



APPROVED
by the decision of shareholders
meeting of ATF Bank JSC
(Minutes No.1(36) dated on 17
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CORPORATE GOVERNANCE CODE

ATF Bank Joint Stock Company

Almaty

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Chapter 1. GENERAL PROVISIONS

1. Corporate governance code of the ATF Bank Joint Stock Company (hereinafter “the Code”) shall be a fundamental document, determining basic principles and standards, used in managing the ATF Bank JSC (hereinafter “the Bank”), including relationships between the Board of Directors and the Bank Management Board, shareholders and the Bank officials, as well as the order of operation and decisions making procedure by the Bank bodies.
2. The main goal of using the corporate governance standards shall be – protection of the Bank’s shareholders interests. Corporate governance is aimed to ensure high level of business ethics in the Bank shareholders relations, its bodies and the Bank officials, as well as the Bank (its bodies, officials and employees) interactions with third parties.
3. The Present Code has been developed in compliance with the provisions and requirements of the acting legislation of the Republic of Kazakhstan, recommendations of the authorized agency adjusted for international practice of corporate governance, ethic rules, specific conditions of the Bank’s operation at the current stage of its development.
4. The Present Corporate Governance Code shall be the Bank’s public document.

Chapter 2. CORPORATE GOVERNANCE PRINCIPLES

1. Corporate governance principles – shall be fundamentals for the Bank to follow in the process of creation, operation and improvement of its corporate governance system. The main principles of Bank corporate governance shall be:

- *equality;*
- *accountability;*
- *controllability;*
- *openness;*
- *transparency;*
- *supervision;*
- *effectiveness;*
- *responsibility;*
- *subordination.*

The Bank corporate governance shall mainly be based on respect of all shareholders rights and their legal interests and the status of the Bank itself, and shall be aimed at achieving the growth of the Bank’s effective operation, including growth of Bank assets, creation of jobs and maintenance of the Bank’s financial stability and profitability. Principles of corporate governance reflected in present chapter are aimed at setting credibility in relations connected with the Bank management.

EQUALITY.

This principle shall guarantee identically equal attitude towards all shareholders of the Bank. To fulfill this corporate governance principle the Bank shall:

1. keep to the position of equal attitude to all categories of the Bank shareholders;
2. establish necessary conditions for all shareholders to participate in the Bank management by taking decisions at the General shareholders meetings according to the procedure, set by the legislation of the Republic of Kazakhstan, the Bank’s Charter and the present Code;
3. keep within the procedures for convocation and general meeting conduction, assuring equal possibility to all persons, present at the meeting, express their opinion and putting their questions of interest, which are determined by chapter 3 of the present Code;
4. keep to the accomplishment of significant corporate actions, allowing the shareholders receive the full information on such actions and ensuring maintenance of their rights regardless of shareholders category, determined by chapter 6 of the present Code;

5. keep to procedures of equal opportunity for all Bank shareholders to have an access to similar information, identical order of providing information to all categories of shareholders;
6. set a transparent procedure for officials to be elected to the management body of the Bank, providing the full information to every shareholder regarding such persons;
7. take all possible measures for conflicts regulation among the Bank's bodies and its shareholders, as well as among shareholders if such conflict damage the Bank's interests. Provisions, determining the procedure of this principle realization, are reflected in the present Code.

ACCOUNTABILITY.

This principle shall assure full accountability of the Bank before the shareholders, providing a timely and fully reliable information to the Bank stakeholders on current financial situation in the Bank, achieved economic and activity results, Bank management structure, which makes possible for the shareholders and investors take reasonable decisions.

To implement this corporate governance principle the Bank shall:

1. provide the shareholders a detailed information on every subject of the agenda while preparing for the general shareholder meeting, so as to give them an adequate idea of any agenda item.
2. include in the annual report, provided to the shareholders, the information allowing to assess the Bank's activity results during the year;
3. establish a unified, clear and accessible procedure of getting the information by the Bank shareholders;
4. work out in detail and keep control on usage and provision of confidential information, having commercial and banking secrecy;
5. keep to legislation requirements related to information disclosure, which is subject to obligatory notification of shareholders.

The way of realization shareholders rights to receive the information of their interest, the list of information, attributed to banking and commercial secrecy, as well as the way of getting such information shall be regulated by the Bank Charter, chapter 7 of the present Code and Internal provisions of the Bank.

CONTROLLABILITY.

This principle shall enable the shareholders to use their rights to participate in the Bank management.

To realize this corporate governance principle the Bank shall:

1. ensure a reliable and effective shareholders ownership rights accounting system of their shares, as well as possibility of a free and prompt alienation of shares owned by them. The Bank's securities holders' register shall be carried by a registration company, having a relevant license from the authorized agency and a good business reputation. In case the registrar is changed, the new registrar shall be selected on the basis of that the registrar must possess good reputation, provide shareholders with qualitative service, have highly skilled employees and be able to have a multi-branched transfer-agent network. These shares shall be listed in the Kazakhstan stock exchange at top category. The market maker services shall be rendered by the company, having the correspondent license of the authorized agency and a good business reputation;
2. keep to the procedure of General shareholder meetings convocation and conduct, permitting to deliver the information on General shareholder meeting to the maximum number of the Bank shareholders, properly prepare for participation in General shareholders meeting, become familiar with the list of persons, having the right to participate in the General shareholders meeting.

The location, date and time of the Bank's General shareholders' meeting shall be determined in a way enabling the shareholders to have a real and easy opportunity to participate and realize their

right to manage the Bank, including by means of absentee voting. Procedures for convocation and conduct of General shareholder meetings shall be determined by the Bank Charter, chapter 3 of the present Code;

3. keep within the conditions, established by legislation of the RK and the Bank Charter for recommending candidates to be elected into the Bank's Board of Directors, also envisaging at the meeting itself the opportunity for a shareholder to nominate its candidacy as a member of the Board of Directors by the relevant regulation of the procedure for nominating candidates to the Bank's Board of Directors. Establishes unified requirements to persons who may be nominated as candidates for members of Board of Directors and strictly follow the cumulative voting procedure in electing members to the Bank's Board of Directors, which secure mainly participation rights of minority shareholders in managing the Bank. The election procedure, the Board of Directors activity is determined by chapter 4 of the present Code.

OPENNESS.

This principle shall provide to the Bank shareholders a real participation in distribution of Bank's profit (earning dividends). To fulfill this corporate governance principle the Bank shall:

1. establish a transparent and clear to shareholders mechanism for determining the size of dividends and their payment scheme, take measures to ensure a simple and easy way of receiving dividends;
2. give an exact idea to shareholders on the Bank terms of payment dividends, shall provide them with the information of their interest on financial results of the Bank and offer the way of distributing net profit earned;
3. afford the shareholders an access opportunity to the Bank's financial statement which is regulated by chapter 8 of the present Code;
4. apply the measures of disciplinary punishment, envisaged by the legislative acts and internal rules of the Bank, with regard to Bank officials, in case of partial or delayed payment of declared dividends through the Bank's fault.

The above listed provisions are reflected in chapter 9 of the current Code.

TRANSPARENCY.

This principle shall ensure maximum transparency of the Bank's officials activities. To realize this principle of corporate governance the Bank shall:

1. develop a transparent procedure of electing members to the Board of Directors and the Management Board, stipulating provision of necessary information on these persons to all shareholders;
2. put a strict veto upon operations, utilizing insiders information;
3. work out in details and keep to prescribed by legislative acts reporting procedure of the Bank officials before the shareholders.

The way of election and main requirements to Bank officials, the Bank officials' reports shall be regulated by the legislation of the Republic of Kazakhstan, the Charter and internal rules of the Bank.

SUPERVISION.

This principle shall envisage accomplishment of strategic management of the company's activity by the Board of Directors and its effective control of the actions of its executive body, as well as accountability of Board of Directors members before its shareholders. To realize this principle of corporate governance the Bank shall:

1. approve the Strategy of the Bank development by the Board of Directors decision, and ensure its effective control over the Bank's business and financial activity;
2. establish the requirements for the candidates to the Board of Directors, which shall enable elect the members, providing the most effective Board of Directors functions implementation;
3. set up a procedure to ensure active participant of the Board of Directors members in company management with precise regulation of procedure issues;
4. take measures on improvement of Board of Directors structure, assuming creation of committees for preliminary consideration of most essential issues, relevant to Board of Directors competence;
5. take measures on establishing effective control of the Bank Management Board activity by setting a procedure of how the Management shall report to the Board of Directors.

The way of election and main requirements to members of the Bank's Board of Directors, as well as the order of Board of Directors and its committees activities shall be established by the legislation of the Republic of Kazakhstan, the Bank Charter and the present Code.

EFFICIENCY.

This principle shall enable the Bank Management Board to reasonably and faithfully exercise effective management of the Bank's day-to-day operation, as well as set the Bank Management Board accountability before the Board of Directors and its shareholders. To fulfill this corporate governance principle the Bank shall:

1. based on the requirements of the Kazakh legislation, determine competence of the Bank Management Board, reflected in the Bank Charter;
2. by Board of Directors ensure functioning of control system on operation of the Bank Management Board aimed at most effective implementation of function imposed on Management Board, including fulfillment of the Bank Strategy development provisions;
3. ensure the Chairman and the Management Board members and other Bank officials' remunerations' compliance with their qualifications and actual contribution to the Bank's operations results.
4. take measures on a sensible observance by the Bank Management Board the interests of third parties, the Bank partners, state and local administration, on which territory the Bank and its affiliates located;
5. set a selection and staff management system, enabling to raise Bank employees interest in its effective operation and providing gradual and steady Bank employees welfare growth by establishing a special collective body, responsible for human resources policy implementation.

The way of election and main requirements to members of the Bank Management, as well as the order of Board of Directors and its committees activities shall be established by the legislation of the Republic of Kazakhstan, the Bank Charter and the present Code.

RESPONSIBILITY.

This principle shall determine ethic rules for the Bank's shareholders. The fulfillment of this corporate governance principle is possible only under direct participation of the Bank shareholders and at their free will:

1. the Bank shareholders, primarily major shareholders, shall strictly follow the ethic rules of financial organization members behavior ;
2. unacceptable abuse of rights by the Bank shareholders;
3. inadmissible actions of the shareholders, exclusively intended to injure the other shareholders or the Bank.

This principle shall also determine responsibility of the Bank officials in taking illegal, guilty (intentional or careless) actions or inactions, stipulated by current legislation.

SUBORDINATION.

This principle shall ensure effective control over the Bank's economic and financial activity. To realize this corporate governance principle the Bank shall:

1. consider the importance of the internal control mechanisms, establish and maintain high level of the complex and effective control system over the Bank's economic and financial activity in concordance with the procedure set by chapter 8 of the present Code.
2. clearly differentiate the competence of bodies and structural units, forming the inspection system over the financial-economic activity of the Bank.
3. arrange highly effective work of the Bank body – department of internal control and audit, monitoring the Bank's and its employees compliance with the legislation requirements of the RK, internal rules and Bank procedures, external and internal audit reports implementation, pressure measures and other requirements of the authorized body, by exercising regular inspections in the Bank's structural units. The control shall be done according to the internal provision concerning internal control, approved by the board of directors and the work plan.
4. introduce and ensure principle of independence in operations for the department of internal control and audit from the Bank management, inform the Chairman of the Board of Directors on audit results and take relevant measures.
5. organize a system of qualitative and effective external and internal audit interaction, due control of fulfillment of all external audit recommendations.

The operational way of the Bank's body – department for internal control and audit, labor remuneration and bonus payment to the body employees, shall be set up by the Bank Board of directors and regulated by internal rules.

Chapter 3. GENERAL SHAREHOLDERS MEETING OF THE BANK

The Bank shareholders are given the right to participate in the Bank's management by taking part in convoking and conducting the General shareholders meeting. Procedure for convocation, preparation and conduct of General shareholders meeting, used by the Bank, ensure equal attitude to all Bank's shareholders and provides an equal opportunity to every shareholder to realize its right in General shareholders meeting participation.

1. Procedures for a call and preparation of the Bank's general shareholders meeting.

1.1. Major shareholders propose additional issues to be included in the agenda of a General shareholders meeting and nominate candidates to members of the Bank's Board of Directors, as well as have the right to convoke a General meeting of shareholders pursuant to the Kazakh legislation, by sending the relevant written notification to the Bank Management Board.

1.2. An annual General shareholders meeting shall be convoked by the Bank's Board of Directors. An extraordinary General shareholders meeting shall be convoked at the initiative of the Board of Directors and (or) a major Bank's shareholder, who according to the Kazakh legislation, recognized a shareholder or several stakeholders, acting based upon their agreement, who owns (own in aggregate) ten and more percent of the Bank's voting shares.

1.3. In case of necessity for calling an extraordinary General shareholders meeting, a major shareholder shall send to the Board of Directors, at the address of its Management Board, the relevant written notification on convocation of an extraordinary General shareholders meeting, containing the meeting agenda.

The Board of Directors within ten days from the date of receipt of the above mentioned demand, shall make a decision and send to a major shareholder, presented such demand a notification

regarding the convocation of an extraordinary General shareholders meeting. The Board of Directors when making decision on convocation of an extraordinary General shareholders meeting at the initiative of a major shareholder, may, at its own discretion, add any issues to the meeting agenda.

1.4. A list of shareholders having the right to participate at a General shareholders meeting shall be made by the company's registrar, based upon data contained in the company's shareholders' register. Such list may not be dated earlier than the date a decision regarding the conduct of a general meeting is adopted.

1.5. In case, if the person, the owner of Bank's voting shares, that is included in the list of shareholders having the right to participate at a General shareholders meeting, sells the Bank's shares it owns, a new shareholder has the right to participate at a general shareholders meeting and shall present documents confirming the ownership right to such shares.

1.6. Agenda of a meeting shall be prepared by the Bank Board of Directors based on the offers, received from the Bank's Management Board, major shareholder and (or) members of the Board of Directors. The agenda shall have exactly worded issues to be discussed. Agenda of a meeting shall be approved at the General shareholders meeting by the majority of votes of the Bank's voting shares total number represented at the meeting.

The wording of issues on the agenda of a General shareholders meeting excludes difference in their interpretation. A General shareholders meeting shall not consider issues which are not included in its agenda and shall make no decisions regarding such issues.

1.7. A major shareholder or the Board of Directors may make additions to agenda of a meeting, provided that the shareholders are informed of such additions no later than 15 days prior to the date of such meeting according to the procedure, set for convocation of General shareholders meeting.

1.8. Agenda of General shareholders meeting may be also changed and (or) added directly at the shareholders meeting, provided that the majority of shareholders or their representatives, participating at the relevant general meeting and owning in aggregate no less than ninety five percent of the Bank's voting shares vote therefor.

1.9. The Board of Directors shall notify the Bank shareholders of a General meeting not less than 30 calendar days prior to the date of such meeting through the publication of notification in the printed editions, determined by the Bank Charter. Notification on general shareholders meeting convocation and conduct shall contain the information sufficient for acquainting the Bank's shareholders with the issues brought to the meeting (agenda), as well as on the date, time, meeting location, participants registration timing on and off, and on familiarization procedure with the meeting materials.

1.10. The Bank may distribute additional information about a General shareholders meeting conduction by notifying a security trading organizer, informing stakeholders via TV and radio, by posting announcements in the Bank cash-settlement departments and affiliates, via electronic communication facilities, including Internet.

1.11. Notification (information) of a General shareholders meeting shall contain:

- the full name and location of the Bank Management Board;
- the information regarding the initiator of the meeting;
- date, time and place of the meeting;
- on-and-off registration time of meeting's participants;
- agenda of a General shareholders meeting;
- the date of execution of the list of shareholders, having the right to participate in a general shareholders meeting;
- procedures for shareholders' review of materials associated with matters relating to the general shareholders meeting agenda;
- the date and the time of a repeat meeting to be conducted if the first meeting had no quorum;

1.12. Stakeholders shall have the right to learn about the initiator of items entered on the agenda.

1.13. If needed, the shareholders may contact the other Bank shareholders, deliver them their views regarding agenda items and discuss possible voting variants, as well as nominate representatives for participation at a general meeting.

1.14. Information prepared for a General shareholders meeting conduction, shall enable the shareholders to get a full idea of the agenda items and make reasonable decisions on the issues.

Shareholders may receive copies of additional materials and documents, while arranging a general meeting conduction, at places of learning the materials of general meeting, mentioned in the notification of General shareholders meeting conduct.

1.15. List of documents presented to shareholders on separate agenda items, besides envisaged by the RK legislation and the Bank Charter, shall be determined by the Bank's Board of Directors while preparing for General shareholders meeting conduction.

The Board of Directors may submit to shareholders, as required prior to the meeting conduction, a motivated position on each agenda item, as well as special opinions of the Board of Directors members.

1.16. While arranging an annual General shareholders meeting, it's obligatory to submit: the annual financial statement of the Bank with the attached to it audit report (of independent audit organization), the Bank's Board of Directors proposal on the procedures for distribution of the Bank's net revenues for an expired fiscal year, distribution of the Bank's net profit and the amount of dividends per one common share of the Bank, as well as other documents at discretion of the initiator of a general meeting convocation.

If a general meeting agenda contains items of Board of Directors members' election, the Bank audit organization (audit), then the general meeting participants shall be provided with sufficient information about the candidates to these posts.

1.17. In determining place, time and date of a General meeting conduction, the Bank based on the necessity of providing a real and easy opportunity to take part at the general meeting.

1.18. A General shareholders meeting shall be conducted in a populated area at the location of the Bank Management Board. Premises where a general meeting to be conducted, shall enable all shareholders wishing to attend the general meeting, participate at.

The general meeting shall be hold not earlier than 9:00 a.m. and not later than 6:00 pm of local time.

1.19. A repeat General shareholders meeting may not be scheduled earlier than on the date following the specified date of the failed General shareholders meeting. At the same time calling of a repeat general meeting of the Bank shareholders shall be done according to the procedure envisaged by the Kazakh legislation for general shareholders meeting call.

Decisions of a repeat general meeting shall be valid only in cases, if the calling procedure of a failed General shareholders meeting was followed. In case of arranging a repeated meeting (instead of a failed one) the agenda can not be changed.

1.20. Every shareholder of the Bank shall have an opportunity to use his vote in a simple and convenient way, by personal attendance at the general meeting.

The Bank shareholders shall have the right to participate and vote at the general shareholders meeting through a representative, acting on the basis of a power of attorney issued pursuant to Kazakhstan legislation. No power of attorney for participation at a general shareholders meeting is required for a person having the right to act on behalf of a shareholder or represent its interests without a power of attorney, pursuant to Kazakhstani legislation or an agreement.

The Bank officials shall not right to represent shareholders at a general shareholders meeting.

Arrangement and conduction of a general meeting of the Bank shareholders shall be carried by the Bank Management Board and (or) the Board of Directors.

The Bank's structural subdivisions shall have the right to participate, within the given functions, in the development and materials preparation of the agenda items for a general shareholders meeting.

1.21. Expenditures related to general meeting call, preparation and conduction shall be taken by the Bank, with the exception of cases, specified by the legislation of the RK.

2. Conducting the Bank's general shareholders meeting

2.1. A procedure for conducting a general meeting provides to all persons, present at the meeting, an equal opportunity to express their opinions on every item of the agenda and to put their questions of interest.

A general meeting shall be conducted in such a way that the shareholders may take reasonable decisions on all issues of the agenda. For that, the meeting schedule shall envisage a reasonable and sufficient time for speakers reports on the agenda items and the time for their discussions, initiative statements of shareholders.

2.2. Shareholders listed in the Bank's shareholders register, presented by the Bank registrar and compiled on date of fixation of shareholders register, having the right to participate at the Bank's general shareholders meeting in compliance with the Kazakh legislation, may take part and vote at the general shareholders meeting.

Every shareholder of the Bank shall have the right, based on principle "one share-one vote," unless otherwise established by the legislative acts of the Republic of Kazakhstan.

The Bank shareholders, owning preference shares, shall have the right to attend a general shareholders meeting, held in face, and participate in the discussion of issues considered.

Voting by shares in pledge shall be performed in compliance with the pledge agreement.

2.3. General shareholders meeting shall have the right to consider and make decisions on the agenda items if, at the end of registration of the meeting's participants, the shareholders or their representatives that included in list of shareholders are registered, as well as persons, who has acquired voting shares from shareholders, listed as meeting participants and owning, in aggregate, 50 percent and more of the Bank's voting shares.

At the same time, new shareholders shall submit the documents, confirming their ownership right for the Bank shares.

2.4. Before considering the items on the agenda the general shareholders meeting shall elect the chairman, the secretary of a general shareholders meeting, the representatives of the shareholders, testifying to accuracy of a protocol draft; the list of counting commission members, authorized to count voices at the Bank's general shareholders meeting, shall be announced.

2.5. The Chairman of the general shareholders meeting, elected at the general meeting, assure the meeting holding in such a way, that the shareholders or their representatives may receive answers to all of their inquiries directly at the general meeting. If the question is complicated to answer immediately, the persons questioned, shall provide written response to the queries put by, in the shortest possible time after the end of the general meeting.

The Chairman of the general meeting shall conduct the meeting honestly and wisely, shall not be allowed to use the imposed authorities for restriction of shareholders rights (has no right to comment speeches, as well as interrupt a speaker, if only such necessity arise from the violation of a general meeting holding procedure or other requirements to a general meeting conduction). A general shareholders meeting shall be conducted in Kazakh and/or Russian languages. The Chairman and the Bank Management Board members may not chair a general shareholders meeting. The secretary of a general shareholders meeting shall be responsible for the completeness and accuracy of information contained in minutes of the Bank's general shareholders meeting.

2.6. Members of the Board of Directors, the Chairman and Management Board members, Director of the internal control and audit department, invited persons, officials and other Bank employees, arranging and holding a general shareholders meeting, leaders of branch (affiliated) organizations may take part and have a floor at the general shareholders meeting.

2.7. The Bank shareholders may have a speech on every issue on the agenda, as well as put questions of their interest to members of the Board of Directors, the Chairman and members of the Bank Management Board.

2.8. In case of necessity the shareholders shall be furnished with reports, as well as written responses to queries related to various aspects of the Bank's operation, according to the procedure, stipulated by the Kazakh legislation and the bank Charter.

2.9. While listening to the report on inspection results of the Bank's economic and financial activity, the Bank's annual report, the shareholders may put questions to the Director of the internal control and audit department and to the representative of an independent audit organization of the Bank concerning the submitted by them conclusions and receive responds to their inquiries.

2.10. The Bank shareholders shall receive sufficient information about the candidates to be elected to the posts of the Board of Directors members, enjoying shareholders' credibility.

The candidates for election to the posts of the Board of Directors members shall attend a general shareholders' meeting in person, where the subject of their election is considered, thereby expressing consent to their election on the relevant post. The shareholders may put queries of their interest to the candidates, exchange views with other shareholders.

The requirements for candidates to be elected to the post of the Board of Directors members shall be established by the current legislation.

2.11. The registration procedure of general meeting participants, applied by the Bank shall not cause any difficulties to shareholders for their participation at general meeting. The registration procedure of general meeting participants shall determine presence or absence of quorum at the meeting. The manner of a general meeting participants' registration, the calling procedure for a repeated meeting, if not conducted, shall be determined by the Bank Charter.

Registration of the general meeting attendants shall be held in the same premises where the general meeting to be held and in the day when a meeting conduction is planned. Registration of a general meeting participants' shall start one or two hours prior to a meeting opening. The meeting shall be over the same day which is planed for conduction.

2.12. Issues, requiring decisions, which are of the exclusive competence of general shareholders meeting, are determined by the Bank Charter. Decisions of matters attributed to the competence of a general shareholders meeting, shall be adopted by a simple majority of votes of a total number of the Bank's voting shares participating in vote, with the exception of cases when in order to make a decision on issues of exclusive general shareholders meeting competence, the RK legislation envisage more votes.

2.13. In case, if consideration of an issue by a general shareholders meeting shall lead to the decision, which may restrict the right of shareholders owning preference shares, the decision shall be considered as taken, only if such decision was voted by more that two thirds of a total number of preferred shares.

2.14. In case of disagreement with a general shareholders meeting decision, a shareholder has the right to demand, and the secretaries must enter this shareholder's separate opinion in the minutes.

2.15. General shareholders meeting shall make a decision, voting by show or by an absentee vote.

The Bank's general shareholders meeting decision may be taken by an absentee voting. An absentee voting may be used together with voting of the Bank's shareholders by show, who are present at a general shareholders meeting (mixed vote) or without holding a general meeting of the Bank shareholders.

2.16. During an absentee voting without general meeting and with mixed vote, the Bank shall publish in printed editions, determined by the Bank Charter, a ballot for an absentee voting and notification about general shareholders meeting conduction, not later than 45 days prior to the date of its commencement.

When conducting an absentee voting the following requirements shall be followed:

1) for taking decision on agenda items voting ballots of a common form shall be used;

2) a voting ballot shall contain:

- the full name and location of the Bank's Management Board;
- the information regarding the initiator of calling a general shareholders meeting;
- the deadline for an absentee voting ballot submission;
- the date of the relevant general shareholders' meeting or the date of counting votes for absentee voting without a general shareholders' meeting;
- agenda of a general shareholders' meeting;
- wording for issues to be voted on;
- variants for voting on each item for vote, expressed in the words "for," "against" and "abstained";
- an explanation of voting procedures (filling in a ballot) on each item on agenda.

3) while voting on election issues of members of the Bank's Board of Directors, then a ballot shall contain the names of candidates, suggested for election, as well as margins for the indication of number of votes, given for a certain candidate.

2.17. A ballot without the signature of a voting person or a manager of a voting legal entity or a person, replacing him, as well as without a stamp of a shareholder - legal entity shall be invalid.

When voting may only be used ballots, which the Bank received by the moment of registration of general meeting participants, or by the date of votes calculation, when decisions are taken without holding a general shareholders meeting of the Bank.

Decisions made by an absentee voting shall be valid if there is a quorum, sufficient for conducting a general shareholders meeting.

The results of absentee voting shall be published in printing edition on terms, envisaged by the RK legislation.

2.18. Counting of votes and summarizing voting results during a general shareholders meeting shall be performed by a counting commission, elected by shareholders for the period, determined by the shareholders meeting.

The counting commission shall perform the following functions:

- verify the authority of persons that arrive for participation in a general shareholders meeting;
- register participants at a general shareholders meeting and provide them with materials related to the items on a meeting agenda;
- determine whether ballots received for absentee voting are valid and count the number of valid ballots and votes marked in such ballots in respect of each item on agenda;
- determine the existence of a quorum at a general shareholders meeting, including within the entire time of a meeting, and inform whether the meeting has a quorum;
- explain issues related to shareholders rights realization at a general shareholders meeting;
- count votes on issues, considered by a general shareholders meeting and summarize the results of voting;
- draft minutes on voting results at a general shareholders meeting;
- deliver voting ballots and minutes on the results of voting to the Bank's archive.

2.19. The counting commission shall ensure the confidentiality of information contained in the completed voting ballots at a general shareholders' meeting.

The procedures for holding a general shareholders meeting shall ensure rights observance of all shareholders, who are present at a meeting while summarizing voting results.

The Bank shareholders may get acquainted with the votes counting procedure on the agenda items. Shareholders owning ten and more percent of the Bank's voting shares shall have the right for control the performance of votes count by members of the counting commission.

2.20. The results of voting shall be summarized and announced at a general shareholders meeting. Based on the results of voting, the counting commission shall draft a protocol on result of voting, which shall be attached to the protocol of a general shareholders meeting.

2.21. After the end of a general shareholders meeting, notification on voting results shall be published in printing editions, determined by the Bank Charter, in the established by legislation procedure.

2.22. A minute of the general meeting of shareholders shall be drafted no later than three days after the general meeting of shareholders is closed, and shall contain:

- full name and location of the Bank's Management Board;
- date, place and time of the general shareholders meeting conduction;
- the number of the Bank's voting shares represented at the general meeting of shareholders;
- the quorum of the general shareholders meeting;
- agenda of the general meeting of shareholders;
- a voting procedure at the general shareholders meeting;
- an indication on the chairman and the secretary of a general shareholders meeting;
- the total number of shareholders' votes on each agenda item, that is presented for voting;
- speeches of individuals participating in the general meeting of shareholders;
- issues presented for voting and the results of voting thereon;
- decisions adopted by the general meeting of shareholders.

2.23. A minute of a general shareholders meeting shall be drafted and signed by the chairman and the secretary of the meeting, members of the counting commission, shareholders owning ten and more percent of the voting shares and participating at such meeting.

A minute of a general shareholders meeting together with a minute on the results of voting shall be kept in the Bank and shall be provided to shareholders for review at any time. A copy of a minute of a general meeting shall be provided to a shareholder as requested, according to the procedure, set by the Bank Charter and the current Code.

Chapter 4. THE BANK BOARD OF DIRECTORS

1. General provisions.

1.1. The Board of Directors of the Bank shall be established and function in compliance with the legislation of the Republic of Kazakhstan, Bank Charter and the current Code.

1.2. The Board of Directors shall be a managing body, performing a general management by the Bank's operations.

1.3. An individual only may be a member of the Board of Directors. Members of the Board of Directors shall be elected among shareholders who are individuals, individuals proposed (recommended) to be elected to the Board of Directors as representatives of interests of shareholders.

1.4. An individual who is neither a company's shareholder nor is proposed (recommended) for his election to the Board of Directors as a representative of a shareholders interests may be elected to the Board of Directors. The number of such individuals may not exceed 50 percent of the number of members of the Board of Directors.

1.5. The Chairman and the members of the Board of Directors shall be officials (management) of the Bank.

1.6. Members of the Bank Management, except for its Chairman, may not be elected to the Board of Directors. The Chairman of the Bank Management may not be elected as the Chairman of the Board of Directors.

1.7. Employees of the department for internal control and audit may not be elected to the Board of Directors.

1.8. Members of the Board of Directors shall have the right to operate within their competence, envisaged by the current Code.

1.9. The size and terms of remuneration payment to the members of the Board of Directors shall be determined by the General shareholders meeting.

1.10. Job functions and responsibilities of the Board of Directors shall be determined by the Provision on the Board of Directors.

2. Competence of the Board of Directors.

2.1. The following issues shall refer to the exclusive competence of the Board of Directors:

- 1) determination of priority directions of the Bank's activities.
- 2) adoption of decisions regarding the convocation of annual and extraordinary general meetings of shareholders;
- 3) adoption of decisions regarding the placement of the Bank's shares and the price of their, subject to the number of declared shares;
- 4) adoption of decisions on the Bank's purchase of placed shares or other securities;
- 5) determination of terms and conditions for the issuance of bonds and derived securities of the Bank;
- 6) preliminary approval of the Bank's annual financial statements;
- 7) adoption of a decision regarding the payment of dividends on common shares and determination of a dividend per one common share in the course of the a year, except for dividends which are paid for a reported financial year;
- 8) determination of the number of members and the term of authority of the Management, election of its head and members, as well as early termination of their authority;
- 9) determination of salaries rates and work conditions and paying to the head and Management members;
- 10) determination of work procedures and terms of payment, bonuses, regulation of hiring and moving employers of the Department for internal control and audit;
- 11) performance of general management by the activity of the risk management Department;
- 12) determination of payment for the services of an appraiser and audit organization;
- 13) determination of the procedures for using the Bank's reserve capital;
- 14) approval of documents regulating internal activities of the Bank (except for the documents, executed by Management in order to organize the Bank's activities), including Rules on general conditions for carrying operations, which must have the following data and procedures:
 - a) limited amounts and terms for deposits taken and credits allowed;
 - b) deposits and loans limiting value of fee rates (interests);
 - c) deposits and credits terms of remuneration payment (interest);
 - d) requirements to guarantees, taken by the Bank;
 - e) rates and tariffs for carrying banking operations;
 - f) rights and obligations of the Bank and its clients, and their liability;
 - g) other terms, restriction requirements, which according to the Board of Directors need to be included into the general terms of conducting operations;
- 15) adoption of decisions regarding the formation and closure of the Bank's branches, settlement-cashiering departments (saving banks) and representative offices, and approval of provisions relating thereto;
- 16) adoption of decisions regarding the Bank's participation in the creation and activities of other organizations;

- 17) increase in the liabilities of the Bank by an amount constituting ten and more percent of its own capital;
- 18) election of the Bank's registrar, if an agreement with the previous registrar is terminated;
- 19) determination of information on the Bank or its activities, constituting official, commercial or other legally protected secret;
- 20) adoption of decisions on the conclusion of major transactions and transactions, which are for the Bank's interest, as well as providing banking loans according to the procedure of differentiating responsibilities between the Board of Directors and the Bank Management.
- 21) consideration of the Bank Management reports about budget performance, forming of provisions, state of the Bank's loan portfolio, securities and deposit portfolio, funds attraction by securities issue, syndicated loans, club transactions, Eurobonds, etc.;
- 22) reports consideration from Department of the internal control and audit, according to examination results and taking decision with account of the Bank Management proposals for taking relevant measures on elimination of the revealed defects.
- 23) control performance of defects elimination, revealed by external audit.

2.2. Within the frame of requirements to have in the Bank the system of risks management and internal control, the Board of Directors shall:

- 1) Organize and establish a system of risk management for the banking group, as well as ensure control and availability of an effective and integral structure for risks management, including system management by the Department of risk management operations.
- 2) Ensure a system of effective internal control in the Bank.
- 3) Approve relevant policies and procedures in the field:
 - Corporate governance principles for the Bank's activities.
 - Regulation of conflict of interests in the Bank.
 - Management by all types of banking risks (including issues of their diversity, analysis, monitoring and control, documents maintenance, taking accounts and estimates, decision making , etc) on bank group.
 - investments accomplishment (investment policy on securities and other financial instruments).
- 4) Together with the Management develop and annually approve amendments and changes to the Bank's medium-term program, which determines tasks and goals of the Bank's operation for the following 3-5 years.
- 5) Annually approve the Bank's fiscal plan (budget) for the current year.
- 6) Every year approve annual report of the Management.
- 7) Periodically (not less than quarterly) analyze the Bank's and bank group (accounts) statement to assess their financial state, risks level, etc. The list of financial statements shall establish the Board of Director.
- 8) Approve the list of reports, provided to the Board of Directors regarding risks management.
- 9) Approve terms of all operations (credits, deposits, payments, etc.) with related parties.
- 10) Approve credit projects, the amount of which exceeds the limit, delegated to the Management.
- 11) Annually approve total risks limits.
- 12) Approves the Provision regarding the Bank's managing bodies and its executives.
- 13) Analysis conclusions and recommendations of external audits on improvement of the internal control and risks management systems.

2.3. Issues, related to exclusive competence of the Board of Directors, may not be transferred for consideration to the Bank Management.

2.4. The Board of Directors shall have no right to make decisions on issues, which are in accordance with the bank Charter refer to the competence of the Bank Management, as well as take decisions, contradicting to the decisions of the General shareholders meeting.

3. The Procedure for forming and functioning of the Board of Directors.

3.1. The number of the Board of Directors members, the term of authority, election of it members and advanced termination of their authorities shall be determined by the General shareholders meeting.

3.2. The term of authority of the Board of Directors shall be established by a General shareholders meeting.

3.3. The Board of Directors shall include not less than three individuals.

3.4. Individuals elected to the Board of Directors, may be re-elected an unlimited number of times.

3.5. The Chairman of the Board of Directors shall be elected from its members by majority of votes from the total number of the Board of Directors members voting by show.

3.6. The Board of Directors shall have the right to re-elect the Chairman of the Board of Directors at any time.

3.7. The Chairman of the Board of Directors shall organize the work of the Board of Directors, conduct its meetings and perform other functions determined by the Bank Charter.

3.8. Each member of the Board of Directors shall have one vote. Decisions of the Board of Directors shall be adopted by a simple majority of votes of the Board of Directors members, present at the meeting.

3.9. In the event of equal votes, the chairman of the Board of Directors or a person chairing a meeting of the Board of Directors shall have casting vote.

3.10. The Board of Directors shall have the right to adopt a decision regarding its closed meeting, at which may participate only the members of the Board of Directors.

3.11. The Board of Directors shall have the right to adopt decisions by absentee voting.

3.12. Members of the Bank Management and other invited persons may participate at the meetings of the Board of Directors.

4. Requirements to the Chairman and members of the Board of Directors.

4.1. The Chairman and members of the Board of Directors shall be elected by the consent of the authorized body.

4.2. The Chairman and members of the Board of Directors must meet the minimum of requirements established by the Kazakh legislation. Compliance with the specified requirements shall be determined by the expert commission of the authorized body.

4.3. An individual, who earlier served as a state employee of an authorized agency, and due to his job functions possessed control and supervision authorities on the Bank operations on behalf of the state, may not be elected as a Chairman or a member of the Board of Directors, during one year since termination of such authorities.

4.4. An obligatory condition for designation as a chairman and a member of the Board of Directors shall be the availability of higher education.

4.5. The Chairman and members of the Board of Directors may not exercise their duties prior to receiving consent of the authorized body more than three months.

5. Rights and duties of the Chairman and members of the Board of Directors.

5.1. The Chairman and members of the Board of Directors shall have the right:

- call a meeting of Board of Directors, envisaged by the Bank Charter and the current Provision;
- make additions to the agenda of the General shareholders meeting, if the Bank stakeholders were notified on such additions not less than 15 days prior the date of General shareholders meeting conduction;
- in realization of their authorities, stipulated by the current Provision shall have the right to receive any information from the Bank officials, and if necessary, listen at their meeting the Bank officials and employees' reports on the questions of the Board of Directors interest.

5.2. The Chairman and members of the Board of Directors must:

- perform their duties honestly and use the ways, which mostly reflect the Bank's and its shareholders interests;
- not use the Bank's property and bar its usage, conflicting with the Bank Charter and decisions of the Bank General shareholders meeting, as well as for personal purposes and abuse their powers in transactions with their affiliated persons;
- ensure integrity of accounting and financial statements system, including independent audit process;
- control over disclosure and provision of information regarding the Bank's activities in conformity with the Kazakh legislation;
- comply with the legislation on banking secret, confidentiality of information regarding the Bank's operational activity.
- perform other duties, envisaged by the the Kazakh legislation and the Bank Charter.

6. Committees of the Board of Directors

The credit risk Committee is set up under the Board of Directors, which shall consider and approve credit operations, accept monthly reports regarding the quality of the Bank's credit portfolio and provisioning. In case of necessity the Board of Directors may create other committees in accordance to functions imposed, enabling to ensure control over creation and efficiency of the risk management system, aiming at minimization of long-term negative consequences (credit risks committee and others). The committees shall be set up from members of the Board of Directors, having experience and knowledge in the related field.

The procedure for establishment and work of the risks management committee shall be determined by the internal rules of the Bank.

In case of need, expert specialists with necessary professional knowledge may be attracted to the work of the committee.

Chapter 5. THE MANAGEMENT BOARD OF THE BANK

1. General provisions.

1.1. The Management Board of the Bank shall be elected and function in accordance with the Bank Charter and the current Code.

1.2. The Management shall generally manage the Bank's day-by-day activity and bear responsibility for the effectiveness of its operation.

1.3. The Management shall report about its work to the General shareholders meeting and the Bank's Board of Directors.

1.4. The Bank Management Board must fulfill decisions of the General shareholders meeting and the Bank's Board of Directors.

1.5. Members of the Management may be the Bank's shareholders and employees, who are not its shareholders.

1.6. The Chairman and Management Board members shall be officials (managers) of the Bank.

1.7. In its activity the Management Board shall follow the existing legislation of the Republic of Kazakhstan, the Charter, the Provision on the Management of ATF Bank JSC and the current Code.

Work duties and functions of the Management Board members shall be determined by the Provision on the Management of the ATF Bank JSC.

2. The Management Competencies.

2.1. To scope of Management competence shall refer all issues ensuring the Bank's operation, not referred to the exclusive competence of the General shareholders meeting and the Board of Directors, specified by the Charter:

1) shall have preliminary discussions of items, subject to consideration by the Board of Directors and the Bank General shareholders meeting, prepare in this connection necessary documents, arrange implementation of the Board of Directors and the Bank General shareholders meeting decisions.

2) shall consider issues regarding credit organization, financing, settlements, cash desk service, safety of the Bank funds and values, accounting, inner-bank control, security of clients interests, other issues of the Bank activities;

3) shall make decisions regarding provision of Bank loans, in accordance with the procedure of differentiated authorities between the Board of Directors and the Bank Management;

4) shall consider issues related to managing the Bank activity;

5) shall settle the questions of selection, placement, training and retraining of the Bank's personnel;

6) shall establish the work payment terms for the Bank personnel;

7) shall analyze the reports of the Department for internal control and audit on the results of every inspection and shall make proposals to the Board of Directors on the relevant measures of the revealed defects elimination.

8) shall view the materials of external audits of the Bank;

9) shall review the annual report and balance of the Bank;

10) shall consider and approve internal Rules of the Bank, determining the structure, goals, functions and authorities of the Bank subdivisions, job instructions for the Bank employees;

11) shall make decisions on acquiring, selling of movables and immovables in the order and on the terms of, envisaged by the existing legislation of the RK;

12) shall view the other issues, not referred to the exclusive competence of the General shareholders meeting and the Bank's Board of Directors.

2.2. Within the framework of requirements to availability of the risks management and the Bank inner control systems, the Management shall:

1) on daily basis, perform the risks management, which the Bank is run to, according to the banking policy, procedures and levels of control over risks management, approved by the Board of Directors;

2) ensure realization of the Bank strategy and improvement of internal policies and procedures, including those which define admissible risks and assuring their compliance with the strategic goals of the Bank;

3) consider the relevant policies and procedures on risks management, which are submitted for approval by the Board of Directors, as well as make recommendations to the Board on entering

amendments into the policies and procedures of risks management or to their levels of control, which is subject to the Management decision on making necessary changes;

4) review the securities and other financial instruments investment policy with the following submission for the approval by the Bank's Board of Directors;

5) monitor observance of aggregated limits on risks;

6) monthly analyze the Bank statements for the evaluation of its financial state, risks level, etc. The List of account reports shall be approved by the Management Board;

7) determine measures on sustaining the Bank's equity capital adequacy;

8) define the list of the Bank activities (action plan) in case of emergency connected with the lack of liquidity;

9) approve hedge procedures of the Bank risks by means of derivative financial instruments or other market operations;

10) review and approves credit projects, submitted by a Credit Committee for the Management consideration.

At that, the following projects shall be obligatory for approval by the Bank's Board of Directors in compliance with existing procedures:

- projects, which amount is above limit, the Board of Directors delegated to the Management
- credit projects for the parties connected with the Bank

11) delegate the Credit Committee authorities for making decisions on credit projects within the framework of limits approved by the Board of Directors;

12) consider the issues regarding violation of their authorities by subordinate committees, including violation of internal policies and procedures, and approve relevant sanctions according to the existing Bank procedures;

13) approve list of risks management reports, submitted to the Bank Management;

14) approve policies and procedures regarding establishment of remuneration rates on attracted and places Bank's assets and liabilities;

15) jointly with the Board of Directors work out amendments and changes for the Bank's medium-term strategy, which sets the goals and tasks of the Bank operation for the next 3-5 years;

16) review financial plan (budget) of the Bank for the current year with the followed approval by the Bank's Board of Directors;

17) consider execution of the planned budget for the current year by the Bank subdivisions and affiliates, with further submission to the Bank's Board of Directors for its consideration;

18) prepare an annual report for the Board of Directors on the performance of the Bank planned financial figures;

19) approve policies and procedures of internal control system on electronic data processing, as well as on ensuring the safety of information database system;

20) analyze reports of the internal control and audit subdivisions on the results of every inspection and submit to the Board of Directors proposals on relevant measures taking for revealed defects elimination.

2.3. The Management shall have the right to delegate its authorities to other Bank bodies.

3. The procedure of Management Board work and election.

3.1. Determination of the number of members and the term of authority of the Management, election of its head and members, as well as early termination of their authority shall be made according to the decision of the Board of Directors.

3.2. Functions, rights and duties of the Management Board member shall be determined by the RK legislation, Charter, current Provision, as well as individual labor contract, concluded between the mentioned person and the Bank. The individual labor contract shall be signed, on behalf of the Bank

and the Chairman of Management Board, by the Chairman of the Board of Directors or by person, authorized at this meeting or the Bank's Board of Directors. The individual labor contract shall be signed with other members of the Management by the Chairman of the Management.

3.3. Management Board member shall have the right to work in other organization only with consent of the Bank Board of Directors.

3.4. Management meetings shall be hold as required by the Chairman of the Management Board as a chief executive officer (CEO), and at his absence, the work of the Bank Management shall be run by the first deputy of the Management Chairman, or by one of the Members of Management Board, appointed by its Chairman.

3.5. Members of the Management Board shall perform their duties based on the RK legislation, Charter, decisions taken by the General shareholders meeting and Board of Directors and the current Provision.

3.6. The Bank Management is shall be authorized to make decisions, if the meeting is attended by not less than two thirds of Management members. The Management decisions shall be taken by the majority of votes of participating Management members at the meeting.

3.7. At receiving equal votes, the vote of the person chairing the Management shall be a casting vote.

3.8. The Management decision is legalized in the Management resolution and decrees of the Chairman of the Bank Management Board.

3.9. The Chairman of the Bank Management shall:

- 1) organize the performance of the General shareholders meeting and Board of Directors decisions;
- 2) perform on behalf of the Bank, without the power of attorney, in relations with third persons;
- 3) issue powers of attorney for the right to represent the Bank in its relations with third persons;
- 4) execute hiring, shift and dismissal of the Bank employees (with the exception of employees, who are the members of Management, arrange incentives and impose disciplinary punishments, set up salary rates of the Bank employees and personal extra payments according the list of the Bank staff members, determine size of the Bank employees' bonuses, with the exception of those, belonging to Management staff, and Department for internal control audit of the Bank;
- 5) in case of absence, impose duties performance on one of the Management Board members;
- 6) accomplish other functions defined by the Charter and decision of the General shareholders meeting and the Board of Directors.
- 7) perform other functions determined by the Charter or decisions of a General shareholders' meeting or the Board of Directors.

4. Requirements to the Chairman and Management Board members.

4.1. The Chairman and Management Board members shall be elected to positions with the consent of the authorized body.

4.2. The Chairman and members of the Management Board must meet the minimum of requirements, established by the Kazakh legislation. Compliance with the specified requirements shall be set up by the expert commission of the authorized body.

4.3. An individual, who earlier served as a state employee of an authorized agency, and due to his job functions possessed control and supervision authorities on the Bank operations on behalf of the state, may not be elected as a chairman or Management member during one year since termination of such authorities.

4.4. The authorized body shall have the right to revise the provided consent to the appointment (election) of the Chairman and Management Board member, based on the following:

- 1) revelation of an inadequate data, on the basis of which was given the consent;
- 2) availability of information about being brought to administrative account twice and more than once during one year for making delinquency related to banking activity;

3) release from job duties, prior to consideration of this issue by the Bank body, on basis of sufficient data to declare the actions of a Chairman, Management member as not conforming with the requirements of the existing Kazakh legislation;

4) recognition of incompliance to the requirements, stipulated by clause 4.5. of the current Provision.

4.5. Recognized as not fitting to the position hold, or may not be appointed to the post of the chairman and Management member, the person:

1) having an existing or not cancelled, in accordance with the established law, criminal record;

2) possessing insufficient knowledge regarding the banking legislation of the Republic of Kazakhstan;

3) being earlier a chairman of the board of directors, the first manager (management chairman), deputy manager, chief accountant of the bank, organization, accomplishing all kinds of banking operations or other legal entity in the period of not less than one year prior to taking decision of compulsory liquidation or a forced redemption of shares, or conservation of the bank, organization, exercising separate types of banking operations or other legal entity, recognized a bankrupt in the established order. The indicated requirement is applicable during five years since the date of adopted decision on liquidation or a forced redemption of shares, or conservation of the bank, organization, exercising separate types of banking operations or other legal entity, recognized a bankrupt in the established procedure.

4.6. Indispensable condition of being appointed to the post of a Chairman and Management member, shall be a presence of a higher education.

4.7. The Chairman and Management Board members may not exercise their duties prior to receiving consent of the authorized body more than three months.

4.8. Despite the actual performance of job duties by a person, whose candidacy was submitted for getting consent to take the post of a Chairman and/or Management Board member, in case of refusal from the authorized body to provide consent to his designation, election, the given employee shall be subject to dismissal from the post during not more than 30 days from the moment of receiving by the Bank the decision of the authorized body. A repeated recommendation may not be earlier than three months from the day of the rejected decision taken. During the period of candidate consideration, the persons taken back to job, shall perform their duties under the labor agreement for a fixed period.

5. Rights and duties of the Management Board.

5.1. The Management Board shall have the right:

- to call a Board of Directors meeting according to the procedure, envisaged by the legislation of the Republic of Kazakhstan, the Charter of the Bank, the Regulation on ATF Bank JSC and the current Provision;

5.2. Duties of the Chairman and Management Board members shall include:

- faithfully performance of the imposed responsibilities by using methods, which at utmost reflect the interests of the Bank and its stakeholders;

- fail to use the Bank's property and not permit its usage, conflicting with the Bank Charter, General shareholders meeting and the Bank's Board of Directors decisions, as well as for personal purposes and abuse their powers while concluding transactions with their affiliated persons;

- ensuring the integrity of accounting and financial reporting, including the internal audit process;

- control over disclosure and provision of information regarding the Bank's activities inconformity with the Kazakh legislation;

- observance of banking secret, confidentiality of information regarding the Bank's operational activity;
- . information on having interest in conclusion any deal with the Bank;
- strict compliance with the Board of Directors decisions, including after results of inspection over the Department for internal control and audit;
- submission of quarterly reports to the Board of Directors about budget accomplishment and quality of the Bank's credit portfolio;
- other duties performance, envisaged by the legislation of the RK, the Bank Charter, General shareholders meeting and the Bank's Board of Directors decisions;
- obligation for every Management Board member to report to the Board of Directors on their functions performance in the expired year, including possible conflicts of interests, on revenues and expenditures of structural subdivisions run by.

Chapter 6. SIGNIFICANT CORPORATE ACTIONS

1. Significant corporate actions shall be actions which may lead to the changes in the Bank's legal status and its property and considerably affect the interests of the Bank and its shareholders.

The Bank shall realize that significant corporate actions are accompanied by maximum of openness and transparency, which are reached due to Bank's compliance with the procedure of significant corporate actions implementation, established by the legislation, the Bank Charter and the current Code.

In performing significant corporate actions the Bank shall pledge to non-admission of the actions, implementation of which damage or may damage the Bank's interests.

2. To significant corporate actions the Bank shall refer:

- 1) major deals, transactions in which the Bank has interest, as well as deals with persons connected with the Bank by special relations;
- 2) acquisition of 30 and more percent of placed shares of the Bank;
- 3) reorganization and liquidation of the Bank;
- 4) other actions and events, resulted in fundamental corporate changes.

3. The market value of the property, which is the subject of a transaction, which is due to its features refer to a significant corporate action, shall be determined by an independent appraiser, having a license, with the exception of cases when the subject of a transact shall be securities (including securities issued by the Bank) or credit transactions. The market value of securities shall be established based on official quotation at the organized market, and in case of their absence in accordance to the internal documents of the Bank.

4. While closing deals, the Bank must take any possible actions, aimed to reveal whether this deal is a significant corporate action.

5. Affiliated persons of the Bank must in its turn inform the Bank, that they:

- 1) are a party of a deal; and/or
- 2) are affiliated persons of a legal entity, being a party of a deal or participating in a deal as a representative or a mediator; and /or
- 3) inform about ongoing transactions they are aware of, or hypothetical deals, in which they may be recognized as the persons concerned.

1. A procedure for closing major deals, transactions, in conclusion of which they are concerned, and deals with persons, connected with the Bank by special relations

1.1. Major deals, deals, in closing of which the Bank has an interest, and transactions with the persons, tied up with the Bank by special relations, shall be deals, which are recognized as such in accordance to the Kazakh legislation and/or the Bank Charter.

1.2. Preliminary consideration of major deals, deals in which there is an interest, and/or deals with a person, having special relations with the Bank, shall be done by the Bank Management Board on the basis of an explanatory note of that structural subdivision, which terms of reference cover issues on a forthcoming deal. If needed, the copies of the documents related to a forthcoming deal shall be attached to an explanatory note.

1.3. In consideration of the matter of expediency for closing a major transaction, a deal in which there is an interest, and/or a deal with a person, having special relations with the Bank, the Bank Management must base on the priority of ensuring the Bank's interests. For that, the Management shall thoroughly examine all terms and possible consequences of a deal suggested for consideration. In case of insufficiency of the materials, provided for taking a weighted and reasonable decision, the Management of the Bank shall have the right to require additional materials related to a deal under review.

1.4. In case if the Bank Management shall consider a matter on closing a deal, in which there is an interest, than the deal should not be considered or discussed by the Management members, who are:

- a party of a deal; and/or
- affiliated persons of a legal entity, which is a party of a deal or participating in a deal, as a representative or a mediator.

1.5. If the Bank Management shall take a decision on expediency of closing a major transaction by the Bank, a deal in which there is an interest, and/or a deal with a person, having special relations with the Bank, then the Bank Management solicit the Bank's Board of Directors for closing such deal. At that, the Bank Management shall submit to the Bank Board of Directors all earlier reviewed materials on a suggested deal, on the basis of which was taken decision to solicit the Bank Board of Directors for closing a proposed deal. Furthermore, in case if the deal suggested for consideration, alienation or acquisition related, than recommendations of an appraiser candidate shall be attached.

1.6. On the basis of the documents provided, the Bank Board of Directors shall adopt one of the following decisions:

- on satisfaction of the Bank Management application and closing a major transaction, a deal in which there is an interest, and/or a deal with a person, having special relations with the Bank;
- on satisfaction of the Bank Management application and closing a major transaction, a deal in which there is an interest, and/or a deal with a person, having special relations with the Bank, with revision of terms of a deal, appraiser candidacy and review of other proposals of the Bank Management;
- regarding refusal of satisfying the Bank Management solicitation for closing a major transaction, a deal in which there is an interest, and/or a deal with a person, having special relations with the Bank.

1.7. While making decision by the Bank's Board of Directors, members of the Bank Board of Directors shall not participate, if they are:

- 1) a party of a deal; and/or
- 2) affiliated persons of a legal entity, being a party of a deal or participating in a deal as a representative or a mediator.

If needed, the Bank's Board of Directors shall have the right to require additional materials related to a deal under review.

1.8. Major transaction or a deal in which there is an interest, shall be subject to approval by the Bank's general shareholders meeting by the majority of votes, having no interest in its closing.

To make a reasonable decision the Bank provides its shareholders with an opportunity to get acquainted with necessary documents by way of procedure, envisaged by the Bank Charter and the current Code.

1.9. No approval shall be needed for a major transaction, or a deal in which there is an interest, if such a deal comes within those, which earlier enjoyed the general shareholders meeting' decision, allowing future effectuation of such deals.

1.10. To control the deals in which there is an interest, the Bank shall form and keep a database with affiliated persons and persons, having special relations with the Bank.

2. Acquisition by an outsider of 30 and more percent of the Bank's voting shares (absorption)

2.1. According to the legislation of the RK, a person intended to purchase 30 and more percent of the Bank's voting shares at the secondary securities market, must notify about this the Bank and its authorized body in accordance with the established procedure.

2.2. The Bank Management Board shall consider this notification within 3 working days and determine the Bank's position in regard to the forthcoming absorption and solicit the Bank's Board of Directors for approval of a decision and a text of information message for the Bank shareholders, reflecting the Bank's opinion concerning the upcoming absorption, for publishing such a view in printed editions.

2.3. The Bank's Board of Directors shall consider the Management solicitation not later than for 5 working days and take one of the following decisions:

1) satisfy the Bank Management solicitation and agree with the Bank's position, proposed by the Bank Management concerning upcoming absorption, and approve the text of information message for the Bank shareholders; or

2) reject a satisfaction of the Bank Management solicitation and review the Bank's position, concerning upcoming absorption proposed by the Bank Management, and enter relevant corrections to the text of information message.

2.4. The information message shall be published in printed editions, determined by the Bank Charter, within 5 working days from the date of the information text approved by the Bank's Board of Directors for its shareholders.

2.5. The Bank in the way of procedure, determined by legislation of the RK shall have the right to submit a proposal to a person, wishing to sell the Bank's shares, about their purchase by the Bank itself or by a third person at a price exceeding the offered one. The Bank's proposal must contain information about the number of shares and essential details of buyers, in case the shares purchased by a third person.

2.6. If a person, wishing to sell the Bank's shares, shall agree with the Bank's proposal, the closing of a deal of a purchase and sale agreement shall be done in accordance with the procedure, envisaged by the legislation of the RK, with account of requirements, established for major deals conclusion, and the way of distributed shares redemption by the Bank.

2.7. The person, who independently or together with its affiliated persons has purchased 30 and more percent of the Bank's voting shares at the secondary securities market, must within 30 days from the date of purchase publish in printed edition a proposal for other shareholders to sell the belonging to them Bank's shares within the period of 30 days from the date of publication the proposal on their sale.

Notification about acquisition of 30 and more percent of voting shares at the secondary securities market, should be sent to a shareholder, who independently or together with its affiliated persons has purchased the indicated amount of shares, within 3 working days. Starting from the date of such notification, the Bank shall control compliance of the shareholder, who independently or together with its affiliated persons has purchased the indicated amount of shares, with the requirements of the current Code.

3. Reorganization of the Bank

3.1. A question of the Bank reorganization with the attachment of conditions of such reorganization shall be brought by the Board of Directors for a general shareholders meeting consideration.

The Board of Directors shall take an active part in defining terms and procedure if the Bank reorganization.

Prior to making decision of reorganization in the form of consolidation, merger, spin-off, separate members of the Board of directors shall have the right to participate in negotiations concerning reorganizations, taken by the Bank Management together with the executive bodies of the societies, taking part in reorganization, and organize discussion of these negotiations by the Board of Directors.

The Board of Directors shall approve the final drafts of reorganization documents and present issues regarding reorganization to a general shareholders meeting for consideration, with attached opinion of the Board of Directors on this issue.

3.2. The Bank Management submits to the Board of Directors, prior to bringing by him the issue of reorganization to the attention of a general shareholders meeting, the information and materials related to a supposed reorganization. The following documents shall be furnished to the Board of Directors:

- draft agreement on merger (consolidation) or draft decision about split-off (spin-off);
- draft of foundation documents newly founded as a result of reorganization (merger, split-up, spin-off or change of corporate status) of the organization, or foundation documents of the organization to which consolidation will be done;
- annual financial statements of all organizations, involved in a merger (consolidation) during the last 3 expired fiscal years;
- quarterly reports, compiled not later than 6 months prior to the date of holding a meeting, where the reorganization matter shall be put, if more than 6 months passed since the end of the last fiscal year;
- drafts of deed of transfer or division balance;
- rationale for reorganization.

In case of emerged disagreements, the Bank shall have the right to invite an appraiser to determine shares quotation ratio during the Bank reorganization.

3.3. Notification on a joint general meeting conduction shall be done by sent each society, participating in merger (consolidation), according to the procedure, established by legislation and charters of these societies.

The Board of Directors of reorganized societies may have a joint meeting in order to determine the date, place and time for conducting a joint general shareholders meeting, and in case of voting by an absentee vote – the date, prior to which completed ballots should be delivered, and a postal address, where they should be sent to.

The voting procedure at a general shareholders meeting of the legal entities participants, taking part in the merger or consolidation, the persons, performing the functions of a general shareholders meeting' bodies shall be determined according to the rules, stated in the merger agreement (consolidation).

4. Liquidation of the Bank.

4.1. The basis and procedure for liquidation of the Bank shall be regulated by the legislation of the RK.

The Bank may be liquidated:

- by the decision of a general shareholders meeting in the presence of permit of the authorized agency (voluntary liquidation);
- by a decision of a court in cases, envisaged by legislative acts of the Republic of Kazakhstan (compulsory liquidation).

4.2. In the event of voluntary liquidation of the Bank a General shareholders meeting, after receiving permit from the authorized agency, by agreement with creditors and under their control, pursuant to Kazakhstan legislation shall determine the liquidation procedures and designate a liquidation commission. From the moment of appointing the liquidation commission the authorities of managing the Bank's operations shall be transferred to the commission. Peculiarities of the liquidation commission activity under the voluntary liquidation of the Bank shall be determined by the Kazakh legislation.

The shareholders, owning 10 and more percent (only major shareholders) of the Bank's voting shares shall have the right for a representative in the liquidation commission.

4.3. Compulsory liquidation shall be performed by the court in connection with:

- the Bank's bankruptcy
- withdrawal of license for banking operations on the basis, envisaged by the banking legislation of the Republic of Kazakhstan;
- by statement (claim) of the authorized state agency, legal and physical persons regarding termination of the Bank activity on other rationales, stipulated by the legislative acts.

Insolvency and failure of the Bank shall be determined by the conclusion of the authorized agency, presented to the court, compiled with account of calculation methods for prudential standards (and other obligations for compliance with standards and limits), the amount of the Bank capital. The Bank may be recognized a bankruptcy only according to court decision in the established procedure.

Out-of-court procedure of an insolvent Bank liquidation due to decisions of its creditors and the Bank itself shall not be admissible.

4.4. Liquidation (competitive) mass shall be formed in the order, established by the legislation of the Kazakh legislation.

Creditors' claims under liquidation committee shall be met according to the procedure, set up by the banking law of the Republic of Kazakhstan.

The Bank is recognized as terminated its operation from the moment of recording a relevant notice in the state register of legal entities.

The Bank's property, remained after settlements with creditors, shall be divided among the shareholders by the liquidation commission according to procedure, envisaged by the banking legislation of the Republic of Kazakhstan.

Chapter 7. CORPORATE CONDUCT – INTERACTION WITH INVESTORS AND OTHER STAKEHOLDERS

1. Interaction with the Investment Community

1.1. The Bank shall seek to improve its attractiveness through increasing informational openness and transparency and bringing to maximum the market value of the Bank's shares by increasing the shares liquidity and decreasing the premium for the risk related to the lack of information and investors' confidence in the Bank's development prospects.

Timely disclosure of objective, reliable and non-contradictory information pursuant to the current legislation, its norms and requirements, and provision for an active dialogue with investors and analysts shall be the key factor for interaction with the investment community.

1.2. The Bank shall observe all principles of fair competition. Thus the Bank in the process of interrelationship with its customers, competitors and business partners shall not apply manipulation, hiding or distortion of information submitted, abuse of positions and other unfair types of business.

1.3. In the framework of interaction with the information community, the Bank shall implement a number of activities aimed at the Bank's informational openness, including:

- meetings and presentations for investors and analysts;
- road shows and meetings with investors face to face;
- hotline;
- circulation of press releases;
- publications in professional mass media.

1.4. The Bank shall focus on supervising disclosure of information by its subsidiaries whose financial reporting the Bank consolidates, and ensuring the Bank's and its subsidiaries' coherent policies.

1.5. With respect to confidential information, the Bank shall carry out its activities in line with the current legislation requirements.

To this end the Bank shall practice a weighted approach to providing necessary information for investors and analysts aimed at raising their awareness of the Bank's business, opportunities and development perspectives without negatively affecting the Bank's competitiveness.

2. Interaction with Public and Mass Media

2.1. The Bank shall carry out work on maintaining and developing an effective dialogue with media representatives, authorized bodies and public representatives interested in the Bank's activities and on improving the overall level of informational openness and transparency.

2.2. To provide for maximum informational openness, the Bank shall participate on a regular basis in major international and national conferences and forums, and organize meetings between mass media and public representatives with the Bank's management.

The Bank's major PR principles shall be:

- a single informational policy;
- a continuous and actual news flow, highlighting fully and objectively all aspects of the Bank's activities;
- providing timely responses to all information enquires received by the Bank;
- regular meetings between mass media and public representatives with the Bank's management.

3. Development of Partnership Relations with Stakeholders

3.1. Not only shareholders' and investors' trust in the Bank's activities but also trust on the part of customers, creditors, partners, and other stakeholders plays a great role in the Bank's activities. With this regard, maintaining and developing long-term and short-term sustainable and confidential relations with the stakeholders shall be paid great attention to while developing the Bank's corporate governance strategy.

3.2. The Bank shall adhere to the principle of neutrality in respect to financial and industrial groups, government agencies, political parties and associations.

3.3. While building relations with its customers, the Bank shall be guided by the principle of utmost meeting their needs, including services provided and services quality, ensuring the services value compliance with the market conditions.

Chapter 8. BANK'S INFORMATIONAL POLICY

1. Being aware of the significance of disclosing information on a bank for the purpose of evaluating its current financial status and perspectives, the Bank shall ensure provision of timely, full and reliable information on its activities for shareholders, potential investors, and the authorized body. The information nature and scope must allow for forming a realistic idea of the Bank's activities, provide an opportunity for making a reasonable decision on participating in the Bank's management (investments), and be sufficient for proper supervision by the authorized body.

2. Disclosure of timely, full and reliable information on a Bank shall allow for assuring shareholders, potential investors and the authorized body of the Bank's transparency, reliability and profitability.

The Bank shall ensure disclosure of information on all substantial issues of its activities, ensuring:

- access to information, subject to disclosure for the parties concerned, depending on the purpose of obtaining it by them;
- the procedure, ways and time-frames for the information disclosure and submission.
- observance of information safety to avoid ungrounded disclosure of confidential and office information.

1. Procedure for Information Provision for Authorized Bodies and Bank's Shareholders

1.1. The Bank shall submit the following information to the authorized body - the Bank's daily, monthly, quarterly, and annual financial statements which include the Bank's balance-sheet, a loss and profit report, a cash flow report and any other reports (information) pursuant to the legislation of the Republic of Kazakhstan. The Bank's annual financial statements (after approval by the shareholders' meeting), within the time-frame set by the Bank Charter, and quarterly financial reports shall be published in publications set by the Bank Charter.

1.2. Pursuant to the requirements of the legislation of the Republic of Kazakhstan and for the purpose of providing for informational openness, the Bank shall ensure mandatory disclosure of the following information for the shareholders and the authorized body:

- decisions made by the Bank's shareholders' General meetings and the Board of Directors and fulfillment of the decisions made;
- issuance of shares and other securities by the Bank and approval of reports on the results of the securities issuance and placement – based on the securities repayment, and liquidation of the Bank's securities by the authorized body;
- large transactions completed by the Bank and transactions which the Bank is interested in;
- a loan received by the Bank constituting 25 and more percent of the Bank's own capital;
- licenses received by the Bank for carrying out some types of activities, and suspension or termination of the licenses received earlier for carrying out some types of activities;
- the Bank's participation in a legal entity or establishing a legal entity by the Bank;
- the Bank's property arrest;
- force majeure circumstances which resulted in the Bank's property destruction which balance-sheet value constitutes 10 and more percent of the Bank's total assets;
- the fact that the Bank's and its officials' were called to administrative account;
- the Bank's compulsory restructuring;
- the Bank's financial reporting according to the procedure set by the Republic of Kazakhstan legislation and the Bank Charter;
- other information pursuant to the Republic of Kazakhstan legislation and the Bank Charter.

1.3. Disclosure of information stated in Paragraph 2 of this Article shall be implemented by publishing information in the securities sales organizer's or an informational agency's informational system not later than 5 working days after the date of events, actions or decisions made, listed in Paragraph 2 of this Chapter.

Information stated in Sub-Paragraphs 1), 3)-5) and 7)-9) of Paragraph 2 of this Chapter shall be sent within 5 days by the Bank to the authorized body through its written notification by mail or courier.

1.4. During the period of securities placement, the Bank shall provide for disclosing the following information for the shareholders, potential investors, and the authorized body.

- information contained in the securities issuance booklet;
- information contained in reports on results of securities placement sent by the Bank to the authorized body pursuant to the legislation of the Republic of Kazakhstan;
- information incorporated into financial reporting;
- other information, subject to being disclosed pursuant to the legislation of the Republic of Kazakhstan or upon securities sales organizer's demands.

1.5. Information stated in Paragraph 4 of this Chapter shall be disclosed by the Bank through:

- submitting information to the authorized body pursuant to the legislation of the Republic of Kazakhstan, the Bank Charter, and this Code;
- providing information for the securities trade organizer in line with the securities trade organizer's internal rules and this Code;
- publishing information in the securities sales organizer's or informational agency's informational system.

1.6. In the process of the issued by the Bank securities circulation at the secondary market, the Bank shall provide for disclosure of the following information for the shareholders, potential investors, and the authorized body:

- changes in the Bank body officials composition;
- changes in the Bank major participants composition;
- restructuring or liquidation of the Bank and the Bank subsidiaries, and joint-stock companies being the Bank's related parties;
- the Bank's property arrest;
- getting, suspension, or withdrawal of the Bank's license;

- the Bank's general shareholders' meeting decision;
- changes in the list of organizations where the Bank is a major participant.

1.7. Information stated in Paragraph 6 of this Chapter shall be disclosed through:

- submitting information to the authorized body pursuant to the legislation of the Republic of Kazakhstan, the Bank Charter, and this Code.
- publishing information in the securities trade organizer's or informational agency's informational system.

1.8. Pursuant to the legislation of the Republic of Kazakhstan and the Charter, the Bank shall provide access for its shareholders to the following documents:

- the Bank Charter, changes and amendments to it;
- a decision on establishing the Bank, its state registration (re-registration) as a legal entity; the Bank's statistical card;
- licenses for carrying out banking activities and other license types for carrying out certain types of activities and (or) carrying out certain actions;
- documents confirming the Bank's rights to property which is (was) on its balance-sheet;
- the Bank's securities issuance booklets;
- documents confirming the Bank's securities issuance state registration, securities liquidation, and approval of reports on the results of the Bank's securities placement and repayment, submitted to the authorized body;
- regulations on the Bank's branches and representative offices;
- minutes of the shareholders' General meetings together with the calculating commission minutes on the voting results, and the agenda issues materials;
- shareholder lists provided after conducting a shareholders' general meeting;
- minutes of the Board of Directors' meeting (decisions made by votes of absence), materials on the Board of Directors' meeting agenda issues;
- minutes of the Bank's Management Board meetings (decisions);
- the Bank's internal rules and documents approved by the shareholders' General meeting and other Bank bodies subject to their submission to the Bank's shareholders pursuant to the legislation of the Republic of Kazakhstan;
- the Bank's financial reporting;
- other documents in accordance with the Bank's shareholders' General meeting or the Board of Directors meeting decisions.

1.9. Information, subject to submission to the Bank's shareholders pursuant to the legislation, the Bank Charter and this Code, shall be provided for the Bank shares depository receipt holders through a depository bank.

- changes in the Bank's major participants composition;
- restructuring or liquidation of the Bank or its subsidiaries and joint-stock companies being the Bank's related parties;
- the Bank's property arrest;
- receiving, suspension or withdrawal of the Bank's license;
- the Bank's shareholders' General meeting decisions;
- changes in the list of organizations where the Bank is a major participant.

1.10. Information stated in Paragraph 6 of this Chapter shall be disclosed through:

- submitting information to the authorized body pursuant to the legislation of the Republic of Kazakhstan, the Bank Charter, and this Code;
- publishing information in the securities sales organizer's or information agency's informational system.

1.11. Information subject to being submitted to the Bank's shareholders pursuant to the legislation, the Bank Charter and this Code shall be submitted to the Bank's shares depositary receipt holders through the depositary bank.

2. Procedure for Obtaining the Bank's Documents

2.1. To obtain documents stated in Paragraph 8 of this Code, not constituting the Bank's commercial or other confidential information, a shareholder shall send a written enquiry to the Bank Management Board Chairman identifying titles of documents and the dates when they were compiled (or must be compiled), which the shareholder would like to get acquainted with or which copies he would like to get (certified excerpts from them) with identification of the address where they must be sent to.

The application is subject to be considered within 15 calendar days, with the exception of cases set by the legislation of the Republic of Kazakhstan.

Upon a shareholder's written demand the Bank shall provide him (send by a registered letter) the Charter copy, changes and amendments to it within five working days from the date of receiving such demand.

The Bank shall establish the amount of fee for providing the document copies which must not exceed expenses on making the document copies and their delivery to the shareholder, and the amount of fee for the independent registrar's services.

2.2. The Bank Management Board Chairman's resolution may restrict provision of documents of confidential nature and constituting office, commercial and other secret protected by law.

To obtain required information constituting the Bank's commercial or other protected secret, a Bank's shareholder shall:

- send a written enquiry to the Bank Management Board Chairman identifying the titles of documents and dates on which they were compiled (must be compiled) which the shareholder would like to get acquainted with or which copies he would like to get;
- the Bank Management Board Chairman shall consider the enquiry in terms of possibility to provide the information asked for by a shareholder, and the type of documents to be provided (its copy, certified excerpt from a document etc), and forms of providing the information asked for. In case of the Management Board Chairman's decision on providing the information asked for, a relevant unit shall notify the shareholder of the time and place for getting acquainted with the documents or the amount of expenses on making the document copies (certified excerpts from them etc.) and their sending or delivery to the shareholder, and bank details to pay the amount of the expenses stated;
- within five working days from the date of receiving payment for the Bank's mail expenses and expenses on making document copies, signing by the shareholder an Obligation not to disclose the bank, commercial and office secret, the Bank shall send by a registered letter or give the shareholder in person copies of documents asked for (certified excerpts from them).

In the event of not signing by a shareholder the above stated Obligation, the information (documents) asked for shall not be provided by the Bank.

2.3. In the event of the Bank Management Board Chairman's decision not to provide the shareholder with the information asked for by him, a relevant unit shall send a notification to the shareholder where the reasons and motives of the refusal shall be stated.

2.4. While preparing for the annual shareholders' General meeting, the shareholders (their representatives), on the date of their registration as the General meeting participants, shall be provided with the materials to the address identified in the notice to the shareholders on the shareholders' General meeting according to the procedure envisaged by Chapter 3 of this Code.

Chapter 9. SUPERVISION OF BANK'S FINANCIAL AND ECONOMIC ACTIVITIES

The current system of the Bank's financial and economic activities supervision ensures the shareholders' assuredness of the correct Bank management policy, getting dividends from their investments, investors' trust to the Bank and its bodies, and assessment of bank risks. Protection of the Bank's, the Bank's investors', creditors' and customers' eligible interests directly related to banking activities, through providing due level of reliability in line with the nature and scope of the Bank's transactions, ensuring compliance by the Bank with the current legislation of the Republic of Kazakhstan are the internal control main goals and objectives.

These goals and objectives shall be achieved through rigorous observance by the Bank bodies, units, officials and staff of the effective internal control procedures, the management system at the Bank, revealing and limiting bank risks, and accounting and reporting reliability.

1. Internal Control and Audit Department

1.1. The Bank's financial and economic activities supervision is implemented by the internal audit unit which is the Bank body – the Internal Control and Audit Department, in line with the bank policy approved by the Board of Directors Committee for internal control, the work plan, and by an independent auditing organization (auditor).

1.2. The Internal Control and Audit Department shall be directly accountable to the Board of Directors and report to it after checks (inspections) carried out. All reports on the Bank unit checks shall be considered in the shortest time possible by a Board of Directors meeting taking into account a Management Board decision. Results of checks carried out by the Internal Control and Audit Department shall be reflected in the Bank's Board of Directors meeting minutes for the purpose of eliminating drawbacks and violations and not allowing them in the future.

1.3. The Bank shall ensure establishment and effective operations of the internal control system through systematic and effective supervision of all the Bank's financial and economic activities, conducting checks (inspections) of every Bank unit, including its branches, cash-settlement centers and subsidiaries.

1.4. On the basis of check results, the Internal Control and Audit Department shall develop proposals on eliminating the drawbacks mandatory for execution by the units. As for the ways and conditions for eliminating the drawbacks, they shall be determined by the Bank units themselves.

1.5. The Bank shall separate responsibilities of the Bank units and persons for development of, approval by the Board of Directors, application and evaluation of the internal control procedures effectiveness.

1.6. The Bank's financial and economic activities supervision system shall provide for due implementation of the Bank's development strategy, investment plan, business plan, the Bank's budget, approved by the Board of Directors, effective internal control system at units, an appropriate level of knowledge by the bank staff of legal acts regulating the bank's additional risks related to implementation of new types of banking services, improvement of the Bank's accounting and reporting system, and limiting the risk of conflict of interests.

1.7. The Internal Control and Audit Department staff shall have work experience and required knowledge of the bank unit activities where checks take place, and know the auditing procedures. The Internal Control and Audit Department shall conduct on a regular basis but not less than once a year, in line with its task, planned and not planned internal audit checks of the Bank's units and separate staff members responsible for carrying out bank transactions, and for the purpose of improving the risk management and internal control systems, shall maintain accounting for and monitoring of the drawbacks detected in the transactions implementation process, and submit the information on such violations to the Board of Directors.

1.8. The Internal Control and Audit Department shall audit the bank's transactions for the purpose of detecting and preventing cases of manipulation with profit, and taking risks not adequate to the amount of the Bank's own capital and profit.

1.9. The Bank's internal rules shall envisage the Internal Control and Audit Department's right to have access to all necessary documents related to the unit activities audited, including those which operate under a confidentiality regime.

1.10. The Internal Control and Audit Department shall participate in discussing issues of implementing new products or services, coordinate internal regulations, technical procedures etc. submitted by the Bank units, in terms of their compliance with the Republic of Kazakhstan legislation and the Bank's internal control system, and being adequate to risks.

1.11. The Internal Control and Audit Department shall interact with the Risk Management Department in terms of observance of risk management and internal control principles and procedures by the Bank, with the government agencies for regulation and supervision on the issues of compliance with prudential norms, accounting and reporting reliability, and conduct joint meetings with external auditors to discuss drawbacks of the Bank's internal control system.

2. External Audit

2.1. The Bank shall provide for conducting annual audit of its financial and economic activities by an international auditing organization for the purpose of approval of the Bank's financial reporting in line with international standards, effective bank risk management, and internal control system reliability. Selection of an international auditing organization having solid reputation in the world shall be approved by the Bank's General shareholders' meeting.

2.2. An international auditing organization must detect drawbacks and violations in the Bank's financial and economic activities, non-compliance with the Republic of Kazakhstan legislation requirements, and advise this information to the Bank Board of Directors. The Bank Board of Directors shall analyze external auditors' conclusions (reports) on improving internal control and bank risk management systems, and enforce elimination of the drawbacks and violations detected.

Chapter 10. BANK'S DIVIDEND POLICY

1. Bank's Strategy for and Principles of Dividend Policy

1.1. The amount of dividends for payment on all Bank's shares shall be determined on the basis of the Bank's net profit after making all calculations in respect of the Bank's needs to build its own financial resources providing in full measure for the Bank's future investments and complying with prudential norms.

1.2. The Bank Management Board shall seek to pay dividends to common shareholders on an annual basis given the Bank's appropriate level of net profit during the whole year which shall be sufficient taking into account the Bank's forecasted assets growth as of the end of the year and the capital adequacy ratio established for the second-tier banks by the authorized body, after such payments.

1.3. The dividends are an inseparable part of joint-stock companies' existence and development. An efficient and effective dividend policy together with improving the financial status is one of the key aspects of the Bank's overall financial strategy, a tool for improving the Bank's investment attractiveness, and an indicator of the Bank's status for investors. An effective dividend policy and utmost availability of information for investors are a key factor of the Bank's long-term development.

Dividends shall be paid only on the basis of the Bank's sufficient profit at the end of the year based on the Bank's financial reporting for the reporting year approved by an auditing organization selected by the shareholders' General meeting, and given compliance with prudential standards by the Bank after actual payment of dividends.

1.4. Promoting growth of the shareholders' well-being is the major dividend policy goal which shall be achieved through providing for:

1) a high level of dividends on the Bank's shares;

To achieve this goal, the Bank shall seek to ensure gradual growth of the Bank's net income (profit) which will allow for a high level of a dividends amount paid from the Bank's net profit;

2) observance of the shareholders' rights to guaranteed receiving of dividends on the Bank's preference shares;

To achieve this goal, the Bank, while allocating the net profit, shall first of all separate the guaranteed dividend amount from it, after which the shareholders shall see the Bank's profit which remains after calculating the dividends.

In addition, the Bank shall build a reserve capital which can be allocated for payment of dividends on the Bank's preference shares in the event of lack or insufficiency of the Bank's profit;

3) creating necessary conditions for timely receiving a full dividend amount by shareholders.

The Bank shall ensure creating necessary conditions for timely receiving full dividend amounts by shareholders through determining at the shareholders' General meeting the date of start of dividend payments, the place where the shareholders can receive dividends, the amount of dividends due for payment, and other parameters. In addition, the Bank shall ensure timely informing the Bank's shareholders on the dividend payments through publishing information on dividend payments in publications set by the Bank Charter not later than 5 days before the date of start of dividend payments, and through the use of other ways to notify the Bank's shareholders on dividend payments.

2. Procedure for Payment of Dividends on Bank's Shares

2.1. A decision on dividend payments on common shares, and amounts exceeding a guaranteed dividend amount on preference shares shall be made by the Bank's shareholders' General meeting given availability of Bank's profit based on the results of the reporting year, allowing for such dividend payments.

A decision on dividend payments on the Bank's common shares shall be made at the Bank shareholders' meeting by simple majority of votes out of the number of the Bank's voting shares participating in voting.

Payment of the dividend guaranteed amount on the Bank's preference shares set by the Bank Charter shall not require a corresponding decision by the Bank's shareholders' General meeting and shall be implemented in line with the procedure and within the time-frame stipulated by the Bank Charter and the share issuance booklet.

2.2. The Bank shall have the right, given the shareholder's written consent, to pay dividends on the Bank's shares with its securities: the Bank's declared shares or bonds issued by the Bank. The shareholders' General meeting's decision on dividend payments on common shares must allow for the Bank's dividend payments with the above stated securities.

Payment of dividends on the Bank's preference shares with the above stated Bank's securities (with the exception of common shares) given a shareholder's written consent shall be allowed regardless of the fact whether it was envisaged by their issuance or not.

2.3. A maximum time-frame for dividend payments on the Bank's shares must not exceed 60 calendar days from the date of making a decision on dividend payment.

The Bank shall have the right to pay dividends in a combined way, partially in cash and partially with securities, using various types of securities (partially - declared shares and partially - bonds issued).

2.4. The list of the Bank's shareholders having the right to receive dividends must be compiled in line with the procedure set by the legislation of the Republic of Kazakhstan.

The Bank shall not calculate and pay dividends on shares which have not been placed or have been repurchased by the Bank.

The Bank shall have no right to pay dividends on common and preference shares in the following cases:

- 1) in the event of the Bank's own capital negative amount or if the Bank's own capital amount shall become negative as a result of paying dividends on the Bank's shares;
- 2) in the event of the Bank's insolvency, pursuant the legislation of the Republic of Kazakhstan on bankruptcy or if bankruptcy signs shall emerge as a result of paying dividends on shares;
- 3) in the event of a decision made by a court or the Bank's shareholders' General meeting on the Bank's liquidation.

2.5. A shareholder shall have the right to demand receiving dividends not received regardless of the Bank's arrears period. In the event of the dividends non-payment due to the Bank's guilt, within the time-frame set for their payment, the Bank's shareholder shall be paid the amount of the dividends due and penalty calculated on the basis of the National Bank's of Kazakhstan official refinancing rate as of the date of fulfilling the cash liability or its appropriate part.

2.6. Based on the results of the year, the Bank Management Board shall consider the dividends payment issue and make a decision on applying to the Bank Board of Directors with a request to include the issue of dividend payment on the Bank's common shares to the agenda of the shareholders' annual General meeting. A clarification note for the Bank Board of Directors, containing grounds for payment of dividends by the Bank on the Bank's common shares and calculation of dividends on one Bank's common share must be attached to the application sent by the Bank Management Board.

2.7. Determining the Bank's profit amount proposed for payment as dividends, and dividend calculation on one common share must be carried out taking into account requirements of Paragraph 11 of this Code.

2.8. While preparing a proposal for the Bank Board of Directors on dividend payments on common shares, the Bank Management Board shall be guided first of all by the Bank's income for the reporting year which must be sufficient during the whole year, the Bank's forecasted assets growth as of the end of the year sufficient for meeting the Bank's other needs, and compliance with prudential norms set by the authorized body for second-tier banks after such payments.

2.9. Having considered the application by the Bank Management Board, the Board of Directors shall have the right to take one of the following decisions:

- 1) to gratify the Management Board's application and include the issue of dividend payments on the Bank's common shares to the agenda of the shareholders' annual general meeting;
- 2) to gratify the Management Board's application on revising the total amount of income proposed for payment of dividends on the Bank's common shares, and amount of dividends on one Bank's common share;
- 3) not to gratify the Management Board's application.

2.10. The final decision on dividend payments on the Bank's common shares and payment of amounts exceeding a guaranteed amount for one preference share shall be made by the Bank's shareholders' General meeting.

In the event of taking a decision on dividend payments on the Bank's common shares, the dividend amount on common shares must be determined taking into account the requirements of Paragraph 11 of this Code.

2.11. The amount of dividends calculated on preference shares cannot be lower than the amount of dividends calculated on the Bank's common shares. In the event of the dividend amount on the Bank's common shares exceeding the amount of guaranteed dividends on preference shares, the Bank must carry out additional calculation of dividends on the Bank's preference shares for the purpose of bringing them to the single dividend amount paid on the Bank's common and preference shares.

2.12. Taking into account financial results based on the results of the year, the Bank's shareholders' General meeting shall have the right to make a decision on inexpediency of dividend payments on the Bank's common shares.

2.13. The shareholders' General meeting shall determine the date of start of payments on the Bank's preference shares. The maximum period for payment of dividends must not exceed 60 calendar days.

Before dividend payments on preference shares, payment of dividends on the Bank's common shares shall not be effected.

2.14. Regardless of the decision made, in the event of making the decision by the shareholders' General meeting, the Bank must publish an announcement within 5 working days from the date of the shareholders' meeting in publications set by the Bank Charter on the decision made by the Bank's shareholders' General meeting on payment of dividends.

A decision on dividend payments on the Bank's common and/or preference shares must contain:

- a period for which dividends are paid;
- a dividend amount on one common and/or preference share;
- the date of start of dividend payments;
- a procedure for and form of dividend payments;
- a period within which the Bank shall accept applications on dividend payments with securities (in the event of dividend payments by the Bank with securities);
- other information of substantial nature for the Bank's shareholders.

2.15. If a shareholder has not submitted an application to the Bank on receiving dividends within 30 calendar days after the date of dividend payments, the Bank shall have the right without notifying the shareholder to pay the dividends without the shareholder's application through transferring the dividends to the shareholders' current bank accounts established at the Bank (demand accounts; current accounts; deposit accounts; and accounts which conditions envisage additional deposits).

3. Dividend Payments with Securities

3.1. A Bank's shareholder wishing to receive dividends with securities, given a relevant decision by the shareholders' General meeting, must apply to the Bank in written form stating his consent to receive dividends with the Bank's securities.

3.2. The amount of securities paid as dividends shall be calculated based on the amount of dividend on one share set by the shareholders' General meeting (on common shares), or the guaranteed amount of dividend on one share (on preference shares) taking into account taxation of income on securities pursuant to the tax legislation of the Republic of Kazakhstan and the securities placement price.

3.3. In the event if the securities quantity declared by the Bank's shareholders for receiving dividends exceeds the securities quantity being at the Bank's disposal, payment of dividends to the shareholders with these securities shall be effected in proportion to the Bank's shares belonging to them. Part of dividends not paid with securities shall be paid in cash. For the purpose of dividend payment to the shareholders with securities in their full amount, the shareholders' General meeting can also take a decision on the additional securities issuance which shall specify that actual payment of dividends with the Bank's securities shall be prolonged for the period of these securities issuance by the Bank.

3.4. Transfer of securities paid as dividends to the shareholders' nominal accounts shall be implemented in line with the procedure determined by the legislation of the Republic of Kazakhstan.

4. Responsibility for Non-Payment or Untimely Payment of Dividends

4.1. In the event of the dividends payment delay by more than 10 working days, except the cases envisaged by Item 2, Paragraph 2 of this Chapter, the Bank Management Board Chairman must immediately notify all members of the Board of Directors about it stating the reasons for the

dividends payment delay and measures undertaken to remove the reasons for the delay in payment of dividends.

4.2. The Bank Board of Directors shall have the right to bring the Bank Management Board and other members of the Management Board to account for improper execution of the shareholders' General meeting decision on dividends payment.

Chapter 11. REGULATION OF CORPORATE CONFLICTS

Taking into account the need to preserve the Bank's good business reputation and undesirability of corporate conflicts, the Bank thinks it necessary to develop mechanisms preventing and regulating corporate conflicts.

1. General Provisions

1.1. The Bank shall acknowledge any disagreement or dispute between the Bank body and its shareholders which arose with regard to shareholder's participation in the Bank, or disagreement or dispute between shareholders where it affects or may affect the Bank's interests to be a conflict under this Code.

1.2. In the event of a corporate conflict, the Bank shall determine in the shortest time possible its position in respect to the conflict, make an appropriate decision and advise it to the shareholders.

While determining its position, the Bank shall be guided by the norms of the legislation of the Republic of Kazakhstan and the need to provide for reasonable combination of the Bank's and all its shareholders' interests.

1.3. If necessary, the Bank shall provide the conflict party, the court, authorized body and other government agencies with the information required for clarifying the actual status of things related to the conflict, and take measures to regulate it in line with the procedures envisaged by the Bank Charter, this Code and the Bank's internal documents.

1.4. The Bank shall take a commitment to undertake all possible measures to regulate a corporate conflict and provide the shareholders with an opportunity to exercise and protect their rights. If the Bank is obliged to refuse to gratify a shareholder's request, the Bank shall make a commitment to be strictly based on the current legislation provisions.

1.5. The Bank bodies' responsibilities with regard to considering corporate conflicts shall be separated depending on their functions.

1.6. In the event of a corporate conflict between the shareholders which may negatively affect the Bank's interests, the Bank shall have the right to ask the conflict parties to allow for the Bank's participation as a mediator between the parties. In addition, the Bank shall have the right to propose itself as a consultant and provide the parties with all necessary information, documents and advice on the current legislation and the Bank's internal document regulations.

2. Procedure for Determining Bank's Position on Corporate Conflict

2.1. In the event of a corporate conflict or situation capable to result in a corporate conflict, a respective unit, not later three days after the conflict arose, shall submit this issue for consideration by the Bank Management Board attaching documents and clarifications necessary for making a grounded decision and determining the Bank's position.

2.2. If the a corporate conflict issue is related to the Bank Board of Directors' responsibility, the Bank Management Board having considered the respective documents and formulated its position, shall apply to the Bank Board of Directors with a request to approve the Bank's position with regard to the issue.

2.3. The Bank Board of Directors, having considered the Management Board's application, shall have the right to take one of the following decisions:

- 1) approve the Bank's position proposed by the Management Board;
 - 2) refuse to approve the Bank's position proposed by the Management Board and determine another Bank's position with regard to the corporate conflict issue.
- 2.4. The Bank's Management Board or Board of Directors' members must not participate in considering the Bank's position with regard to a corporate conflict, if they are:
- 1) a conflict party;
 - 2) a conflict party's affiliated person.
- 2.5. The Bank's position with regard to a corporate conflict between the shareholders must be advised to the conflict parties (party) within 3 working days from the date of determining the Bank's position.
- 2.6. If the Bank is a conflict party, the Bank Management Board or Board of Directors while determining the Bank's position with regard to the corporate conflict issue, shall also approve the list of actions by the Bank to regulate the conflict.
- With the shareholders' consent where they are the conflict parties, the Management Board and/or Board of Directors (its members) may participate in negotiations between the shareholders, provide the shareholders with the information and documents being at their disposal and related to the conflict, clarify the norms of the legislation of the Republic of Kazakhstan and the Bank's internal rule regulations, provide advice and recommendations to the shareholders, develop draft documents on regulating the conflict for its signing by the shareholders, take commitments on behalf of the Bank with regard to the shareholders to the extent allowing for the conflict regulation.
- 2.7. Based on results of actions on regulating a corporate conflict, the Bank shall have the right to sign an agreement on the conflict regulation.

CHAPTER 12. CONCLUDING PROVISIONS

1. The Corporate Governance Code shall come into effect from the date of its approval by the Bank's shareholders' General meeting.
2. Separate Code provisions are reflected in the Bank's internal policies and regulations.
3. The Code provisions are mandatory for execution by the Bank's shareholders, officials and staff.
4. Persons who have violated the Code regulations shall bear responsibility for that pursuant to the legislation of the Republic of Kazakhstan.