is to protect interests of the shareholders of the Bank. The corporate governance is aimed at ensuring high level of business ethics in relations between the shareholders of the Bank, its bodies and officials of the Bank, as well as in relation between the Bank (its bodies, officials and employees) and third persons.

3. This Code was developed in accordance with provisions and requirements of the effective legislation of the Republic of Kazakhstan, recommendations of a public body regulating and supervision financial market and financial organizations (hereinafter referred to as “the Competent authority”) subject to existing international practice of corporate governance, standards of ethics, specific conditions of activity of the Bank at the current stage of development.

4. This Code of Corporate Governance is a public document of the Bank.

## **Chapter 2. Principles of corporate governance**

5. The principles of corporate governance mean fundamental elements, which the Bank shall follow in the course of formation, functioning and improvement of its system of corporate governance. Basic principles of corporate governance of the Bank are:

- 1) equality;
- 2) accounting;
- 3) manageability;
- 4) openness;
- 5) transparency;
- 6) control;
- 7) efficiency;
- 8) responsibility;
- 9) controllability.

6. Corporate governance of the Bank is based, first of all, on respect of the rights and legal interests of all of its shareholders and status of the Bank itself and is aimed at achievement of growth of efficiency of activity of the Bank, including increase of assets of the Bank, creation of working positions and maintenance of financial stability and return of the Bank. The principles of corporate governance set forth in this chapter are aimed at building confidence in relations arising in the course of governance of the Bank.

### **§1. PRINCIPLE OF EQUALITY**

7. The principle of equality ensures equal like attitude to all shareholders of the Bank. In order to implement this principle the Bank shall:

1) adhere to position of equal relation to all categories of the shareholders of the Bank;

2) create required conditions for participation of all shareholders in governance of the Bank by making decisions at the General Meetings of Shareholders according to the procedure established by the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank and this Code;

3) comply with a procedure for convocation and holding of the General Meeting of Shareholders ensuring reasonably equal opportunity for all persons attending a meeting to express their opinion and to ask questions interesting for them. Procedure for convocation and holding of the General Meeting of Shareholders shall be determined by Chapter 3 of this Code;

4) comply with a procedure for taking material corporate actions allowing the shareholders obtaining full information about such actions and guaranteeing respect of their rights irrespective of category of a shareholder. Procedure for taking material corporate actions shall be determined by chapter 7 of this Code;

5) comply with a procedure for equality of opportunity of access of all shareholders of the Bank to equal information, the same procedure for presentation of information for all categories of the shareholders;

6) establish transparent procedure for election of officials to a governing body of the Bank providing for provision of full information in relation to such persons to all shareholders;

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

8. Provisions determining procedure for implementation of that principle are set forth in this Code.

## **§2. PRINCIPLE OF ACCOUNTING**

9. Principle of accounting ensures full accounting of the Bank to the shareholders ensuring timely and full presentation to the shareholders of the Bank of reliable information relating to current financial position of the Bank, achieved economic indices, results of business activity, structure of management of the Bank that gives the shareholders and investors of the Bank an opportunity to make reasonable decisions. In order to implement this principle the Bank shall:

1) present detailed information to the shareholders regarding each issue of an agenda, when preparing the General Meetings of Shareholders, for the purpose of correct idea of the shareholders on one or another issue of an agenda;

2) include into an annual statement to be presented to the shareholders required information allowing evaluating results of activity of the Bank for a year;

3) establish common, clear and comprehensible procedure for obtaining by the shareholders of the Bank of information interesting for them;

4) determine and comply with procedure for control over use and presentation of confidential information, information, which is a subject of trade and banking secret;

5) meet requirements of the legislation regarding disclosure of information to be obligatorily provided to the shareholders.

10. Procedure of exercising of the right of the shareholders to obtain information interesting for them, list of information related to banking and trade secret, as well as a procedure for obtaining such information shall be regulated by the Articles of Association of the Bank, this Code and internal regulatory documents of the Bank.

## **§3. PRINCIPLE OF MANAGEABILITY**

11. Principle of manageability allows the shareholders to exercise their rights to participate in management of the Bank. In order to implement this principle the Bank shall:

1) guarantee reliable and efficient system for accounting of a title of the shareholders to shares, as well as opportunities of free and prompt alienation of shares held by them. A registrar company duly licensed by the Competent authority and having positive business reputation shall be engaged to keep register of security holders of the Bank. In case of change of a registrar, a new registrar will be chosen based on the fact that a registrar must have good business reputation, provide quality services to the shareholders, have highly skilled employees and, if possible, have branched network of transfer agents;

2) comply with procedure for convocation and holding of the General Meetings of Shareholders allowing bringing information concerning holding of the General Meeting of Shareholders to as much as possible number of the shareholders of the Bank, duly preparing to take part in the General Meeting of Shareholders, reviewing a list of persons entitled to take part in the General Meeting of Shareholders. The Bank shall select place, date and time of the General

Meeting of Shareholders so as the shareholders may really and easily take part therein and exercise their right to manage the Bank, including by absentee voting. Procedure for convocation and holding of the General Meetings of Shareholders shall be determined by the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank and this Code;

3) determine common requirements to candidate members of the Board of Directors and meet conditions of proposing candidates to be elected to the Board of Directors of the Bank established by the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank;

4) comply with a procedure for cumulative voting when electing members to the Board of Directors of the Bank, in order to secure the rights of minority shareholders, first of all, to take part in management of the Bank.

#### **§4. PRINCIPLE OF OPENNESS**

12. Principle of openness entitles the shareholders of the Bank to really take part in the Bank's profit sharing (obtaining dividends). In order to implement this principle the Bank shall:

1) arrange transparent and clear to the shareholders mechanism for assessing amount of dividends and procedure for payment thereof, take measures to guarantee comprehensible and simplified as much as possible procedure for obtaining dividends;

2) provide the shareholders with information interesting for them regarding financial results of the Bank and proposal on distribution of earned net profit, in order the shareholders has exact notion on existence of conditions in the Bank to pay dividends;

3) give the shareholders an opportunity to have access to financial statements of the Bank and annual accounts.

#### **§5. PRINCIPLE OF TRANSPARENCY**

13. Principle of transparency ensures maximum transparency of activity and officials of the Bank. In order to implement this principle the Bank shall:

1) develop transparent procedure for election of the members to the Board of Directors and members to the Management Board providing for provision to all shareholders of required information about those persons;

2) strictly prohibit to make transactions using inside information;

3) determine and comply with procedure for accounting of officials of the Bank to the shareholders as established by the legislative acts.

14. Procedure for election and basic requirements to officials of the Bank, accounting of officials of the Bank shall be regulated by the legislation of the Republic of Kazakhstan, the Articles of Association and internal rules of the Bank.

#### **§6. CONTROL**

15. This principle provides for strategic management of activity of the Bank and effective control of activity of the Management Board of the Bank carried out by the Board of Directors of the Bank, as well as accounting of the members of the Board of Directors to the shareholders of the Bank. In order to implement this principle the Bank shall:

1) approve the Strategy of development of the Bank by decision of the Board of Directors, as well as guarantee effective control by the Board of Directors of financial and economic activity of the Bank;

2) determine and establish for candidates members to the Board of Directors of the Bank the requirements, which allow electing members capable to ensure more effective performance of functions entrusted to the Board of Directors;

3) establish procedure ensuring active participation of the members of the Board of Directors in management of the Bank, subject to clear regulation of procedural questions;

4) take measures to improve structure of the Board of Directors and to form committees, which are necessary to preliminarily consider the most important issues relating to competence of the Board of Directors;

5) determine a list and terms for presentation to the Board of Directors of management statements and report by the Management Board of the Bank, in order to establish effective control of activity of the Management Board of the Bank.

#### **§7. PRINCIPLE OF EFFICIENCY**

16. This principle gives an opportunity of reasonable and bona fide effective management to be effected by the Management Board of the Bank of current activity of the Bank, as well as determine accounting of the Management Board of the Bank to the Board of Directors of the Bank and the shareholders. In order to implement this principle the Bank shall:

1) determine competence and authorities of the Management Board of the Bank, in accordance with the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank;

2) ensure functioning of the system of control of activity of the Management Board of the Bank for the purposes of the most effective performance by the Management Board of functions entrusted to it, including implementation of the Strategy of development of the Bank;

3) fix amount of a remuneration of the Chairman and members of the Management Board, as well as ensure conformance of amounts of a remuneration of the Chairman, members of the Management Board and other officials of the Bank to their qualification and real contribution to results of activity of the Bank;

4) take measures to ensure reasonable respect by the Management Board of the Bank of interests of third persons, clients and partners of the Bank, state and local authorities, on territory of which the Bank or its branches are located;

5) adopt personnel policy and determine system for recruitment and management of personnel allowing promote interests of employees of the Bank in effective work of the Bank and allowing ensuring gradual and steady increase of welfare of the Bank's employees.

#### **§8. PRINCIPLE OF RESPONSIBILITY**

17. Principle of responsibility determines standards of ethics for officials of the Bank. Implementation of this principle is only possible with direct involvement and at free will of the shareholders of the Bank by:

1) adopting and compliance with the code of ethics and business conduct by the shareholders, first of all, major shareholders, members of the Board of Directors, members of the Management Board and officials and employees of the Bank;

2) establishing requirements of inadmissibility of abuse by the shareholders of the Bank of their rights;

3) establishing requirements of inadmissibility of actions and intentions of the shareholders to cause harm to other shareholders or the Bank.

18. This principle determines responsibility of officials of the Bank provided for by the effective legislation of the Republic of Kazakhstan when they commit illegal, guilty (deliberate or careless) actions or omissions.

#### **§9. PRINCIPLE OF CONTROLLABILITY**

19. Principle of controllability ensures effective control of financial and economic activity of the Bank. In order to implement this principle the Bank shall:

1) create an internal control system and ensure compliance with mechanisms of internal control, keep at high level the system of complex and effective control of financial and economic activity of the Bank;

2) determine competence and authorities of bodies and business units of the Bank included into the system of control of financial and economic activity of the Bank;

3) create conditions for the purpose of organization of highly efficient operation of internal control and audit department controlling meeting by the Bank and its employees of requirements of the legislation of the Republic of Kazakhstan, internal regulatory documents and procedure of the Bank, execution of reports of internal and external auditors, enforcement actions and other requirements of the Competent authority. Control shall be carried out according to the internal provisions regarding internal control and plans of works approved by the Board of Directors;

4) implement an internal control system and ensure principle of independence of activity of internal control and audit department from the Management Board of the Bank and bring information about results of revisions to the Chairman of the Board of Directors in order to take relative actions;

5) assist in quality and efficient interaction between internal and external audit and proper control of compliance with all recommendations of external audit.

20. Order of operations of internal control and audit department, labour remuneration and bonus payments to the employees of that body shall be specified by the Board of Directors of the Bank and regulated by the internal regulations.

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

21. The General Meeting of Shareholders shall be subdivided into annual and extraordinary ones. The Bank shall be obliged to annually hold an annual General Meeting of Shareholders. Other general meetings of shareholders are extraordinary. The annual General Meeting of Shareholders must be held within a period fixed by the effective legislation of the Republic of Kazakhstan.

22. At an annual General Meeting of Shareholders the annual financial statements shall be approved, procedures for distribution of net income of the Bank for expired financial year and an amount of dividend per one ordinary share of the Bank shall be determined, an issue concerning applications of the shareholders with respect to actions of the Bank and its officials shall be concerned and results of consideration.

23. The following issues shall relate to the exclusive competence of the General Meeting of Shareholders:

1) amendments and alterations to the Articles of Association of the Bank or approval of new version thereof;

2) approval of the code of corporate governance, as well as amendments and alterations thereto;

3) voluntary re-organization or liquidation of the Bank;

4) making a decision on increase in number of authorized shares of the Bank or change of a type of unallocated authorized shares of the Bank;

5) determination of conditions of and procedure for conversion of securities of the Bank, as well as change thereof;

6) making a decision on issue of securities convertible into ordinary shares of the Bank;

7) making a decision on exchange of allocated shares of one type for shares of another type, determination of conditions of and procedure for such exchange;

8) approval of amendments to methods (approval of methods, unless it was approved by the meeting of founders) to assess value of shares, if they are purchased by the Bank in informal market in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies";

9) determination of number and period of powers of a counting commission, election of its members and early termination of their powers;

10) determination of number, period of powers of the Board of Directors of the Bank, election of its members and early termination of their powers, as well as determination of an amount and terms of payment of remunerations and compensation of expenses to the members of the Board of Directors for fulfillment of their obligations;

11) determination of an auditing organizations auditing the Bank;

12) approval of annual financial statements;

13) approval of a procedure for distribution of net income of the Bank for a reporting financial year, making a decision on payment of dividends on ordinary shares and approval of an amount of dividend per one ordinary share of the Bank;

14) making a decision on non-payment of dividends on ordinary shares of the Bank;

15) making a decision on participation of the Bank in establishment or activity of other legal entities or retirement from membership (shareholding structure) of other legal entities by transfer (receipt) of a part or several parts of assets totalling twenty-five and more per cent of all assets held by the Bank;

16) determination of a form of notification by the Bank of the shareholders of convocation of the General Meeting of Shareholders and making a decision on placing such information in mass media;

17) approval of an agenda of the General Meeting of Shareholders;

18) determination of a procedure for presentation of information about activity of the Bank to the shareholders, including determination of mass media, unless such a procedure is determined by the Articles of Association of the Bank;

19) making decisions on voluntary delisting of shares of the Bank;

20) other issues decision on which is referred by the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and (or) the Articles of Association of the Bank to the exclusive competence of the General Meeting of Shareholders.

24. Decisions of the General Meeting of Shareholders on issues mentioned in paragraphs 1)-8) of clause 8.4 of these Articles of Association shall be made by qualified majority (not less than three fourth) of the total number of voting shares of the Bank.

25. Decisions of the General Meeting of Shareholders on other issues shall be made by simple majority of votes of the total number of voting shares of the Bank participating in voting, unless the Law “On Joint-Stock Companies” and the Articles of Association prescribe otherwise.

26. The General Meeting of Shareholders shall be entitled to cancel any decision of other bodies of the Bank on issues relating to internal activity of the Bank.

27. The persons, who are not the shareholders of the Bank, may be present and speak at the General Meeting of Shareholders attended in person, when discussing issues, which are not trade secret. Mentioned persons have not the right to take part in voting on issues of an agenda of the General Meeting of Shareholders.

28. An annual General Meeting of Shareholders shall be convened by the Board of Directors.

29. An Extraordinary General Meeting of Shareholders shall be convened on initiative of:

1) the Board of Directors;

2) major shareholder.

30. The General Meeting of Shareholders shall be prepared and held by:

1) the Management Board;

2) a registrar of the Bank in accordance with an agreement concluded with it;

3) the Board of Directors;

4) liquidation committee.

31. A list of the shareholders entitled to take part in the General Meeting of Shareholders and vote thereat shall be prepared by a registrar of the Bank on the basis of information from the system of registers of the shareholders of the Bank.

32. The shareholders must be notified of forthcoming General Meeting not later than thirty calendar days in advance, and in case of vote in absentee or mixed voting - not later than forty-five calendar days prior to a date of a meeting.

In the event the General Meeting of Shareholders of the Bank is held, an agenda of which includes an issue on increase of a number of authorized shares of the Bank for the purposes of observation of prudential and other standards and limits set by the legislation of the Republic of Kazakhstan, on demand of the Competent authority, the shareholders must be notified of forthcoming General Meeting of Shareholders not later than ten business days, and in the event of vote in absentee or mixed voting - not later than fifteen business days prior to a date of a meeting.



Notification of the General Meeting of Shareholders shall be given to the shareholders by sending a written notice to them in accordance with requirements of the effective legislation of the Republic of Kazakhstan. In case there is more than fifty shareholders of the Bank, a notice must be published in mass media meeting requirements established by the Competent authority.

33. Notification of the General Meeting of Shareholders of the Bank must contain:

- 1) full title and location of the Management Board;
- 2) information about an initiator of convocation of a meeting;
- 3) date, time and place of the General Meeting of Shareholders, time of commencement of registration of participants of a meeting, as well as a date and time of adjourned General Meeting of Shareholders of the Bank, which must be held, unless the first meeting is held;
- 4) a date of preparation of a list of the shareholders entitled to take part in the General Meeting of Shareholders;
- 5) an agenda of the General Meeting of Shareholders;
- 6) procedure for review by the shareholders of the Bank of materials regarding issues of an agenda of the General Meeting of Shareholders.

34. An agenda of the General Meeting of Shareholders shall be prepared by the Board of Directors and must contain a comprehensive list of specifically stated issues put for discussion.

35. An agenda of the General Meeting of Shareholders may be supplemented by a major shareholder or the Board of Directors providing that the shareholders are notified of such supplements not later than fifteen days prior to a date of the General Meeting.

36. The General Meeting of Shareholders shall be entitled to consider and make decisions on issues of an agenda, if at the end of registration of participants of a meeting the shareholders or their representatives included into a list of the shareholders entitled to take part therein and vote thereat, which hold in aggregate fifty and more per cent of voting shares of the Bank, are registered therein.

37. A shareholder shall be entitled to take part in the General Meeting of Shareholders and vote on issues considered in person or through its representative.

38. Members of the Management Board shall not be entitled to be representatives of the shareholders at the General Meeting of Shareholders.

Employees of the Bank shall not be entitled to be representatives of the shareholders at the General Meeting of Shareholders, with the exception of cases, where such representation is based on a power of attorney containing clear instructions regarding voting on all issues of an agenda of the General Meeting of Shareholders.

39. A representative of a shareholder shall act on the basis of a power of attorney executed in accordance with the legislation of the Republic of Kazakhstan.

40. A person entitled in accordance with the legislation of the Republic of Kazakhstan or an agreement to act without a power of attorney on behalf of a shareholder or to represent its interests is not required to have a power of attorney to participate in the General Meeting of Shareholders and to vote on issues considered.

41. A shareholder of the Bank, which is an owner of preferred shares, shall be entitled to attend the General Meeting of Shareholders attended in person and participate in discussion of issues considered by it.

42. Arrived shareholders (their representatives) shall be registered before opening of the General Meeting of Shareholders. A representative of a shareholder must provide a power of attorney confirming its powers to take part in and to vote at the General Meeting of Shareholders.

43. The General Meeting of Shareholders shall be opened at stated time providing there is a quorum. The General Meeting of Shareholders shall elect a chairman (presidium) and secretary (secretariat) of the General Meeting. The General Meeting of Shareholders shall determine a form of voting – open or secret (by ballot papers). Members of the Management Board may not preside at the General Meeting of Shareholders, with the exception of cases, where all shareholders attending a meeting are included into the Management Board. The General Meeting of Shareholders may be declared closed only after all issues of an agenda are considered and decisions thereon are made.

44. Decisions of the General Meeting of Shareholders may be made by vote in absentee. Vote in absentee may be taken together with voting of the shareholders attending the General Meeting of Shareholders (mixed voting), or without the General Meeting of Shareholders.

45. In the event of vote in absentee the unified form ballot papers for voting shall be sent (delivered) to persons included into a list of the shareholders.

46. A ballot paper for voting must be sent to persons included into a list of the shareholders not later than forty-five days prior to a date of the General Meeting of Shareholders. In the event of vote in absentee without the General Meeting of Shareholders the Bank having five hundred shareholders and more shall be obliged to publish in mass media determined by the Articles of Association a ballot paper for voting in absentee at the General Meeting of Shareholders together with a notification of the General Meeting of Shareholders.

47. Voting at the General Meeting of Shareholders shall be taken on “one share – one vote” basis, with the exception of the following cases:

1) limitation of maximal number of votes on shares granted to one shareholder in the events provided for by the legislative acts of the Republic of Kazakhstan;

2) cumulative vote when electing members of the Board of Directors;

3) provision one vote on procedural questions of holding of the General Meeting of Shareholders to each person entitled to vote at the General Meeting of Shareholders.

48. Based on the results of voting a counting commission shall prepare and sign a minutes with results of voting.

49. Providing a shareholder has special opinion on an issue put to the vote, a counting commission of the Bank shall be obliged to make a relative entry in the minutes.

50. Minutes with results of voting shall be joined to minutes of the General Meeting of Shareholders.

51. Results of voting of the General Meeting of Shareholders or results of vote in absentee shall be informed to the shareholders by publishing the same in mass media or by sending a written notice to each shareholder within ten days after the General Meeting of Shareholders is closed.

52. Minutes of the General Meeting of Shareholders must be prepared and signed within three business days after the General Meeting of Shareholders is closed.

53. The minutes of the General Meeting of Shareholders shall state:

1) full title and location of the Management Board of the Bank;

2) date, time and place of the General Meeting of Shareholders;

3) information about number of voting shares of the Bank represented at the General Meeting of Shareholders;

4) quorum of the General Meeting of Shareholders;

5) agenda of the General Meeting of Shareholders;

6) procedure for voting at the General Meeting of Shareholders;

7) chairman (presidium) and secretary of the General Meeting of Shareholders;

8) statements of persons participating in the General Meeting of Shareholders;

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

10) issues put to the vote, results of vote thereon;

11) decisions made by the General Meeting of Shareholders.

54. Minutes of the General Meeting of Shareholders shall be signed by:

1) a chairman (members of a presidium) and secretary of the General Meeting of Shareholders;

2) members of a counting commission;

3) the shareholders holding ten and more per cent of voting shares of the Bank and participating in the General Meeting of Shareholders.

In the event an issue regarding election of the Board of Directors of the Bank (election of a new member of the Board of Directors) is considered at the General Meeting, it should be recorded in the minutes of the General Meeting a representative of which shareholder an elected member of the

Board of Directors is and (or) who of elected members of the Board of Directors is an independent director.

55. In case there are less than one hundred shareholders in the Bank, functions of a counting commission shall be performed by a secretary of the General Meeting of Shareholders. A counting commission shall be elected at the General Meeting of Shareholders, in the event there are one hundred shareholders of the Bank and more. A period of powers of a counting commission (secretary of the General Meeting of Shareholders) of the Bank shall be determined by the General Meeting of Shareholders.

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

56. The Board of Directors shall be in charge of general management of activity of the Bank, with the exception of solution of issues referred by the Law “On Joint-Stock Companies” and the Articles of Association to the exclusive competence of the General Meeting of Shareholders.

57. The following issues shall be referred to the exclusive competence of the Board of Directors:

1) determination of priority directions of activity of the Bank and strategy of development of the Bank or approval of a plan of development of the Bank in the events provided for by the legislative acts of the Republic of Kazakhstan;

2) making a decision on convocation of an annual and extraordinary General Meeting of Shareholders;

3) making a decision on offer (sale), including number of offered (sold) shares within limits of a number of authorized shares, method and offering (selling) price thereof;

4) making a decision on purchase by the Bank of allocated shares or other securities and purchase price thereof;

5) preliminary approval of annual financial statements of the Bank;

6) determination of conditions of issue of bonds and derivative securities of the Bank, as well as making decisions on issue thereof;

7) determination of quantity, period of powers of the Management Board, election of its head and members, as well as early termination of their powers;

8) determination of amounts of official salaries and terms of labour remuneration and bonuses paid to a head and members of the Management Board;

9) determination of quantity, period of powers of the Internal Audit Service, appointment of a chief and members thereof, as well as early termination of their powers, determination of a procedure for operation of the Internal Audit Service, amount and terms of labour remuneration and bonuses paid to employees of the Internal Audit Service;

10) appointment, determination of a period of powers of a corporate secretary, early termination of its powers, as well as determination amount of official salary and terms of remuneration of a corporate secretary;

11) assessment of an amount of payment for services of an auditing organization for audit of financial statements, as well as appraiser assessing market value of property transferred as payment for shares of the Bank or being subject of a major transaction;

12) approval of documents regulating internal activity of the Bank (with the exception of documents accepted by the executive body for the purposes of organization of activity of the Bank), including internal document determining conditions of and procedure for holding auctions and subscription for securities of the Bank;

13) making decisions on establishment and closing of branches and representative offices of the Bank and approval of regulations thereof;

14) making a decision on acquisition (alienation) by the Bank of ten and more per cent of shares (interests in the authorized capital stock) of other legal entities;

15) making decision on activity issues relating to competence of the General Meeting of Shareholders (members) of a legal entity, ten and more per cent of shares (interests in the authorized capital stock) of which are owned by the Bank;

16) expanding obligations of the Bank by an amount making ten and more per cent of an amount of its equity capital;

17) determination of information about the Bank or its activity, which is official, trade or other legally protected secret;

18) making a decision on conclusion of major transactions and transactions, which conclusion is of interest for the Bank;

19) approval of organization structure of the Bank;

20) approval of provisions of committees of the Board of Directors;

21) other issues provided for by the Law “On Joint-Stock Companies” and the Articles of Association of the Bank, which do not refer to the exclusive competence of the General Meeting of Shareholders.

58. Issues referred to the exclusive competence of the Board of Directors may not be delegated to the Management Board for the purpose of resolution.

59. The Board of Directors shall not be entitled to make decisions on issues, which in accordance with the Articles of Association are referred to competence of the Management Board, as well as to make decisions contradicting decisions of the General Meeting of Shareholders.

60. In the event an issue on making a decision on conclusion of a major transaction and (or) a transaction, conclusion of which is of interest, is considered, an information about a transaction must include details of parties to a transaction, terms and conditions of settlement of a transaction, nature and amount of interests of involved persons, as well as report of an appraiser, in the events provided for by the Law “On Joint-Stock Companies”.

61. The Board of Directors must:

1) control and, where possible, eliminate potential conflicts of interests at the level of officials and shareholders, including illegal use of property of the Bank and improper use thereof, when making transactions, which are of interest;

2) control efficiency of practice of corporate governance in the Bank.

62. A member of the Board of Directors may only be a natural person.

63. Members of the Board of Directors shall be elected from among:

1) the shareholders being natural persons;

2) persons proposed (recommended) to be elected to the Board of Directors as representatives of the shareholders;

3) natural persons, who are not shareholder of the Bank and who are not proposed (recommended) to be elected to the Board of Directors as a representative of a shareholder.

The members of the Board of Directors shall be elected by cumulative vote using ballot papers for vote, with the exception of a case, where one candidate is stand for election to one position in the Board of Directors. A ballot paper for cumulative vote must contain the following columns:

1) list of candidate members to the Board of Directors;

2) number of votes of a shareholder;

3) number of votes casted by a shareholder for a candidate member to the Board of Directors.

It is prohibited to record variants of voting “against” and “abstained” in a ballot paper for cumulative vote.

64. When electing members of the Board of Directors, the shareholder are presented information about age, education of a candidate, details of places of work and held positions over previous three years, information about affiliation to the Bank, other information confirming qualification, experience of candidates.

65. Members of the Management Board, except for a head thereof, may not be elected to the Board of Directors. A head of the Management Board may not be elected to be a chairman of the Board of Directors.

66. Number of the members of the Board of Directors shall not be less than three. Not less than one third of a number of the members of the Board of Directors must be independent directors.

67. Persons elected to the Board of Directors may be re-elected without limitations.

68. Period of powers of the Board of Directors shall be determined by the General Meeting of Shareholders.

69. A chairman of the Board of Directors shall be elected from among its members by majority of votes of the Total number of the members of the Board of Directors by secret vote.

70. A chairman of the Board of Directors shall arrange for operation of the Board of Directors, hold its meetings, as well as perform other functions determined by the Articles of Association.

71. Members of the Board of Directors of the Bank must:

1) act in accordance with requirements of the legislation of the Republic of Kazakhstan, the Articles of Association and internal documents of the Bank, employment agreement on the basis of awareness, transparency, in the interest of the Bank and its shareholders;

2) treat all shareholders fairly, make objective independent opinion on corporate issues.

72. A meeting of the Board of Directors may be convened on initiative of its Chairman or the Management Board or on demand:

1) any member of the Board of Directors;

2) the Internal Audit Service of the Bank;

3) auditing organization auditing the Bank;

4) major shareholder.

73. Demand on convocation of a meeting of the Board of Directors shall be made to the Chairman of the Board of Directors by sending a relative written communication stating proposed agenda of a meeting of the Board of Directors.

74. In case the Chairman of the Board of Directors refuses to convene a meeting, an initiator shall be entitled to apply with mentioned demand to the Management Board, which shall be obliged to convene a meeting of the Board of Directors.

75. A meeting of the Board of Directors must be convened by the Chairman of the Board of Directors or the Management Board not later than ten days from a day of receipt of a demand on convocation.

76. Written notices on a meeting of the Board of Directors with attached materials regarding issues of an agenda of a meeting must be sent to members of the Board of Directors not later than three business days prior to a date of a meeting.

77. A notice of a meeting of the Board of Directors must contain information about date, time and place of a meeting, as well as agenda thereof.

78. Quorum for holding a meeting of the Board of Directors shall not be less than 50% of the total number of the members of the Board of Directors.

79. Each member of the Board of Directors shall have one vote. Decisions of the Board of Directors shall be made by simple majority of votes of the members of the Board of Directors attending a meeting.

80. In case of tie vote, a vote of the Chairman of the Board of Directors shall be casting.

81. The Board of Directors shall be entitled to make a decision to hold its closed meeting, in which members of the Board of Directors may only take part.

82. Decisions of the Board of Directors, which were made at its meeting attended in person shall be recorded in minutes.

83. Decisions of the Board of Directors may be made by vote in absentee on issues put for consideration of the Board of Directors without vote in person, or by vote in absentee with vote of the members of the Board of Directors attending a meeting of the Board of Directors (mixed voting).

84. Decision made by vote in absentee shall be recognized as made providing a quorum in ballot papers obtained within fixed period according to the procedure provided for by the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank.

85. Any banking transaction connected with conclusion of a transaction between the Bank and a person having special relations with the Bank shall be concluded on a common basis without preferential terms.

86. In order to consider the most important issues and to prepare recommendations the Board of Directors shall form committees of the Board of Directors in the Bank in charge of:

- 1) strategic planning;
- 2) personnel and remunerations;
- 3) internal audit;
- 4) social issues;
- 5) other issues.

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

87. The Management Board shall control current activity of the Bank.

88. The Management Board shall be entitled to make decisions on any issues of activity of the Bank, which are not referred by the Law “On Joint-Stock Companies”, other legislative acts of the Republic of Kazakhstan and the Articles of Association to the competence of other bodies and officials of the Bank.

89. The Management Board shall be obliged to execute decisions of the General Meeting of Shareholders and the Board of Directors.

90. Members of the Management Board may be the shareholders and employees of the Bank, which are not its shareholders. A major shareholder of the Bank may not be appointed (elected) to be the Chairman of the Management Board.

91. Functions, rights and obligations of a member of the Management Board shall be determined by the Law “On Joint-Stock Companies”, other legislative acts of the Republic of Kazakhstan, the Articles of Association, internal regulatory documents of the Bank, as well as employment agreement to be concluded between mentioned person and the Bank.

92. Any issues connected with provision of activity of the Bank, which are not referred by the Articles of Association to the exclusive competence of the General Meeting of Shareholders and the Board of Directors, shall relate to the competence of the Management Board.

93. Powers of the Management Board of the Bank:

- 1) preliminary discussion of all issues to be considered by the Board of Directors and the General Meeting of Shareholders, preparation of required documents in this regard;
- 2) arrangement for execution of decisions of the General Meeting of Shareholders and the Board of Directors;
- 3) control of issues connected with banking activity;
- 4) preparation of reports of the Bank;
- 5) development of draft Articles of Association and Regulations of branches, representative offices, organization structure of the Bank;
- 6) approval of internal rules and procedure of the Bank determining: tasks, functions and powers of business units of the Bank; rights and obligations of heads of business units; powers of officials and employees of the Bank, when they make transactions on behalf and at the expense of the Bank, procedure for interaction between business units of the Bank, other issues of current activity of the Bank;
- 7) solution of issues regarding recruitment, appointment, training and retraining of personnel;
- 8) determination a individual terms of payment and motivation of labour of employees of the Bank;
- 9) appointment and discharge of directors of branches and representative offices of the Bank;
- 10) approval of staff list of the Bank, its branches and representative offices, making of a decision on making amendments and alterations thereto;

11) other functions determined by the Articles of Association and decisions of the General Meeting of Shareholders and the Board of Directors.

94. Powers of the Chairman of the Management Board:

1) to arrange for execution of decisions of the General Meeting of Shareholders and the Board of Directors;

2) to act without a power of attorney on behalf of the Bank in relations with third persons;

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

4) to hire, transfer and dismiss employees of the Bank, to use incentives and impose disciplinary penalties, to fix amounts of official salaries of employees of the Bank and personal rises to official salaries in accordance with staff list of the Bank, to assess amounts of bonuses paid to employees of the Bank, with the exception of employees accountable to the Board of Directors of the Bank;

5) in case it is absent, to entrust fulfillment of its obligations to one of the members of the Management Board;

6) to allocate duties, as well as authorities and responsibilities among members of the Management Board;

7) to exercise other powers without limitations, with the exception of issues referred to the exclusive competence of other bodies of the Bank.

95. Meetings of the Management Board shall be held as far as it is necessary, they shall be presided by the Chairman of the Management Board, and, in his absence, operation of the Management Board of the Bank shall be managed by the Vice-Chairman of the Management Board, or a member of the Management Board to be appointed by the Chairman of the Management Board.

96. A member of the Management Board is not allowed transferring the right of vote to another person, including another member of the Management Board of the Bank.

97. Quorum at meetings of the Management Board of the Bank shall consist of simple majority of the total number of the members of the Management Board of the Bank. The Management Board of the Bank is competent to make decisions, in the event there is simple majority of the total number of the members of the Management Board are present at its meeting, providing that the Chairman of the Management Board of the Bank, or the Vice-Chairman authorized to hold meetings of the Management Board in the absence of the Chairman of the Management Board, is present. Decisions of the Management Board shall be made by simple majority of votes participating in meeting of the members of the Management Board provided that the Chairman of the Management Board of the Bank, or the Vice-Chairman authorized to hold meetings of the Management Board in the absence of the Chairman of the Management Board, voted for that decision.

98. In case of tie vote at a meeting of the Management Board of the Bank the vote of the Chairman of the Management Board, or the Vice-Chairman authorized to hold meetings of the Management Board in the absence of the Chairman of the Management Board, shall be casting.

99. Decisions of the Management Board shall be recorded in the Minutes of the Management Board, which must be signed by all members of the Management Board attending a meeting and contain issues put to the vote, results of vote thereon subject to recording result of vote of each member of the Management Board on each issue.

## **Chapter 6. Corporate secretary**

100. For the purpose of creation of effective system of corporate governance in the Bank, a position of a corporate secretary of the Bank is instituted in the Bank.

101. The main task of a corporate secretary is to ensure respect of the rights and legal interests of the shareholders of the Bank. Functions of the Corporate secretary include:

1) control of preparation and holding of meetings of the General Meeting of Shareholders and the Board of Directors of the Bank,

2) guarantee of preparation of materials regarding issues of an agenda of the General Meeting of Shareholders and materials for a meeting of the Board of Directors of the Bank, control of provision of access to materials mentioned above;

3) giving explanations for members of the Board of Directors of requirements of the legislation, the Articles of Association and other internal documents of the Bank relating to procedural questions of preparation and holding of the General Meeting of Shareholders, meetings of the Board of Directors, disclosure (provision) of information about the Bank;

4) observance by the bodies and officials of the Bank of procedures aimed at ensuring the rights and interests of the shareholders, as well as compliance by the Bank with provisions and regulations of the legislation of the Republic of Kazakhstan, provisions of the Articles of Association and other internal documents of the Bank;

5) compliance with corporate policy and corporate processes in the Bank;

6) proper consideration by relative bodies of the Bank of applications of the shareholders and settlement of conflicts connected with infringement of the rights of the shareholders.

102. Status, official rights and obligations, responsibility of a corporate secretary and its relation with business units of the Bank shall be determined by internal regulatory document of the Bank, which shall be approved by the Board of Directors of the Bank.

### **Chapter 7. Responsibility of officials**

103. Officials of the Bank shall bear responsibility determined by the laws of the Republic of Kazakhstan to the Bank and the shareholders for damage caused by their actions and (or) omission and for losses incurred by the Bank, including, but not limiting to, losses incurred as a result of:

1) provision of misleading information or knowingly false information;

2) violation of a procedure for presentation of information established by the Law “On Joint-Stock Companies”;

3) offer to conclude and (or) making decisions on conclusion of major transactions and (or) transactions, conclusion of which is of interest, which resulted in losses of the Bank as a result of their unfair actions and (or) omission, including for the purpose of earning by them or their affiliated persons of profit (income) as a result of conclusion of such transactions with the Bank.

104. Making of a decision by the General Meeting of Shareholders in the events provided for by the Law “On Joint-Stock Companies” and (or) the Articles of Association of the Bank on conclusion of a major transaction and (or) a transaction, conclusion of which is of interest, shall not exempt from responsibility an official, which proposed to conclude the same, or an official acting in bad faith and (or) doing nothing at a meeting of a body of the Bank, member of which it is, including for the purpose of earning by them or their affiliated persons of profit (income), in case as a result of execution of such decisions the Bank is caused losses.

105. On the basis of decision of the General Meeting of Shareholders or shareholder (shareholders) holding (in aggregate) five and more per cent of voting shares of the Bank, the Bank shall be entitled to apply on its own behalf to court filing an action against an official for indemnification to the Bank for damage or losses caused by it to the Bank, as well as refund to the Bank by an official and (or) its affiliated persons of profit (income) earned as a result of making of decisions on conclusion of (offer to conclude) major transactions and (or) transactions, conclusion of which is of interest, resulted in losses of the Bank, in case an official acted in bad faith and (or) did nothing.

106. On the basis of decision of the General Meeting of Shareholders or shareholder (shareholders) holding (in aggregate) five and more per cent of voting shares of the Bank, the Bank shall be entitled to apply on its own behalf to court filing an action against an official of the Bank and (or) third person for indemnification to the Bank for losses caused to the Bank as a result of concluded transaction between the Bank that third person, in the event upon conclusion and (or) settlement of such a transaction, on the basis of an agreement with such third person, that official of



the Bank acted in violation of requirements of the legislation of the Republic of Kazakhstan, these Articles of Association and internal documents of the Bank or its employment agreement. In such case mentioned third person and an official of the Bank shall act as joint and several debtors of the Bank when indemnifying the Bank for such losses.

107. Before applying to judicial bodies a shareholder (shareholders) holding (in aggregate) five and more per cent of voting shares of the Bank must apply to the Chairman of the Board of Directors with a demand to put an issue on indemnification to the Bank for losses caused by officials of the Bank and refund to the Bank by officials of the Bank and (or) their affiliated persons of a profit (income) earned by them as a result of made decisions on conclusion of (offer to conclude) major transactions and (or) transactions, conclusion of which is of interest, at a meeting of the Board of Directors.

108. The Chairman of the Board of Directors shall be obliged to convene a meeting of the Board of Directors attended in person during a period not later than ten calendar days from a day of receipt of an application.

109. Decision of the Board of Directors on application of a shareholder (shareholders) holding (in aggregate) five and more per cent of voting shares of the Bank shall be informed to it (them) within three calendar days from a date of a meeting. After receipt of mentioned decision of the Board of Directors or non-receipt thereof within terms fixed by this clause, a shareholder (shareholders) holding (in aggregate) five and more per cent of voting shares of the Bank shall be entitled to file on its own behalf a suit to court for protection of interests of the Bank providing there are documents confirming application of a shareholder to the Chairman of the Board of Directors of the Bank regarding mentioned issue.

110. Officials of the Bank, with the exception of an official interested in making a transaction and proposed to conclude a transaction, as a result of settlement of which the Bank incurs losses, shall be exempted from responsibility in the event they voted against a decision made by the body of the Bank resulted in losses of the Bank or a shareholder or did not take part in voting for good reasons.

111. An official shall be exempted from indemnification of losses resulted from commercial (business) decision, in the event it is proved that he/she duly acted complying with principles of activity of officials of the Bank established by the Law “On Joint-Stock Companies”, on the basis of actual (proper) information at the moment of decision making and reasonably considered that such decision serves interests of the Bank.

112. Officials of the Bank found by a court guilty of committing crimes against property, in the area of economic activity or against interests of service in profit-making or other organizations, as well as exempted from criminal responsibility on non-exonerative grounds for committing mentioned crimes, may not, within five years from cancellation or clearing, according to the procedure established by the law, of a criminal record or exemption from criminal responsibility to fulfill obligations of officials of the Bank, as well as a representative of the shareholders at the General Meeting of Shareholders.

113. In case financial statements of the Bank misrepresent financial position of the Bank, the officials of the Bank signed those financial statements of the Bank shall bear responsibility to third persons, which were caused material damage as a result of this.

114. For the purposes of this chapter the following terms shall mean:

1) in bad faith, id est making a decision (offer to conclude) not in the interest of the Bank on conclusion of major transactions and (or) transactions, conclusion of which is of interest, in violation of principles of activity of officials established by the Law “On Joint-Stock Companies”, as a result of which the Bank incurred losses, which are not covered by ordinary business risk;

2) omission, id est an official of the Bank abstained, when making decision on conclusion of major transactions and (or) transactions, conclusion of which is of interest, as a result of which the Bank incurred losses, which are not covered by ordinary business risk, or did not take part in voting without good reason.

## Chapter 8. Material corporate actions

115. Material corporate actions shall mean actions, which may result in changes in legal status of the Bank and its property and substantially affect interests of the Bank and its shareholders.

116. The Bank is aware that material corporate actions are accompanied with maximal openness and transparency, which shall be attained by compliance by the Bank with a procedure for taking material corporate actions determined by the legislation, the Articles of Association of the Bank and this Code.

117. When taking material corporate actions, the Bank shall be obliged not to allow taking actions, which cause or may cause damage to the interests of the Bank.

118. The Bank includes the following into a list of material corporate actions:

- 1) major transactions, transactions, conclusion of which is of interest for the Bank, as well as transactions made with persons having special relations with the Bank;
- 2) acquisition of 30 and more per cent of allocated voting shares of the Bank;
- 3) re-organization and liquidation of the Bank;
- 4) other actions and events resulting in material corporate changes.

119. Market value of property, which is a subject of a transaction, which, based on features thereof, is a material corporate action, shall be assessed by an independent appraiser holding respective license, with the exception events, where a subject of a transaction means securities (including securities issued by the Bank itself) or credit transactions. Market value of securities shall be assessed based on official quotations in formal market, and in case there are not such quotations – in accordance with internal documents of the Bank.

120. When making transactions, the Bank shall be obliged to take all possible actions depending on it and aimed at clearing the question: is that transaction a material corporate action.

121. Affiliated persons of the Bank in their turn shall be obliged to inform the Bank that they are:

- 1) parties to a transaction;
- 2) and/or affiliated persons of a legal entity, which is a party to a transaction or taking part therein as a representative or agent; and/or
- 3) inform about made or proposed transactions known to them, in which they may be recognized as concerned persons.

### **§1. Procedure for making major transactions, transactions, conclusion of which is of interest, and transactions with persons having special relations with the Bank**

122. A major transaction shall be:

- 1) a transaction or an aggregate of related transactions, as a result of which the Bank acquires or alienates (may acquire or alienate) property, value of which amounts to twenty-five and more per cent of the total value of assets of the Bank;
- 2) a transaction or an aggregate of related transactions, as a result of which the Bank may purchase its allocated securities or sell securities of the Bank purchase by it totalling twenty-five and more per cent of the total number of allocated securities of one type;
- 3) other transaction recognized by the Articles of Association of the Bank as a major transaction.

123. The following shall be recognized as related transactions:

- 1) several transactions made with the same person or with a group of affiliated persons with respect to acquisition or alienation of the same property;
- 2) transactions executed in the same agreement or several related agreements;
- 3) other transactions recognized as related by the Articles of Association or decision of the General Meeting of Shareholders.

124. In the event of consideration of an issue on making decision on conclusion of a major transaction and (or) transaction, conclusion of which is of interest, an information about a transaction must include details of parties to a transaction, terms and conditions of settlement of a

transaction, nature and amount of interests of involved persons, as well as report of an appraiser, in the events provided for by the Law “On Joint-Stock Companies”.

125. In order to inform creditors and shareholders the Bank shall be obliged, within five business days after the Board of Directors makes decision on conclusion of a major transaction, publish information about transaction in mass media meeting requirements prescribed by the Competent authority in the State and other languages.

126. In case of disagreement with a decision of the Bank on conclusion of a major transaction made according to the procedure established by the Law “On Joint-Stock Companies” and the Articles of Association, a shareholder shall be entitled to demand from the Bank to purchase shares held by it according to the procedure established by the legislation of the Republic of Kazakhstan concerning joint-stock companies.

127. Persons interested in settlement of a transaction by the Bank (hereinafter referred to as “concerned persons”) shall be affiliated persons of the Bank, if they are:

- 1) parties to a transaction or take part therein as a representative or agent;
- 2) affiliated persons of a legal entity, which is a party to a transaction or taking part therein as a representative or agent.

128. The following is not a transaction, settlement of which is of interest for the Bank:

- 1) transaction related with purchase by a shareholder of shares or other securities of the Bank, as well as purchase by the Bank of its allocated shares;
- 2) transaction related with assumption of obligations not to disclose information containing banking, trade or legally protected secret;
- 3) re-organization of the Bank in accordance with the Law “On Joint-Stock Companies”;
- 4) transaction of the Bank with its affiliated person made in accordance with the legislation of the Republic of Kazakhstan concerning government purchases;
- 5) conclusion by the Bank of an agreement with its affiliated persons, standard form of which is specified by the legislation of the Republic of Kazakhstan.

129. Decision on conclusion by the Bank of a transaction, conclusion of which is of interest, shall be made by simple majority of votes of the members of the Board of Directors, which are not interested in conclusion thereof.

130. Decision on conclusion by the Bank of a transaction, conclusion of which is of interest, shall be made by the General Meeting of Shareholders by majority of votes of the shareholders, which are not interested in conclusion thereof, in the event:

- 1) all members of the Board of Directors of the Bank are concerned persons;
- 2) the Board of Directors may not make decision on conclusion of such a transaction due to lack of a number of votes required to make a decision.

131. Decision on conclusion by the Bank of a transaction, conclusion of which is of interest, shall be made by the General Meeting of Shareholders by simple majority of votes of the total number of voting shares of the Bank in the event all members of the Board of Directors of the Bank and all shareholders holding ordinary shares are concerned persons. In addition, the General Meeting of Shareholders is provided with information (attaching documents) required to make reasonable decision.

132. The Board of Directors shall be entitled to make decision on preliminary approval of conclusion of transactions, conclusion of which is of interest and made by the Bank in the context of current activity. In a preliminary approval the Board of Directors shall be entitled to fix a limit of scope of transactions (maximum total amount of transactions), a list of transactions, as well as a list of companies with which transactions are made.

133. Failure to meet requirements provided for by the Law “On Joint-Stock Companies”, the Articles of Association, when making major transaction and transaction, conclusion of which is of interest, shall result in holding these transactions invalid in a judicial procedure at a suit of concerned persons.

## **§2. Acquisition by a third party of 30 and more per cent of voting shares of the Bank (merger)**

134. In accordance with the legislation of the Republic of Kazakhstan a person, which, on its own or together with its affiliated persons, has intention to acquire in the secondary securities market 30 and more per cent of voting shares of the Bank or other quantity of voting shares, as a result of acquisition of which that person, on its own or together with its affiliated persons, will own thirty or more per cent of voting shares in a company, shall be obliged to send a notice to that extent to the Bank and the Competent authority according to the established procedure.

135. The Management Board of the Bank shall within 3 business days consider that notice and determine position of the Bank with respect to forthcoming merger and apply to the Board of Directors of the Bank for approval of a decision and text of information for the shareholders of the Bank containing opinion of the Bank regarding forthcoming merger in order to publish such opinion in mass media (hereinafter referred to as “the mass media”).

136. The Board of Directors of the Bank shall not later than 5 business days consider application of the Management Board and make one of the following decisions:

1) to approve application and agree with position of the Management Board of the Bank regarding forthcoming merger and approve a text of information for the shareholders of the Bank; or

2) to refuse to approve application of the Management Board of the Bank and to review a position of the Bank regarding forthcoming merger proposed by the Management Board of the Bank, subject to making relative adjustments in a text of information.

137. Information shall be published in prints determined by the Articles of Association of the Bank within 5 business days from a day of approval by the Board of Directors of the Bank of a text of information for the shareholders of the Bank.

138. The Bank shall be entitled to make an offer, according to the procedure determined by the legislation of the Republic of Kazakhstan, to a person wishing to sell shares of the Bank on purchase thereof by the Bank itself or third person at a price exceeding offered price. An offer of the Bank must contain information about quantity of shares, price and contact details of purchasers, if shares are purchased by third person.

139. In the event a person wishing to sell shares agrees to an offer of the Bank, share purchase and sale agreement shall be concluded according to the procedure provided for by the legislation of the Republic of Kazakhstan subject to requirements prescribed with respect to settlement of major transactions and procedure for purchase of allocated shares by the Bank.

140. A person, which, on its own or together with its affiliated persons, acquired 30 and more per cent of voting shares of the Bank or other quantity of voting shares in the secondary securities market, as a result of acquisition of which that person, on its own or together with its affiliated persons, became an owner of thirty or more per cent of voting shares in a company, shall be obliged, within 30 days from a day of acquisition, to publish in the mass media an offer to other shareholders to sell shares of the Bank owned by them within a period not more than 30 days from a day on which an offer of sale thereof is published.

141. A notice of acquisition of 30 and more per cent of voting shares of the Bank in the secondary securities market must also be sent by a shareholder, which, on its own or together with its affiliated persons, acquired mentioned quantity of shares, to the Bank within 3 business days. From a date on which such notice is obtained, the Bank shall control compliance by a shareholder, which, on its own or together with its affiliated persons, acquired mentioned quantity of shares.

## **§3. Re-organization of the Bank**

142. An issue concerning re-organization of the Bank, including conditions of such re-organization, shall be put by the Board of Directors for consideration of the General Meeting of Shareholders.

143. The Board of Directors shall take active part in determination of conditions and procedure for re-organization of the Bank.

144. Before making decision on re-organization in the form of affiliation, merger, segregation individual members of the Board of Directors shall be entitled to participate in negotiations concerning re-organization held by the Management Board of the Bank with the executive bodies of companies participating in re-organization and to arrange for discussion of a progress of these negotiations by the Board of Directors. The Board of Directors shall approve final draft documents for re-organization and put an issue on re-organization for decision by the General Meeting of Shareholders attaching opinion of the Board of Directors on that issue.

145. The Management Board of the Bank shall provide the Board of Directors, before the latter puts an issue on re-organization for consideration by the General Meeting of Shareholders, with information and materials connected with proposed re-organization. The Board of Directors shall be presented the following documents:

- 1) draft merger (affiliation) agreement or draft decision on separation (segregation);
- 2) draft constituent documents of organizations newly established as a result of re-organization (merger, separation, segregation or transformation), or constituent documents of an organization, to which another one is affiliated;
- 3) annual financial statements of all organizations participating in merger (affiliation) for 3 previous expired financial years;
- 4) quarterly statements prepared not later than six months prior to a date of a meeting, to which an issue on re-organization is put, in the event more than six months expired after the end of the last financial year;
- 5) draft deed of assignment or separation balance sheet;
- 6) substantiation of re-organization.

146. In case of disagreements the Bank shall be entitled to engage an appraiser for the purposes of determination of a ratio of conversion of shares upon re-organization of the Bank.

147. Notice of a joint general meeting shall be sent by each company participating in merger (affiliation) according to the procedure established by the legislation and articles of association of those companies.

148. The boards of directors of reorganized companies may hold a joint meeting in order to determine a date, place and time of a joint general meeting of the shareholders, and in case of vote in absentee – a date until which completed ballot papers shall be sent and mail address, to which they must be sent.

149. Procedure for vote at a joint general meeting of members of legal entities participating in merger or affiliation, persons performing functions of bodies of the General Meeting of Members shall be determined in accordance with the rules set forth in a merger (affiliation) agreement.

#### **§4. Liquidation of the Bank**

150. Grounds and procedure for liquidation of the Bank shall be regulated by the legislation of the Republic of Kazakhstan.

151. The Bank may be liquidated:

- 1) by decision of the General Meeting of Shareholders providing permit of the Competent authority (voluntary liquidation);
- 2) by decision of a court in cases provided for by the legislative acts of the Republic of Kazakhstan (compulsory liquidation).

152. In the event of voluntary liquidation of the Bank by the General Meeting of Shareholders after receipt of a permit of the Competent authority by agreement with creditors and under their control a liquidation procedure shall be determined and a liquidation committee shall be appointed in accordance with the legislation of the Republic of Kazakhstan. From appointment of a liquidation committee the Bank's powers to manage the affairs shall pass to it.

153. Peculiarities of activity of a liquidation committee upon voluntary liquidation of the Bank shall be determined by the legislation of the Republic of Kazakhstan.

154. Shareholders holding in aggregate ten or more per cent (major shareholders only) of voting shares of the Bank shall be entitled to have a representative in a liquidation committee.

155. Compulsory liquidation shall be carried out by a court in connection with:

- 1) bankruptcy of the Bank;
- 2) revocation of licenses of the Bank to make banking operations for the grounds provided for by the banking laws of the Republic of Kazakhstan;
- 3) application (suit) of the authorized public bodies, legal entities or natural persons for termination of activity of the Bank for other grounds provided for by the legislative acts.

156. Insolvency and bankruptcy of the Bank shall be determined by conclusion of the Competent authority to be presented to a court, prepared subject to methods of calculation of prudential standards (and other binding rules and limits), amount of capital of the Bank.

157. The Bank may only be held bankrupt by a court decision according to the established procedure. Extra-judicial procedure of liquidation of insolvent Bank by decision of its creditors and the Bank itself is not allowed.

158. Liquidation (bankruptcy) assets shall be formed according to the procedure determined by the legislation of the Republic of Kazakhstan.

159. Claims of creditors upon compulsory liquidation of the Bank shall be satisfied according to the procedure established by the banking laws of the Republic of Kazakhstan.

160. The Bank shall be deemed terminated its activity from the moment when a relative entry is made to the state register of legal entities.

161. Property of the Bank remaining after completion of settlements with creditors shall be distributed by a liquidation committee among the shareholders according to the procedure provided for by the banking laws of the Republic of Kazakhstan.

## **Chapter 9. Corporate conduct – interaction with investors and other concerned persons**

### **§1. Interaction with investment society**

162. The Bank aims for growth of its attractiveness at the expense of enhancement of information openness and transparency and maximization of market value of shares of the Bank owing to upsurge of liquidity of shares and reduction of a premium for risk connected with lack of information and confidence of investors in prospects of development of the Bank.

163. A key factor of interaction with investment society is timely disclosure of objective, reliable and consistent information in accordance with the effective legislation, rules and requirements, as well as ensuring active dialogue with investors and analysts.

164. The Bank complies with all principles of fair competition. Thereby, in the course of interaction with clients, competitors and business partners, the Bank does not use any manipulations, non-disclosure or misrepresentation of provided information, abuse of official position of officials and other unfair methods of conducting business.

165. Within the framework of interaction with information society the Bank takes a number of measures aimed at enhancement of information openness of the Bank, including:

- 1) meetings and presentations for investors and analysts;
- 2) road shows and face to face meetings with investors;
- 3) conference calls;
- 4) distribution of press releases;
- 5) publications in the mass media.

166. The Bank devotes much attention to control of disclosure of information, financial statements of which the Bank consolidates, and ensuring conformance and consistency of information policy of the Bank.

167. With respect to confidential information the Bank carries out its activity in accordance with requirements of the effective legislation.

168. For this purpose the Bank implements a balanced approach in provision to investors and analysts of required information aimed at enhancement of understanding of business of the Bank, its opportunities and prospects of development, but not reducing competitiveness of the Bank.

## **§2. Interaction with public and mass media**

169. The Bank shall perform work related with maintenance and development of effective dialogue with representatives of the mass media and representatives of public having interest in activity of the Bank, as well as enhancement of general level of information openness and transparency.

170. In order to guarantee maximal information openness, the Bank shall regularly take part in major international and national conferences and forums, organize meetings of representatives of the mass media and public and the management of the Bank.

171. The main principles of PR activity of the Bank are:

- 1) unified information policy;
- 2) constant and urgent news flow, which completely and objectively as much as possible illustrates all aspects of activity of the Bank;
- 3) provision of timely responses to all information requests received by the Bank;
- 4) regular meetings of representatives of the mass media and public and the management of the Bank.

## **§3. Development of partnership relations with concerned persons**

172. Not only confidence of the shareholders and investors in the management of the Bank, but also confidence of clients, creditors, partners, as well as other persons interested in activity of the Bank, play a major role in activity of the Bank. In this regard, it is an important moment, when building corporate governance of the Bank, is keeping and developing stable and confidential relations with concerned persons both in short-term and long-term term.

173. The Bank shall adhere to the principle of neutrality with respect to financial and industrial groups, public bodies, political parties, and associations.

174. When establishing relations with clients, the Bank is guided by maximal satisfaction of their needs, including: provided services, level of service, in addition keeping conformance of cost of provided service to existing market conditions.

## **Chapter 10. Information policy**

175. Being aware of significance of disclosure of information about the Bank for the purpose of evaluation of current financial condition and prospects, the Bank guarantees provision of timely, full and reliable information about its activity for the shareholders, potential investors, and the Competent authority. Nature and scope of information must allow making real idea about activity of the Bank, give an opportunity to make reasonable decision on participation in the process of management of the Bank (fund investment), be sufficient for proper control of the Competent authority.

176. Disclosure of timely, full and reliable information about the Bank will allow making the shareholders, potential investors, the Competent authority confident in transparency, reliability and profitability of activity of the Bank.

177. The Bank shall ensure disclosure of information about all material issues of its activity determining:

- 1) availability of information to be disclosed to all concerned persons, depending on purpose of receipt thereof;
- 2) procedure, methods and terms of disclosure and presentation of information;
- 3) performance of information safety in order to avoid unreasonable disclosure of information, which is confidential or official.

### **§1. Procedure for presentation of information to authorized bodies and the shareholders of the Bank**

178. The Bank shall present the following information to the Competent authority – daily, monthly, quarterly, annual financial statements of the Bank, which shall include balance sheet of

the Bank, statement of incomes and expenses, statement of cash flow and other statements (information) in accordance with the effective legislation of the Republic of Kazakhstan. The annual financial statements of the Bank (after approval by the meeting of the shareholders), within terms fixed by the Articles of Association of the Bank, and quarterly financial statements of the Bank shall be published in prints determined by the Articles of Association of the Bank.

179. In accordance with requirements of the legislation of the Republic of Kazakhstan and in order to ensure information openness the Bank shall guarantee obligatory disclosure of the following information for the shareholders and the Competent authority in accordance with the effective legislation:

- 1) decisions of the General Meeting of Shareholders and the Board of Directors of the Bank and execution of made decisions;
- 2) on issue of shares and other securities by the Bank, as well as on approval of reports containing results of issue and allocation of securities, reports containing results of redemption of securities, on cancellation of securities of the Bank by the Competent authority;
- 3) on major transactions and transactions, conclusion of which is of interest, made by the Bank;
- 4) on receipt by the Bank of a loan amounting to 25 and more per cent of amount of equity capital of the Bank;
- 5) on receipt by the Bank of licenses to carry out any types of activity, on suspension or termination of previously obtained licenses to carry out any types of activity;
- 6) on interest of the Bank in capital of a legal entity or on establishment by the Bank of a legal entity;
- 7) on attachment of property of the Bank;
- 8) on occurrence of emergency circumstances, as a result of which property of the Bank, book value of which is 10 and more per cent of the total amount of assets of the Bank, was destroyed;
- 9) on brining the Bank and its officials to administrative responsibility;
- 10) on decision on compulsory re-organization of the Bank;
- 11) financial statements of the Bank according to the procedure determined by the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank;
- 12) and other information in accordance with the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank.

180. Information mentioned in clause 179 of this Code shall be disclosed by publishing information in information system of an initiator of trades in securities or information agency within a period not later than 5 business days from a day of occurrence of events, performance of actions, making of decisions listed in this chapter of the Code.

181. Information mentioned in paragraphs 1), 3)-5), and 7)-9) of clause 179 of this Code, shall be sent by the Bank within 5 (five) business days to the Competent authority by a written notice sent by mail or courier service.

182. During a period of allocation of securities the Bank shall ensure disclosure of the following information for the shareholders, potential investors and the Competent authority:

- 1) information contained in a prospectus of securities issue;
- 2) information contained in reports on results of allocation of securities sent by the Bank to the competent authority in accordance with the legislation of the Republic of Kazakhstan;
- 3) information included into the financial statements;
- 4) other information to be disclosed in accordance with the legislation of the Republic of Kazakhstan or requirements of an initiator of trades in securities.

183. Information mentioned in clause 178 of this Code shall be disclosed by the Bank by:

- 1) presentation of information to the competent authority in accordance with the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank and this Code;
- 2) presentation of information to an initiator of trades in securities in accordance with internal rules of an initiator of trades in securities and this Code;



3) publication of information in information system of an initiator of trades in securities or information agency.

184. In the course of circulation of equity securities of the Bank in the secondary securities market the Bank shall ensure disclosure of the following information for the shareholders, potential investors and the Competent authority:

- 1) changes of officials of the bodies of the Bank;
- 2) changes of major members of the Bank;
- 3) re-organization or liquidation of the Bank or subsidiary companies of the Bank and dependent joint-stock companies of the Bank;
- 4) attachment of property of the Bank;
- 5) obtaining, suspension or revocation of a license of the Bank;
- 6) decisions of the General Meeting of Shareholders of the Bank;
- 7) changes in a list of organizations, in which the Bank is a major member.

185. Information mentioned in clause 180 of this Code shall be disclosed by:

- 1) presentation of information to the Competent authority in accordance with the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank and this Code;
- 2) publication of information in information system of an initiator of trades in securities or information agency.

186. In accordance with the legislation of the Republic of Kazakhstan and the Articles of Association, the Bank shall guarantee to its shareholders an access to the following documents:

- 1) the Articles of Association of the Bank, amendments and alterations made therein;
- 2) decision on establishment of the Bank, certificate of the state registration (re-registration) of the Bank as a legal entity;
- 3) licenses to carry out banking activity and other types of licenses to carry out specific types of activity and (or) to take certain actions;
- 4) documents confirming the rights of the Bank to the property, which is (was) recorded in its balance sheet;
- 5) prospectus of issue of securities of the Bank;
- 6) documents confirming the state registration of issue of securities of the Bank, cancellation of securities, as well as approval of reports on results of allocation and redemption of securities of the Bank presented to the Competent authority;
- 7) regulations of branches and representative offices of the Bank;
- 8) minutes of the general meetings of the shareholders together with minutes of the counting commission on results of voting, materials concerning issues of an agenda of the general meetings of the shareholders;
- 9) lists of the shareholders presented for holding the General Meeting of Shareholders;
- 10) minutes of meetings (decisions of meetings held in absentee) of the Board of Directors, materials concerning issues of an agenda of the Board of Directors;
- 11) minutes of meetings (decisions) of the Management Board of the Bank;
- 12) internal rules and documents of the Bank approved by the General Meeting of Shareholders and other bodies of the Bank to be presented to the shareholders of the Bank in accordance with the legislation of the Republic of Kazakhstan;
- 13) financial statements of the Bank;
- 14) other documents in accordance with decisions of the general meetings of the shareholders or the Board of Directors of the Bank.

187. Information to be presented to the shareholders of the Bank in accordance with the legislation, the Articles of Association of the Bank and this Code shall be presented to holders of depositary receipts to shares of the Bank through a depositary bank.

- 1) change of major members of the Bank;
- 2) re-organization or liquidation of the Bank or subsidiary companies of the Bank and dependent joint-stock companies of the Bank;
- 3) attachment of property of the Bank;

- 4) obtaining, suspension or revocation of a license of the Bank;
- 5) decisions of the General Meeting of Shareholders of the Bank;
- 6) changes in a list of organizations, in which the Bank is a major member.

188. Information mentioned in clause 183 of this Code shall be disclosed by:

- 1) presentation of information to the Competent authority in accordance with the legislation of the Republic of Kazakhstan, the Articles of Association of the Bank and this Code;
- 2) publication of information in information system of an initiator of trades in securities or information agency.

189. Information to be presented to the shareholders of the Bank in accordance with the legislation, the Articles of Association of the Bank and this Code shall be presented to holders of depository receipts to shares of the Bank through a depository bank.

## **§2. Procedure for obtaining documents of the Bank**

190. In order to obtain documents, which are not subject of trade or other confidential information of the Bank, a shareholder shall send to the Chairman of the Management Board of the Bank a written request specifying title of documents and date, as at which they are executed (must be executed), which a shareholder would like to review or to obtain copies thereof (certificated extracts therefrom), specifying address, to which they must be sent.

191. An application shall be considered within 15 calendar days, with the exception of cases specified by the legislation of the Republic of Kazakhstan. Upon expiration of stated period the Bank shall be obliged to notify in writing an applicant of results of consideration of made application.

192. On a written demand of a shareholder the Bank shall present (send by registered letter) to it copies of the Articles of Association, amendments and alterations thereto within five business days from receipt of such demand.

193. The Bank shall fix an amount of payment for provision of copies of documents, which may not exceed expenses for making copies of documents and payment of expenses connected with delivery of documents to a shareholder, as well as payment for services of an independent registrar.

194. Provision of documents, which are confidential and being official, trade or other legally protected secret, may be restricted by decision of the Chairman of the Management Board of the Bank.

195. In order to obtain required information, which is a subject of trade or other legally protected secret of the Bank, a shareholder of the Bank shall:

- 1) send a written request to the Chairman of the Management Board of the Bank specifying title of documents and date, as at which they are executed (must be executed), which a shareholder would like to review or obtain copies thereof;

- 2) the Chairman of the Management Board of the Bank shall consider a request with a view to opportunity to present information requested by a shareholder, as well as a type of presented documents (copy thereof, certified extract from a document, etc.) and forms of presentation of requested information. In the event the Chairman of the Management Board makes decision on presentation of requested information, a relative business unit shall inform a shareholder time and place of possible review of documents or amount of expenses for making copies of documents (certified extracts therefrom, etc.) and sending or delivering the same to a shareholder, as well as essential elements using which a shareholder must pay mentioned expenses;

- 3) within five business days from a day of receipt of money for payment of mail expenses and expenses of the Bank for making copies of documents and signing by a shareholder of a commitment of non-disclosure of banking, trade and official secret, the Bank shall send by registered letter or serve in person the copies of requested documents (certified extracts therefrom) to a shareholder.

196. In case a shareholder fails to sign commitment mentioned above, requested information (documents) shall be not presented by the Bank.

197. In case the Chairman of the Management Board of the Bank makes decision on refusal of presentation to a shareholder of information requested by it, a relative business unit shall send a shareholder a notice, which shall set forth causes and reasons for refusal.

198. When preparing to hold an annual General Meeting, the shareholders (their representatives), at the moment of their registration as participants of the General Meeting, shall be presented materials at address stated in a notice to the shareholders of the General Meeting of Shareholders, according to the procedure provided for by chapter 3 of this Code.

## **Chapter 11. Control of economic and financial activity of the Bank**

199. The system of internal control of financial and economic activity of the Bank must ensure confidence of the shareholders in accuracy of implemented policy of management of the Bank, obtaining of dividends from made investments, confidence of investors in the Bank and bodies of the Bank, assessment of banking risks. Main goal of internal control is to protect legal interests of the Bank, its investors, creditors and clients regarding issues directly connected with banking activity by ensuring proper level of reliability corresponding to a nature and scope of transactions made by the Bank, ensuring compliance by the Bank with requirements of the effective legislation of the Republic of Kazakhstan.

200. The goal mentioned above shall be achieved by strict observance by the bodies, business units, officials and employees of the Bank of effective procedures of internal control, system of management in the Bank, finding, determination, assessment and control of banking risks, reliability of accounting and reporting.

### **§1. Internal Audit Service**

201. Control of financial and economic activity of the Bank shall be carried out by the Internal Audit Service, as well as an independent auditing organization (auditor).

202. The Internal Audit Service is subordinated directly to the Board of Directors and accountable to it after inspections (revisions). All reports on revisions of business units of the Bank shall be considered as soon as possible at meetings of the Board of Directors, subject to decision made by the Management Board. Results of revisions carried out by the Internal Control and Audit Service shall be recorded in minutes of a meeting of the Board of Directors of the Bank for the purpose of full control of elimination and exclusion of deficiencies, violation thereafter.

203. The Bank shall ensure creation and effective functioning of a system of internal control by means of regular and effective control of settlement of all financial and economic transactions of the Bank, inspections (revisions) on regular basis of all business units of the Bank, including branches, divisions and subsidiary organizations.

204. The Bank shall differentiate competence and powers of business units and persons included into a system of internal control and control of financial and economic activity of the Bank in a policy of double control approved by the Board of Directors and other internal regulatory documents.

205. The system of control of financial and economic activity of the Bank must ensure:

- 1) implementation of the strategy of development of the Bank;
- 2) performance of a plan of capital investments, business plan and budget of the Bank;
- 3) effective functioning of the system of internal control in business units;
- 4) relative level of possession by employees of the Bank of regulatory legal acts regulating banking activity and internal regulatory documents of the Bank;
- 5) compliance with international standards and improvement of the system of accounting and reporting of the Bank (data processing);
- 6) finding additional risks of the Bank connected with introduction of new products and types of banking services;
- 7) restriction of risk of conflict of interests.

206. Employees of the Internal Audit Service must have experience and meet qualification requirements to employees of the Internal Audit Service.

207. The Internal Audit Service shall from time to time, but not less than, as a rule, once a year, according to an assignment, carry out scheduled and unscheduled internal audits of business units and individual employees of the Bank performing functions related with settlement of banking transactions, including, for the purposes of improvement of the systems of risk management and internal control, record and monitoring of found out violations when making transactions, and present information about such violations to the Board of Directors.

208. The Internal Audit Service shall check transactions of the Bank in order to find out and prevent cases of manipulations with incomes and assumption of risk inappropriate to amount of equity capital and incomes of the Bank.

209. Internal rules of the Bank provide for the right of access of the Internal Audit Service to all required documents connected with activity of audited business unit, including those ones functioning under confidentiality treatment.

210. The Internal Audit Service shall take part in discussion of issues regarding introduction of new products or services, coordinate internal regulatory documents with a view to conformance to the requirements of the legislation of the Republic of Kazakhstan and the system of internal control of the Bank and risk control.

211. Proposals on elimination of found out deficiencies, based on results of audits of the Internal Audit Service, are binding on business units of the Bank.

212. The Internal Audit Service shall associate risk management business units as regards compliance with principles and procedures of risk management and internal control in the Bank by the competent authorities, hold joint meetings with external auditors in order to discuss deficiencies in the system of internal control of the Bank.

## **§2. External audit**

213. The Bank shall ensure annual revision of its financial and economic activity by an international auditing organization for the purpose of confirmation of financial statements of the Bank in accordance with the international standards, effective management of banking risks and reliability of the system of internal control. Choice of an international auditing organization with solid reputation in the world shall be approved by the General Meeting of Shareholders of the Bank.

214. An international auditing organization shall find out deficiencies and violations in financial and economic activity of the Bank, requirements of the legislation of the Republic of Kazakhstan and bring information about those deficiencies, violations to the Board of Directors of the Bank. The Board of Directors of the Bank shall analyze conclusions (reports) of external auditors on improvement of the system of internal control, management of banking risks and control elimination of found out deficiencies, violations.

## **Chapter 12. Dividend policy**

215. Dividends are integral part of existence and development of the Bank. Optimization of dividend policy, along with improvement of financial condition, is one of key moments of the general financial strategy of development of the Bank, an instrument for enhancing investment attractiveness and indicator of condition of the Bank for investors. A competent dividend policy and maximal awareness of investors are key factors of long-term development of the Bank.

216. Main goal of a dividend policy is to assist in growth in prosperity of its shareholders by ensuring:

- steady increase in dividends on shares of the Bank.

In order to achieve that goal the Bank tries to ensure gradual increase in net income (profit) of the Bank that will allow ensuring gradual increase in amount of paid dividends by directing net income (profit) of the Bank for these purposes;

– creation of required conditions to enable the shareholders to timely and fully obtain dividends.

The Bank ensures creation of required conditions to enable the shareholders to timely and fully obtain dividends by determining at the General Meeting of Shareholders of the Bank of a date of commencement of payment of dividends, place in which the shareholders may obtain dividends, amount of due dividends and other parameters.

### **Chapter 13. Settlement of corporate conflicts**

217. Taking into consideration an opportunity to keep good business reputation of the Bank and utmost undesirability of corporate conflicts, the Bank considers it is necessary for it to elaborate mechanisms to prevent and settle corporate conflicts.

#### **§1. General provisions**

218. A corporate conflict in the context of this Code the Bank recognizes any disagreement or dispute between a body of the Bank and its shareholder, which arose in connection with participation of a shareholder in the Bank, or disagreement or dispute between the shareholders, if this affects or may affect interests of the Bank.

219. In case of a corporate conflict, the Bank shall determine as soon as possible its position with respect to arisen conflict, make relative decision and inform it to the shareholders.

220. When determining its position, the Bank shall be based on regulations of the legislation of the Republic of Kazakhstan and ensure reasonable combination of interests of the Bank and all of its shareholders.

221. If necessary, the Bank shall provide a party to a conflict, court, competent authority and other public bodies with required information to make clear real situation with respect to arisen conflict and to take measures to settle the same according to the procedure provided for by the Articles of Association of the Bank, this Code and internal documents of the Bank.

222. The Bank undertakes to take all measures within its control to settle arisen corporate conflict and to provide the shareholders with an opportunity to exercise and protect their rights. In case of forced refusal of satisfaction of a request of a shareholder, the Bank undertakes to strictly base on provisions of the effective legislation.

223. Competence of bodies of the Bank regarding consideration of corporate conflicts shall be differentiated depending on extent to which a corporate conflict refers to competence of one or another body of the Bank.

224. In case of a corporate conflict between the shareholders, which conflict may affect interests of the Bank, the Bank shall be entitled to apply to parties to a conflict to take part in the process of settlement thereof as an agent of the parties.

225. Moreover, the Bank shall be entitled to propose itself as a consultant and to provide the parties with required information and documents, consultations with respect to aspects of the effective legislation, provisions of internal documents of the Bank.

#### **§2. Procedure for determination of position of the Bank in a corporate conflict**

226. In case of a corporate conflict or situation, which may result in a corporate conflict, a relative business unit shall, within a period not exceeding 3 business days, put that issue for consideration by the Management Board of the Bank attaching documents and explanations required for making reasonable decision and determining position of the Bank.

227. In the event an issue, with respect to which a corporate conflict may arise or arose is referred to competence of the Board of Directors of the Bank, then the Management Board of the Bank, having considered relative documents and stating its position regarding that issue, shall solicit to the Board of Directors of the Bank to approve position of the Bank.

228. The Board of Directors of the Bank, having considered solicitation of the Management Board, shall be entitled to make one of the following decisions:

- 1) to approve position of the Bank proposed by the Management Board;
- 2) to refuse to satisfy position of the Bank proposed by the Management Board and to determine another position of the Bank regarding corporate conflict.

229. The members of the Management Board or the Board of Directors of the Bank, which are:

- 1) parties to a conflict;
- 2) affiliated persons of a party to a conflict

must not take part in consideration of an issue regarding determination of position of the Bank with respect to a corporate conflict.

230. Position of the Bank with respect to a corporate conflict must be informed to parties (party) to a conflict of the shareholders of the Bank within 3 business days from a date of determination of position of the Bank.

231. In case the Bank is a party to a conflict, then the Management Board of the Bank or the Board of Directors of the Bank, when determining position of the Bank regarding a corporate conflict, shall also approve a list of actions of the Bank in order to settle a conflict.

232. By consent of the shareholders, which are parties to a corporate conflict, the Management Board and (or) the Board of Directors (members thereof) may participate in negotiations between the shareholders, provide the shareholders with available information and documents relating to a conflict, explain regulations of the legislation of the Republic of Kazakhstan and provisions of internal rules of the Bank, give advice and recommendations to the shareholders, prepare draft documents for settlement of a conflict to be signed by the shareholders, on behalf of the Bank within its competence assume obligations to the shareholders to the extent this may further settlement of a conflict.

233. Based on the results of actions taken for the purpose of settlement of a corporate conflict the Bank shall be entitled to sign an agreement for settlement of a conflict.

#### **Chapter 14. Final provisions**

234. This Code of Corporate Governance shall come into force from approval by the General Meeting of Shareholders of the Bank.

235. Particular provisions of this Code are represented in internal Policies and Regulations of the Bank.

236. Provisions of this Code shall be binding on the shareholders of the Bank, officials and employees of the Bank.

237. Persons violated provisions of this Code shall bear responsibility in accordance with the legislation of the Republic of Kazakhstan.