

**Approved by
the resolution of the sole shareholder of
“Development Bank Kazakhstan” JSC
Minutes №15
Dated March 14, 2008**

**THE CODE OF CORPORATE GOVERNANCE
"DEVELOPMENT BANK KAZAKHSTAN" JOINT-STOCK
COMPANY**

PREAMBLE

This Code of Corporate Governance (“the Code”) is a set of rules and recommendations which the “Development Bank Kazakhstan” JSC (“the Bank”) shall follow in the course of its business in order to ensure high level of business ethics in relations within the Bank and with other market participants.

The Bank adopts the Code and shall follow its provisions voluntarily, understanding the special status, defined by the legislation of the Republic of Kazakhstan, and being aware of its goals: improvement and enhancement of efficiency of the public investment activity; development of industrial infrastructure and processing industry and assistance in attracting the foreign and domestic investments to Kazakhstan’s economy.

The purpose of introduction of the Code is formation and adoption of appropriate norms and traditions of corporate conduct complying with internationally recognized standards, based not only on absolute observance of the legislative requirements for the Bank’s activities, but on application of ethic norms of business conduct, which are common for all participants of business community as well.

Following regulations of this document is directed not only to formation of a positive image of the Bank in front of the sole shareholder, clients and employees, but to control and reduction of risks, maintenance of sustainable growth of the Bank’s financial indicators and successful realization of its authorized activity as well.

The Code is drawn up taking into account an international experience in the sphere of corporate governance and developed on the basis of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Law of the Republic of Kazakhstan “On the Development Bank of Kazakhstan” (the Law) and the Bank’s Charter.

Corporate governance means general governance of the Bank’s activities, carried out by its sole shareholder, Board of Directors and including a set of their relations with the Bank’s executive board and other stakeholders (employees, clients, partners, contractors, bank regulation and supervision bodies, government bodies and management) regarding:

- Definitions of the strategic purposes of the Bank’s activity and effective management system;
- Encouragement of labor activity ensuring execution of necessary activities for achievement of strategic goals of the Bank’s activities by the Bank’s administration and employees;
- Achievements of balance of interests between the sole shareholder, members of the Bank’s Board of Directors and executive board, as well as all other stakeholders;
- Maintenance of observance of the legislation of the Republic of Kazakhstan, Charter of the Bank, Code of Business Ethics, and other internal documents of the Bank.

Recognizing the important role of the Code, all the Bank’s executives and employees should rely upon its provisions at execution of the commitments to the Bank and the sole shareholder. The corporate conduct during the implementation of activity on maintenance of corporate governance should be based on respect of rights and legitimate interests of its participants and promote effective activity of the Bank, maintenance of its financial stability and profitability.

Bodies forming system of corporate governance and control of the company are as follows:

- Sole shareholder;
- Board of Directors;
- Executive Board - President;
- Internal Audit Service.

The most important decisions related to the Bank's activity shall be made by the sole shareholder within its competence determined by the Charter and the Board of Directors of the Bank.

The decisions related to the Bank's current activities shall be accepted by the President of the Bank.

Chapter 1. PRINCIPLES OF CORPORATE GOVERNANCE

Principles of corporate governance are the norms underlying formation, functioning, and improvement of corporate governance system.

Corporate governance in the Bank is based on the principles of fairness, honesty, responsibility, accountability, transparency, professionalism, and competence. The effective structure of the corporate governance stipulates respect for the rights and interests of all stakeholders of the Bank and promotes successful performance of the Bank, including maintenance of its financial stability and profitability.

The Bank, alongside with absolute priority of safeguarding the rights of the sole shareholder, shall consider safeguarding the rights of clients and investors of the Bank is not less important.

The principles of corporate governance set out in this Chapter are aimed at creating of confidence in the relationships arising in connection with the management of the Bank, and serve as a basis for all rules and recommendations contained in the subsequent chapters of the Code.

The fundamental principles of the Code are the following:

- Principle of safeguarding the rights and interests of its shareholders;
- Principle of effective governance by the Board of Directors and Executive Board;
- Principle of effective control over the financial economic activities of the Bank;
- Principles of transparency and objectivity of the Bank's information disclosure;
- Principles of lawfulness and ethics;
- Principle of social responsibility and development of partner relations with the interested persons;
- Policy of corporate conflicts settlement.

The adherence to the corporate governance principles shall promote the establishment of an effective approach for conducting of objective analysis of the Bank's performance and obtaining of recommendations from analysts, financial consultants, rating agencies.

The Board of Directors, the Bank's executive body, shall provide for observance of norms of business ethics and standards of professional conduct, creation of corporate culture. All the Bank's employees shall be aware of, and understand their role in corporate governance process and fully participate in this process.

1. PRINCIPLE OF SAFEGUARDING THE RIGHTS AND INTERESTS OF ITS SHAREHOLDERS

Corporate governance in the Bank shall be based on respect of rights and legitimate interests of the sole shareholder and promote effective performance of the Bank, maintenance of its financial stability and profitability.

The sole shareholder of the Bank is the Sustainable Development Fund "Kazyna" JSC. The sole shareholder of the Bank has the rights stipulated by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

In the Bank, in which all voting shares belong to the sole shareholder, the general meetings are not carried out. The decisions on issues referred to the competence of the general meeting of

shareholders by the Law of the Republic of Kazakhstan “On Joint Stock Companies” and the Charter of the Bank, shall be made by the sole shareholder individually and are subject to filing in a written form at any time.

The corporate governance shall guarantee the sole shareholder of the Bank an opportunity to exercise its rights connected to participation in the governance of the Bank. The bank shall safeguards realization of fundamental rights of the sole shareholder:

- 1) Right to hold, use and dispose of the shares owned by them;
- 2) Right to address the Bank with a written request on the issues related to the Bank’s activity and a right to receive reasonable replies within a period of time established in the Charter of the Bank;
- 3) Right to participate in establishing and (or) or electing the Bank’s board;
- 4) Right to receive the information on the Bank’s activity including acquaintance with the financial statements of the Bank in the order determined by the Charter of the Bank;
- 5) Right to receive an extract from the registrar, confirming its property right to shares of the Bank;
- 6) Right to contest decisions made by the Bank’s executive body in the court;
- 7) Right to receive a part of property in the case of liquidation of the Bank;
- 8) Pre-emption right and right to purchase other securities convertible to the shares of the Bank, in accordance with procedures established by the legislation of the Republic of Kazakhstan, etc.

The Bank shall ensure the effective participation of its shareholder in making key corporate governance decisions, such as appointment and election of members of the Board of Directors in compliance with the Law.

For realization of the right of the sole shareholder to participate in governance of the Bank, the Bank provides the following:

- 1) Preparing materials for the sole shareholder in accordance with the current legislation of the Republic of Kazakhstan, the Charter of the Bank, and internal documents of the Bank;
- 2) Receipt and execution of recommendations from the sole shareholder related to the activity of the Bank;
- 3) Submission of the sole shareholder’s proposals for consideration to the Board of Directors of the Bank within the framework of its competence;
- 4) If necessary, to invite members of the Board of Directors, President, auditors, Bank employees and other people to the meeting organized by the sole shareholder of the Bank.

The Bank notifies its sole shareholder of the Bank’s activities affecting the interests of the sole shareholder in accordance with procedures established by the Charter of the Bank.

The Bank shall provide its sole shareholder with reliable information about its financial and operational performance. In particular this concerns transaction related to the charter capital, which shall be justified and transparent for the sole shareholder to the maximum extend.

Registration of the of the shareholders of the Bank can be carried our only by the Bank’s registrar, who should not be affiliated with the Bank. Selection of a registrar is based on the requirements that the registrar has good reputation and a highly qualified staff.

The right to receive comprehensive and reliable information about the Bank shall be realized by the way of:

- 1) providing the sole shareholder with exhaustive information on every issue submitted for the sole shareholder’s consideration;

- 2) Inclusions of the necessary information, allowing to assess the results of the Bank's performance during a year to the annual report submitted to the sole shareholder;
- 3) Establishment of the position of the Corporate secretary.

The bank, in its turn, expects from the sole shareholder disclosure of the information concerning realization of the rights related to the participation in the Bank.

2. PRINCIPLE OF EFFECTIVE GOVERNANCE OF THE BANK BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

A) Principles of the Board of Directors' activities

The practice of corporate governance should provide for the Board of Directors' execution of strategic governance and execution of control over the activities of the Bank's executive body, as well as the accountability of the Board to the sole shareholder.

The Board of Directors' activities shall be based on the principles of maximum safeguarding of the sole shareholder's interests and is aimed at achievement of the Bank's objective of increasing efficiency of the state investment policy.

The Board of Directors defines development strategy of the Bank, provides for an effective control over the Bank's activities, approves priorities of the Bank's activity and internal control procedures.

The Board of Directors shall ensure effective functioning of the risk management system, control and regulate corporate conflicts.

The Board of Directors, including its each member, shall be responsible for due disclosure of information and media coverage of the Bank's activity and ensure security and safety of internal information, bank secrecy, and other confidential information.

B) PRINCIPLES OF THE EXECUTIVE BOARD'S ACTIVITIES

The practice of corporate governance shall ensure to the Bank's executive board possible reasonable, fair, exclusive observance of the Bank's interests and shall be accountable to the decision of the sole shareholder and Board of Directors of the Bank.

The president of the Bank shall carry out the management of the day to day work of the Bank's activities and ensure its correspondence with the financial economic plan.

The Executive board's activities shall be based on the principle of the highest observance of the sole shareholder's interests and shall be fully accountable to the decisions of the sole shareholder and Board of Directors of the Bank.

3. PRINCIPLES OF EFFECTIVE CONTROL OVER THE FINANCIAL ECONOMIC ACTIVITIES OF THE BANK

The Bank annually involves a professional auditing organization, which has no property stake in the Bank or its sole shareholder and has an appropriate license for auditing and confirmation of reliability of annual financial statements.

Additionally, there was established an Internal Audit Service in the Bank. Its main functions are to control over financial and operational activities of the Bank and evaluation of the adequacy and efficiency of the internal control and risk management systems with respect to all aspects of the Bank's activity; to provide the Board of Directors of the Bank with a timely and accurate information about the execution of assigned tasks by the structural divisions and

employees of the Bank; and to give recommendations about on improving the Bank's performance.

Taking into account the importance of organization and coordination of the bank risk management functions in corporate governance of the Bank, in the structure of the Bank there is a Division of Financial Risks Control, which constantly analyzes efficiency of the of the presently used and new methods for revealing, measurement (evaluation) and optimization of bank risk level.

Under the approval of the Board of Directors an Audit Committee can be established with the Board of Directors for the purpose of rendering assistance to the Board of Directors with issues related to controlling accuracy of filing accounting and financial reports and their reliability, evaluation of the independent auditor's activity and the efficiency of the internal control system in the Bank.

4. PRINCIPLES OF TRANSPARENCY AND OBJECTIVITY OF THE BANK'S INFORMATION DISCLOSURE

A) The information policy of the Bank should ensure a free and easy access to the information about the Bank.

The informational openness shall ensure the maximum validity and transparency of the Bank governance.

A shareholder or a potential shall be given an opportunity of free and easy access to the information about the Bank, which is essential to make appropriate decisions with due account of the restrictions connected to safeguarding corporate information (service, business, bank secrecy, confidential information).

The Bank shall disclose the information on the Bank's activity affecting the interests of the Bank's sole shareholder in timely manner.

B) The procedures and rules of the financial reporting and audit shall be aimed at ensuring confidence of the sole shareholder and investors to the Bank's activity.

The financial reporting shall be based on the following principles:

- 1) integrity and credibility;
- 2) objectivity and independency;
- 3) professionalism and competence;
- 4) regularity and efficiency.

The Bank in timely and fully manner shall disclose the consolidated financial statements. The annual financial statements of the Bank after having been audited by the auditing organization are approved by the decision of the sole shareholder and are published in media.

The Bank shall be obliged to disclose the information about the Bank in timely and fully manner, including information on the Bank's financial performance, economic indicators, ownership and governance structure according to the legislative requirements, regulating bodies, norms and requirements to the securities emitters, and take up a number of additional obligations on disclosing the information as well.

The Bank shall provide the sole shareholder, investors and all other interested parties with a free and easy access to the information on the Bank, its major activity results, plans, and development outlooks.

Disclosure of the information about the Bank shall be carried out at observance of reasonable balance between information transparency, maintenance of commercial interests of the Bank and compliance with legislative requirements on maintaining bank secrecy. The Rules on maintenance of safety of business and bank secrecy, and other confidential information

regulating relations arising in connection with the information allocation, received by the Bank in the process of its activity, regard to business secrecy, disposal such information, and safeguarding of confidentiality of the information in interests of maintenance of economic safety of the Bank, the List of information constituting commercial and bank secrecy and confidential information as well was approved in the Bank.

The responsibility to ensure preservation commercial and bank secrecy lies with all the workers of the Bank's employees; is stated in labor contracts and duty regulations of employees; and shall be assigned to the members of the Board of Directors and President of the Bank.

The Bank shall aspire to restriction of rising possibility of conflict of interests and prevention for abuse of insider information.

The Bank's administration shall be responsible for integrity and credibility of the financial information.

The Board of Directors shall distinguishes competence of bodies and individuals dealing with financial and economic activity being a part of control system depending on their attitude to processes of development, approval, application and evaluation of the internal control system.

5. PRINCIPLES OF LAWFULNESS AND ETHICS

The Bank shall act in strict compliance with Legislation of the Republic of Kazakhstan, generally accepted principles of business ethics and internal documents of the Bank. Development of internal documents of the Bank shall be based on legislative requirements and norms of corporate and business ethics.

The relations between shareholders, members of the Board of Directors and Executive board shall be based on mutual confidence, respect, accountability and control.

The Code of Business Ethics of the Bank's employee, determining standards of the Bank's activity and behavior of its employees was approved in the Bank. The Code contains the obligatory rules of behavior extending on all Bank's employee notwithstanding a level of their positions.

All structural divisions shall take into account the provisions of the Code at preparation of internal documents of the Bank, in relations with clients, contractors, business partners, and the state bodies.

6. PRINCIPLES OF SOCIAL RESPONSIBILITY AND DEVELOPMENT OF PARTNER RELATIONS WITH INTERESTED PERSONS

The Bank supports the principles of social responsibility of the business community and promotes economic development of the country and its citizens. The Bank recognizes its responsibility in front of the sole shareholder for the activity results, in front of clients – for the quality of bank services, in front of business partners - for appropriate execution of its obligations, in front of society and the state - for respect of a human, her rights and freedom, for contribution to the development of the Kazakhstani economy.

The Bank actively participates in discussion of the legislative initiatives aimed on improvement of bank activity, corporate governance, and other spheres of public life. The Bank and its representatives are participants of various public organizations, associations and other noncommercial organizations.

Recognizing importance of maintenance and development of a stable communication with stakeholders in corporate governance, the Bank builds its relations with clients, business partners, representatives of the state bodies on the principles of mutual trust and respect, honesty,

professionalism, sanctity of obligations, integrity of disclosing of the necessary information, priority of negotiations and reaching compromise before proceeding to the court.

7. POLICY OF CORPORATE CONFLICTS SETTLEMENT

The Members of the Board and the executive body of the Bank along with the Company's employees shall reasonably perform their duties with proper care and good faith in the interests of the Company and its shareholders making every effort to avoid any conflicts of interests. It is necessary that they act in full compliance with the current legislation and the established standards of business ethics.

In case of a corporate conflict, the participants shall make any effort to settle the conflict through negotiations with the purpose of safeguarding the shareholder's rights and the Company's business reputation.

In case of failure to settle a conflict through negotiations, it shall be solved in strict accordance with the current legislation.

Chapter 2. THE SOLE SHAREHOLDER

The sole shareholder is the supreme body of the Bank.

The competence of the sole shareholder and its decision making are defined by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

The Board of Directors and the Bank's executive board shall be obliged to ensure observance and safeguarding of the sole shareholder's rights provided by the legislation and the Charter of the Bank. The issues referred to the competence of the sole shareholder can not be transferred to the Board of Directors' competence, except for those stipulated by the Legislation of the Republic of Kazakhstan and the Charter of the Bank.

The Bank expects responsible actions from the sole shareholder aimed at maintenance of stability and profitability of the Bank, refusal of use insider information, disclosing of the information about affiliated persons, refusal of pressure upon the Board of Directors and Bank's executive board for achievement of personal goals.

The time period for the submitting materials for the sole shareholder's consideration should be sufficient to study, prepare the inquiries, and development of their own position.

The information and materials submitted to the sole shareholder shall ensure that the sole shareholder has a full understanding of the essence of the issues discussed issued, able to answer the inquiries and make reasonable decisions on the considered issues.

The information materials submitted for the sole shareholder's consideration shall be systematized by the issues under the shareholder's consideration. The simplest and the easiest possible procedure for receiving and reviewing such materials should be established.

Except for the information stipulated by the legislation of the Republic of Kazakhstan, the sole shareholder shall be provided with additional information on the plans, achievements, and problems of the Bank's activities, as required.

Requirements of information disclosure shall not put any unnecessary administrative burden or unreasonable expenses on the Bank.

The process of examination and acceptance of essential changes in the activities and governance of the Bank the sole shareholder shall be supported by submitting of additional materials justifying such changes.

When the agenda of the sole shareholder includes election of the members of the management bodies complete information about the candidates for the position shall be submitted by the Bank as required by the Legislation of the Republic of Kazakhstan.

The issues submitted for to the sole shareholder's consideration shall be as clear and precise as possible and exclude an opportunity of differing interpretations. The issues with such wording as "miscellaneous", "various", "other" etc. shall be excluded.

The rights of the sole shareholder to put proposals for considered issues shall be easily exercisable subject to clear justification thereof.

Chapter 3. BOARD OF DIRECTORS

The Board of Directors is the management body of the Bank.

The Board of Directors shall carry out general governance of the Bank's activities with exception of solution of the issues referred to the exclusive competence of the sole shareholder by the Legislation of the Republic of Kazakhstan and the Charter of the Bank. The competence of the Board of Directors of the Bank, procedures of its election and organization of activities are defined by the Legislation of the Republic of Kazakhstan, the Charter of the Bank, and the Statute of the Board of Directors, approved by the sole shareholder of the Bank.

1. FUNCTIONS OF BOARD OF DIRECTORS

The Board of Directors shall ensure safeguarding the interests and rights of the sole shareholder and effective performance of the assigned task of increasing efficiency of the state investment policy by the Bank.

The Board of Directors shall determine priority directions of the Bank's activities and carry out general governance of the Bank's activities with exception of solution of issues referred by the Legislation of the Republic of Kazakhstan and Charter of the Bank to the exclusive competence of the sole shareholder.

The Board of Directors shall make objective evaluation of the observance of the priority directions with due regard to the market situation, financial performance of the Bank, and other factors affecting financial and operational performance of the Bank.

The functions of the Board of Directors are as follows:

- 1) making decision on conclusion of large transactions;
- 2) preliminary approval of the annual financial statements of the Bank;
- 3) determination of remuneration for employees of the Internal Audit Service of the Bank and approval of the regulation of internal audit;
- 4) approval of remuneration for the executive board;
- 5) approval of strategy of the Bank's activities;
- 6) appointment, definition of term of office of the corporate secretary, preterm termination of her duties; definition of the size of official salary and conditions of remuneration of the corporate secretary;
- 7) other functions in accordance with the Legislation of the Republic of Kazakhstan, the Charter of the Bank and the Statute on Board of Directors of the Bank.

The Board of Directors shall ensure an effective control over financial and operational activities of the Bank.

The Board of Directors' competence includes approval of internal risk management procedures of the Bank. Besides, these procedures shall stipulate that the Board of Directors is notified of the essential shortages of risk management and internal control.

The Board of Directors is responsible for appropriate functioning system of disclosure and distribution of the information about the Bank's activities; determines the data on business secrecy and confidential information.

The Board of Directors shall:

- be responsible for approval and periodic reviewing of the general bank strategy and documents on various aspects of the Bank's policy;
- understand the main risks which should be taken up by the Bank, establish acceptable levels of these risks and ensure acceptance of measures necessary for revealing, measurement, observation and monitoring of such risks by the Bank's administration;
- ensure that the Bank's administration supervised system effectiveness of the internal control. The Board of Directors shall be responsible for creation and functioning of adequate and effective system of the internal control.

At approval of procedures on risks management it is necessary for the Board of Directors to aspire to achieve optimum balance between risk and profitability of the Bank as a whole at observance of norms of the legislation and provisions of the Charter of Bank, and to development of adequate stimulus for activities of the Bank's executive board, its structural divisions and separate employees as well.

The Board of Directors shall ensure realization and protection of the rights of the sole shareholder, and assists in resolution of corporate conflicts.

The Board of Directors is recommended to take all necessary steps for prevention and settlement of the corporate conflicts arising between the sole shareholder and the Bank's executives.

The Board of Directors shall ensure effective activities of the Bank's executive board, including by means of control of its activities.

Exact authority and functions of the Board of Directors are determined in the Statute (Regulations) of the Board of Directors approved by the sole shareholder.

2. STRUCTURE OF BOARD OF DIRECTORS AND ITS FORMATION

Election of members of the Board of Directors shall be carried out in accordance with the procedures determined by the Legislation of the Republic of Kazakhstan and the Charter of the Bank.

The Board of Directors consists of seven members, including the chairman of the Board of Directors, who is elected by the sole shareholder without coordination with the authorized state body on regulation and supervision of financial market and financial organizations.

Two members of the Board of Directors of the Bank are elected by the sole shareholder under the recommendation of the Government of the Republic of Kazakhstan.

Not less than one third of the number of members of the Board of Directors of the Bank shall be independent directors.

The persons elected members of the Board shall be submitted at irregular intervals if other is not stipulated by the Legislation of the Republic of Kazakhstan.

Only individuals can serve as a member of the Board of Directors.

Committees of the Board of Directors can be established according to the Legislation of the Republic of Kazakhstan and the Charter of the Bank for the purpose of examination of the most important issues and giving recommendations to the Board.

The Committees of the Board of Directors shall consist of the members of the Board of Directors and experts with a professional qualification necessary for working in a specific committee.

The head of the executive body of the Bank cannot serve as the chairman of Board Committees.

The procedure of formation and work of the Committees of the Board of Directors, and their quantitative structure as well shall be established by the internal document of the Bank approved by the Board of Directors.

3. DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors shall carry out their assigned functions honestly and reasonably in the interests of the Bank.

The functions of member of the Board of Directors can not be executed effectively if there is a conflict of interest between the Bank and private interests of the members of the Board of Directors. In particular, conflict of interest can arise from conclusion of transactions, which are of a personal direct or indirect interest for the members of the Board of Directors. Therefore members of the Board of Directors are recommended to refrain from any actions which will result or can potentially lead to situations with a conflict of interest between the member of the Board and the Bank. In case of presence or occurrence of such conflict - to disclose information about it to the Board of Directors and to take measures to upkeep with the determined procedures of concluding transactions, which contain a conflict of interest.

Besides, the members of the Board of Directors are recommended to refrain from any voting on issues where they might have a private interest. Thus the member of the Board of Directors should immediately disclose to the Board of Directors through the Corporate secretary both the fact of such an interest, and the basis of its arising.

Members of the Board of Directors at realization of their functions shall take into account interests of other persons - employees, contractors of the Bank, the state.

Members of the Board of Directors are recommended to participate actively in the sessions of the Board of Directors.

A member of the Board of Directors shall not disclose and use in personal interests or in the interest of the third parties confidential information on the Bank's activities, insider information and information pertaining to bank secrecy.

4. ARRANGEMENT OF ACTIVITY OF THE BOARD OF DIRECTORS

Activity of the Board of Directors is based on the principles of rationality, efficiency, activity, bona fides, honesty, responsibility, and accuracy.

Meetings of the Board of Directors are held based on the principles of rationality, efficiency, and regularity.

The Board of Directors is headed by the chairman who is called to ensure successful achievement of the Bank's objectives. As the chairman of the Board of Directors can be elected a person with a rich working experience on executive-level positions, whose honesty, fidelity to principle, loyalty to the interests of the Bank raise no doubts and who has an absolutely trusted by the sole shareholder.

The chairman of the Board of Directors shall ensure effective organization of the Board of Directors' activities and its coordination with other bodies of the Bank.

The chairman of the Board of Directors shall ensure an opportunity for all the members of the Board to openly express their views on discussed issues and promote the search of the coordinated decision by members of the Board of Directors in the interests of the sole shareholder. At the same time he shall demonstrate fidelity to principles and operate in the interests of the Bank.

The chairman of the Board of Directors shall be recommended to support constant contacts with other executive bodies and the Bank's officials. Such contacts should have as a purpose not only receiving of to the maximum extend complete and trustworthy information necessary for making decisions of by the Board of Directors, but maintenance, where possible, effective corporation of these bodies and officials among themselves and with the third parties.

Procedures of convocation and preparation for holding a session of the Board of Directors shall ensure that the members of the Board of Directors have an opportunity to fully prepare for the meeting.

Notification of the members of the Board of Directors on convening of the Board of Directors, a form of holding and agenda of this meeting shall be carried out in time established by the Statute on Board of Directors.

Simultaneously with the informing the Board of Directors of the meeting, all the necessary materials shall be submitted to the members of the Board of directors.

Chapter 4. EXECUTIVE BOARD

1. PRINCIPLES OF THE EXECUTIVE BODY

The main principles of the Executive board's activities shall be honesty, conscientiousness, rationality, and discretion.

The Executive board manages every-day business of the Bank and efficiently solves issues of the Bank's activities with due account of a current economic situation.

The Executive board shall carry out management of the Bank's activities so as to ensure opportunities for the development of the Bank.

The Executive board shall be responsible for the realization of strategy and policy of the Bank approved by the Board of Directors, development of the procedures of revealing, measurement, monitoring and supervision of bank risks.

The Executive board shall understand the responsibility before the sole shareholder, the Bank's clients and society, and consider his mission is conscionable and competent execution of functions on governance of the current activities of the Bank, ensuring sustainable long-term development and profitability of the Bank. The president of the Bank shall have high business reputation.

For achievement of these purposes the Executive board shall solve, first of all, tasks in implementation of purposes, strategy and policies of the Bank, and honesty, in due time and effectively shall execute resolutions of the Board of Director and the sole shareholder as well.

The important direction of the Executive board's activities shall be insurance of observance of legislative requirements, including labour, and legislations on labour protection, technical safety rules.

The Executive board's activities of the Bank shall be regulated by the Legislation of the Republic of Kazakhstan and Charter of the Bank.

The Executive board shall refrain from affirmative performance which will lead to conflict rising between its interests and interests of the Bank, and in case of such conflict rising, it shall be obliged immediately to inform about it the Board of Directors through the Corporate secretary of the Bank.

The Executive board shall not disclose or use in personal mercenary interests and in interests of the third parties the confidential information on the Bank.

2. FORMATION of the Executive board

The President of the Bank shall be the person who individually carries out the Executive board's functions.

The president of Bank shall be appointed and dismissed by the sole shareholder without coordination with the authorized state body on regulation and supervision of the financial market

and the financial organizations. The president of Bank shall be a member of the Board of Directors by virtue of his position.

Chapter 5. THE CORPORATE SECRETARY / SECRETARY

The strict observance by the Bank's bodies and officials of procedures aimed at safeguarding the rights and interests of the sole shareholder as well as observance by Bank of provisions and regulations of the Legislation of the Republic of Kazakhstan, provisions of the Charter and other internal documents of the Bank is supported by the introduction of the position of Corporate secretary/Secretary of Bank.

The corporate secretary is the Bank's employee is not a member of the Board of Directors ;appointed by the Board of Directors of the Bank; accountable to the Board of Directors as well as within the framework of its activities controls the preparation and holding of the meetings of the sole shareholder and the Board of Directors; ensures submission of materials for the sole shareholder's consideration and materials for meetings of the Board of Directors; controls due access to these materials.

The status, tasks, functions, official rights and duties, responsibility of the Corporate secretary\secretary of the Bank and co-ordination of her activity with divisions of the Bank is determined by the internal document of the Bank approved by the Board of Directors of the Bank.

Chapter 6. SIGNIFICANT CORPORATE EVENTS

The term Significant corporate event refers to the events which may result in fundamental changes in the Bank's activities. The importance of significant corporate events predetermines the need to create an environment of openness and trust at realization of such events, to establish a simple and transparent procedure of their realization.

Significant corporate events first of all shall include such activities: reorganization of the Bank, conclusion of major transactions, increase of the authorized capital, introduction amendments to the Charter of the Bank and a number of other issues essential for the Bank.

Attributes of major transactions shall be established by the Legislation. At the same time, it is stipulated in the Legislation that the procedure of conclusion of major transactions may be determined by the Charter of the Bank for other major transactions. At deciding on inclusion provisions on conclusion of major transactions on other transactions having significant value for the Ban to the Charter of Bank it is necessary to ensure a reasonable balance between efficient control over daily activities of the Bank on the part of its Executive board and effective supervision of Executive board's activities on the part of the Board of Directors and the sole shareholder.

Reorganization and liquidation of the Bank shall be carried out according to the procedures determined by the Legislation of the Republic of Kazakhstan and the Charter of the Bank.

Significant corporate events shall be accompanied by the maximum openness and transparency and comply with legislative requirements of the Republic of Kazakhstan and the Charter of the Bank.

Chapter 7. INFORMATION DISCLOSURE

Information disclosure shall ensure a favorable image of the company that should result in attraction of capital, increase of confidence and growth of financial indexes.

Information disclosure system shall satisfy the principles of maximal accessibility of information about the company and complete protection of corporate (internal) information of the company.

1. INFORMATION DISCLOSURE

The information openness of the Bank shall ensure the opportunity of free and easy access to the public information about the Bank.

The Bank shall recognize the importance of submission to the sole shareholder and other interested persons of the accurate and objective information about the Bank.

Main principles of the disclosure of the information about the Bank shall be efficiency of its submission, availability of such information to the sole shareholder and other interested persons, reliability and completeness of its contents, observance of reasonable balance between the Bank's openness and its commercial interests.

Channels of distribution of the information shall be selected so that basically to ensure free and non-expensive access to disclosed information for all the interested parties.

The Bank regularly carries out various press conferences with representatives of the media on issues of the Bank's activities as well as distribution of information materials and publications in the media, including Interment.

The financial information about the Bank's activities shall be most important for the sole shareholder and for clients of the Bank. The Bank shall publish the annual financial reporting in the terms established by the Legislation of the Republic of Kazakhstan.

Disclosing of the information about the Bank shall be characterized by observance of reasonable balance between an openness of the Bank and safety of its commercial interests, legislatively fixed principles of bank and business secrecy.

2. PROTECTION OF THE INTERNAL INFORMATION

Along with making information available to public the Bank shall ensure integrity and protection of the corporate (internal) information.

The list of the information making commercial or service secrecy, conditions of access to such information as well as the opportunity of its use shall be determined by Bank with due account for necessity of observance of reasonable balance between an openness of the Bank and aspiration to not impair its interests.

The Board of Directors of the Bank shall approve the list of information making the confidential information.

Caring about preservation of the corporate information (service, commercial, bank secrecy), the Bank shall assume liability about nondisclosure of the confidential information. A duty to ensure preservation of the confidential information lays on the sole shareholder, officials and Bank's employee.

The Bank has developed and applies an efficient control system for use of service and internal information, in particular all Bank employees shall sign the nondisclosure obligation relating to the internal (service) information considered confidential for the period of their working for the Bank as well as limitation period shall be established for nondisclosure of the abovementioned information by the employees after termination of employment in the Bank.

Chapter 8. CONTROL OVER BANK'S ACTIVITIS

1. CONTROL SYSTEM OVER THE BANK'S ACTIVITIS

Operation of control system over the Bank's activities shall be formed up on the clearly regulated basis by the Board of Directors.

The system of control over the Bank's activities is aimed at insurance of trust of investors to the Bank and state bodies. The main purpose of such control is the protection of capital investments and assets of the Bank.

This purpose may be achieved through the fulfillment of the following tasks:

- (1) Acceptance and maintenance of execution of financial and economic plan;
- (2) Establishment and maintenance of observance of effective procedures of the internal control, which include clear division of employees' functions (in order to avoid a conflict of interests in the sphere of the responsibility of each employee) and availability of reliable information systems;
- (3) Maintenance of the effective and transparent control system in the Bank, including prevention and suppression of abuse from the part of the Executive board and the Bank's officials;
- (4) Prevention, revealing and restriction of financial and operational risk;
- (5) Maintenance of reliability of the financial information used or disclosed by the Bank.

No system of control over the Bank's financial and operational activities can guarantee prevention of the events bringing to unforeseen losses. At the same time, creation of effective system of the internal control in Bank reduces probability of such losses. In this respect, the Bank shall ensure effective functioning of the internal control system. The internal control over financial and operational activities of the Bank activities is carried out by the Internal Audit Service.

With the purpose of reception of independent opinion on reliability and objectivity of preparation of the financial reporting, the Bank shall carry out external audit according to the legislative requirements of the Republic of Kazakhstan.

The system of the internal control in Bank is created for realization of the following purposes:

- 1) operational and financial efficiency of the Bank's activities that assumes audit of efficiency and profitability of governance of the Bank's activities and definition of probability of losses;
- 2) reliability, completeness and timeliness of the financial and administrative information. This purpose shall assume audit of preparation of the authentic and qualitative financial reporting, and other financial documents used by the Bank at making decisions;

Observance of requirements of the Legislation of the Republic of Kazakhstan that assumes audit of observance of legislation by the Bank, including normative legal acts of the authorized body on regulation and supervision of the financial market and the financial organizations as well as requirements of the documents determining the internal policy and procedures of the Bank.

The Board of Directors and the Bank's administration shall ensure availability of an adequate system of internal control and create conditions for execution of functions in the field of internal control by the Bank's employees.

The Internal control operatively shall allow to reveal, prevent and limit financial and operational risks as well as possible abuse on the part of officials. Thus, a properly organized internal control cuts down expenses of the Bank and promotes efficient control over its resources.

The Bank will continue improving the internal control system in the Bank. The control shall be aimed on maintenance of conformity to requirements of the legislation, internal documents of the Bank, prevention, revealing and restriction of financial and operational risk, maintenance of reliability of the financial information.

2. INTERNAL AUDIT SERVICE

The Internal Audit Service, the independent structural subdivision of the Bank for monitoring of conformity of internal control system, which is directly accountable to the Board of Directors, was established in the Bank.

The purpose of internal audit is to control financial and operational activities of the Bank and an evaluation of adequacy and efficiency of the internal control systems and risks management on all aspects of the Bank's activities; to provide the Board of Directors of the Bank with a timely and reliable information about the fulfillment of the functions assigned to structural subdivisions and the Bank's employees; to provide of efficient recommendations for improvement of the Bank's operation.

The order of conduction of audits by the service of internal audit of the company ensures an effective mechanism of control of financial-economic activity of the Bank.

With the purpose of ordering procedure of realization of checks by Board of directors Rules of realization of, affirm.

Rules regarding conduction of audit procedures by service of internal audit, Plans of operation of internal audit service shall be approved by the Board of Directors in order to put in order the process of conduction of such audits

3. EXTERNAL AUDIT

The primary aim of the audit carried out by an independent auditor is verification of the Bank financial statements, risk management and internal control systems and receiving of an independent opinion on the reliability and accuracy of the preparation of the financial statements and making recommendations about the improvement of the Bank's risk management and internal control systems.

The Bank considers audit inspection of reliability of accounting reporting, control systems of risks management system and internal control as one of the major elements of the financial control. For inspection and confirmation of reliability of annual financial statements, an evaluation of risks management system and internal control, according to the Legislation of the Republic of Kazakhstan, the Bank, according to the provisions of the Charter, involves a professional auditing organization (external auditor) on the basis of competitive selection. The Bank shall create conditions of selection so as to ensure involvement of highly professional auditing organizations with a recognized authority and significant experience in auditing banks.

The auditing organization (external auditor) if necessary may be invited to consideration of the auditor conclusions by the sole shareholder and shall answer any issues asked by the sole shareholder.

Chapter 9. RELATIONS WITH THE CLIENTS OF THE BANK

The specificity of the Bank's activities are that the major role during its realization shall play not only confidence of the sole shareholder to Bank management as well as confidence of clients, investors and banks - partners plays. In this connection, an important point at formation of principles of corporate behavior of the Bank is the account of necessity of maintenance of sustainable, confidential mutual relation with clients of the Bank.

The Bank honesty and reasonably, with possible carefulness shall carry out taken on itself concerning clients of the obligation and aspire to ensure high quality of rendered services, validly, fairly and openly works with the client.

In its activity the Bank shall exclude an opportunity of submission of doubtful and deformed information on the financial position, the Bank's activities.

The Bank shall undertake all efforts on integrity and protection of the information on operations of its clients. Such information disclosing probably is extreme in the order and the volumes established by the Legislation of the Republic of Kazakhstan.

The Bank constantly shall work over improvement of quality of rendered services, in due time and closely shall consider arising conflicts and difficulties.

Chapter 10. COUNTERACTING MONEY-LAUNDERING AND TERRORISM FINANCING

The system of the internal control of Bank includes realization of procedures of prevention of money-laundering and terrorism financing. In this respect the Bank in its daily practice follows the principles of counteracting:

- involvement into the legal circulation of the profits received in illegal way by means of conducting financial operations and other transactions and the use of such funds for carrying out business activities;

- Financing terrorists and (or) the terrorist organizations with extending money and (or) other property for realization of terrorist activity.

Chapter 11. CORPORATE CONFLICTS

This Chapter shall adjust issues of the prevention and settlement of corporate conflicts - conflicts between bodies of the Bank and its sole shareholder if such conflict infringes interests of the Bank.

The prevention and settlement of corporate conflicts in the Bank in equal measure shall allow to ensure observance and protection of rights of the sole shareholder and protect property interests and business reputation of the Bank.

Both the prevention, and settlement of corporate conflicts shall be promoted by exact and absolute observance of the legislation by the Bank as well as its diligent and reasonable behavior in mutual relation with the sole shareholder.

The belowmentioned regulations about pre-judicial settlement of corporate conflicts shall do not interfere with persons, whose rights are broken to address in judicial bodies.

1. GENERAL PROVISIONS

The overall Performance under the prevention(warning) and settlement of corporate conflicts assumes maximum full and prompt revealing such conflicts if they have arisen or can arise in Bank and precise coordination of actions of all bodies of Bank.

The Members of the Bank's Board and President of the as well as the Company's employees shall reasonably perform their duties with proper care in good faith in the interests of the Company and its shareholders making every effort to avoid any conflict of interests. It is necessary that they should act in full compliance with the current legislation and established business ethic standards as well.

The overall performance of Bank under the prevention(warning) and settlement of corporate conflicts depends on as far as it is fast they will be considered. Therefore the Bank is recommended to define(determine) in maximum short terms the position on the conflict to make the appropriate decision and to bring of it(him) to the notice the unique shareholder.

The position of Bank in the corporate conflict should be based on positions of the legislation.

The answer of Bank to the reference (manipulation) of the unique shareholder should be

full and detailed, and the message on refusal to comply the request or the requirement of the unique shareholder - motivated and based on positions of the legislation.

The consent of Bank satisfy the requirement of the unique shareholder can to be connected to necessity of fulfillment by the unique shareholder of any actions stipulated by the legislation, the Charter or other internal documents of Bank. In this case in the answer of Bank the unique shareholder is recommended by the exhaustive image to specify such conditions and also to inform the information necessary for their performance.

In cases when between the unique shareholder and Bank there is no dispute on their obligations, but there were disagreements about the order, a way, terms and other conditions of their performance, the Bank is recommended to offer to the unique shareholder to settle the arisen disagreements and to state conditions on which the Bank is ready to satisfy the requirement of the unique shareholder.

2. OPERATION OF THE BODIES OF THE BANK AT EXAMINING CORPORATE CONFLICTS

In case of any corporate conflicts, the participants shall make any effort to settle the conflict through negotiations with the purpose of protection of the shareholder's rights and the Company's business reputation as well.

In case of failure to settle the conflict through negotiations, it shall be solved in strict accordance with the current legislation.

The president on behalf of Bank shall settle corporate conflicts on all the issues, which are beyond the competence of any other Company's body. The Chairman shall also independently establish the corporate conflicts settlement procedures.

The Board of Directors shall settle corporate conflicts on the issues being within its competence. With this purpose the Board of Directors may form a special committee consisting of its members for settlement of corporate conflicts.

Primary goal of bodies of Bank during settlement of the corporate conflict is search of such decision which, being lawful and proved, would answer interests of Bank.

With a view of maintenance of objectivity of an estimation of the corporate conflict and creation of conditions for its effective settlement of the person, the conflict mentions whose interests or can mention, of participation in removal of the decision under this conflict should not make.

If the conflict at any stage of the development mentions or can infringe interests of an agency of Bank its settlement should be transferred in Board of directors of Bank. Members of Board of directors, whose interests the conflict mentions or can mention, should not participate in work under the sanction of this conflict.

The person, by virtue of the powers in Bank obliged to participate in the resolution of conflicts, should inform that the conflict mentions or can infringe his(its) interests, immediately, as soon as it becomes known.

By virtue of the given powers the corporate secretary / secretary of Bank assists Board of directors in the sanction of corporate conflicts.

Chapter 12. CONCLUSION

The present Corporate Governance Code comes into force after the approval by the sole shareholder of the Bank.

The bank will keep on improving the present Code, supplementing it with the newly formed standards of corporate governance considering specifics of the sector and being guided by the interests of the sole shareholder and clients of the Bank.