

Approved by the minutes of the  
in-person meeting of the Board  
of Directors of the "National  
Investment Corporation of the  
National Bank of Kazakhstan"JSC  
No. 64 dated January 31, 2018

**Provision  
on the Executive Board of the  
"National Investment Corporation of the National Bank  
of Kazakhstan" Joint stock Company**

Almaty, 2018

## **1. General provisions**

1. This Provision on the Executive Board of the "National Investment Corporation of the National Bank of Kazakhstan" Joint-Stock company (hereinafter -Provision) developed in accordance with the Law of the Republic of Kazakhstan "About Joint-stock companies" (hereinafter -Law), other regulatory legal acts of the Republic of Kazakhstan and the Charter of the "National Investment Corporation of the National Bank of Kazakhstan" joint-stock company (hereinafter – Company).

2. The Provision defines the procedure for organizing the activities of the Company's Executive Board (hereinafter - the Executive Board), as well as determining its quantitative composition, competence, rights, duties and responsibilities of the members of the Executive Board, the procedure for convening, holding meetings of the Executive Board, making and formalizing its decisions.

3. In carrying out its activities, the Executive Board shall be guided by the Company's Charter, decisions of the Sole Shareholder, The Board of Directors of the Company, The Company's Provision and internal documents, as well as the principles of professionalism, integrity, reasonableness, honesty and prudence.

4. The Executive Board of the Company shall be accountable to the Sole Shareholder and the Board of Directors of the Company and shall be obliged to execute their decisions.

5. The Executive Board shall be the collegial executive body of the Company, shall manage its current activities and act in the interests of the Company and its Sole Shareholder.

6. The Executive Board has the right to make decisions on any issues of the Company's activities that are not referred by legislative acts of the Republic of Kazakhstan and the Company's Charter to the competence of other bodies and officials of the Company.

## **2. Composition and procedure of formation of the Executive Board**

7. Determination of the number of members, term of office of the Executive Board, election of the Chairman and members of the Executive Board, early termination of their powers shall be the responsibility of the Sole Shareholder of the Company in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company.

8. The Executive Board, headed by the Chairman, consists of the Chairman, who coordinates and organizes its work, and members of the Executive Board.

9. The members of the Executive Board of the Company, within their competence, act on behalf of the Company on the basis of the order of the Chairman of the Executive Board on the allocation of duties among the Company's executives, as well as a power of attorney, if necessary. In the absence of the Chairman of the Executive Board, his duties shall be performed by one of the members of the Executive Board of the Company in accordance with the order of the Chairman of the Executive Board on the allocation of duties among the Company's executives.

10. The Chairman of the Executive Board has the right to submit candidates for members of the Executive Board for consideration by the Sole Shareholder.

11. The following person may not be appointed (elected) as a member of the Executive Board:

- 1) who does not have a higher education;
- 2) who does not have the work experience established by the Provision in the sphere of providing and (or) regulation of financial services and (or) the relevant field of activity of the Company;
- 3) not having an impeccable business reputation;
- 4) who was the head of a legal entity for more than one year before the decision was made to declare this legal entity bankrupt;
- 5) having an unexpunged record or unexpunged conviction in accordance with the procedure established by the legislation of the Republic of Kazakhstan;
- 6) committed corruption offences and/or discharged from employment for corruption charges;
- 7) who is in a relationship of next to kin and/or relationship with another officer of the Company;
- 8) in other cases, required by the legislation of the Republic of Kazakhstan.

12. Work experience is required for candidates for the following positions:

1) Chairman of the Executive Board - at least three (3) years in the field of providing and (or) regulation of financial services and (or) the relevant field of activity of the Company;

2) members of the Executive Board- at least 2 (two) years in the provision and (or) regulation of financial services and (or) the relevant field of activity of the Company.

13. The relations between the Company and the members of the Executive Board shall be established by employment contracts. The employment contract, acts of the employer on the acceptance and termination of the employment contract with the Chairman of the Executive Board, shall be signed by the Chair of the Board of Directors of the Company, and in his absence, by an officer of the Sole Shareholder of the Company, who has been delegated the powers of the Sole Shareholder of the Company. Employment contracts with members of the Executive Board of the Company shall be signed by the Chairman of the Executive Board.

14. The powers of the Chairman and a member of the Executive Board may be terminated by the Sole Shareholder. Early termination of the powers of the Chairman of the Executive Board and members of the Executive Board of the Company in accordance with the labor legislation of the Republic of Kazakhstan, shall entail termination of employment contracts with these officials from the date of the decision to terminate their powers, unless otherwise established by the decision of the Sole Shareholder.

15. The Executive Board has the right to make decisions on any issues of the Company's activities that are not referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of other bodies and officials of the Company.

16. The Executive Board ensures timely submission to the members of the Board of Directors, when performing their functions, of information about the Company's activities, including those of a confidential nature, within no more than fifteen (15) calendar days from the date of receipt of the request.

17. The Executive Board has the right, with the purpose and reasons given, require the Chair of the Board of Directors to convene a meeting of the Board of Directors. If the request is not met within ten (10) days, the Executive Board has the right to convene a meeting of the Board of Directors itself.

### **3. Rights, duties and responsibilities of the members of the Executive Board**

18. The functions, rights and obligations of the members of the Executive Board shall be determined by the legislation of the Republic of Kazakhstan, The Charter of the Company, The Provision, as well as the employment contract concluded by each of them with the Company.

19. In exercising their rights and performing their duties, the members of the Executive Board must perform their duties in good faith and use the methods that best reflect the interests of the Company and the Sole Shareholder.

20. The Chairman of the Executive Board may not be the head of the executive body or the person individually exercising the functions of the executive body of another legal entity.

21. Members of the Executive Board are entitled to:

- 1) within its competence decide the issues of the Company's current activities;
- 2) make written proposals on the agenda setting of the Executive Board meeting;
- 3) express in writing their disagreement with the decisions of the Executive Board and bring it to the attention of the Executive Board and the Board of Directors;
- 4) work in other organizations only with the consent of the Board of Directors;
- 5) receive full information about the Company's activities, get acquainted with the constituent, regulatory, accounting, reporting, contractual and other documents of the Company;
- 6) submit references, make statements, make proposals on the agenda of the Executive Board meeting;
- 7) call for a meeting of the Executive Board;
- 8) remuneration and compensation in accordance with the decisions of the Board of Directors;
- 9) exercise other rights provided for by the legislation of the Republic of Kazakhstan, the Charter of the Company and the employment contract concluded by each of them with the

Company.

22. Members of the Executive Board are obliged to:
  - 1) act in the best interest of the Company;
  - 2) execute decisions and instructions of the Sole Shareholder, the Board of Directors and the Executive Board, comply with the requirements of the Charter and internal documents of the Company;
  - 3) use reasonable efforts for loss prevention, optimize the Company's activities by initiating the convening of a meeting of the Executive Board, informing the Chairman of the Executive Board or in any other accessible way;
  - 4) fulfil their responsibilities reasonably and in good faith;
  - 5) assess risks and adverse effects consequences for the Company when making decisions;
  - 6) participate in Executive Board meetings (absentee voting);
  - 7) ensure the integrity of the accounting and financial reporting system, including conducting an independent audit;
  - 8) refrain from making decisions, voting on issues on which they have a personal interest or a conflict of interests, and bring to the notice of the Company's Board of Directors information about any direct or indirect potential conflict of interests;
  - 9) ensure that the Company in its activities avoids illegal actions, payments or methods of work, and immediately report such facts in writing to the Executive Board and the Board of Directors of the Company;
  - 10) refuse to accept gifts or receive other direct or indirect benefits, the purpose of which is to influence the activities of the members of the Executive Board or the decisions they make (excluding commonly accepted business courtesies or souvenirs given during official events);
  - 11) not use or allow the property of the company to be used in contradiction with the Company's Charter or the decisions of its Sole Shareholder and the Board of Directors, as well as for personal purposes, and not to abuse their official power when making transactions;
  - 12) not to disclose or use confidential information about the Company for personal interests or in the interests of third parties during the term of office of a member of the Executive Board and for five (5) years after the end of the term of office of a member of the Executive Board.
23. Early termination of the powers of members of the Executive Board shall be carried out in accordance with the procedure and on the grounds stipulated by the labour legislation of the Republic of Kazakhstan, as well as in accordance with the decision of the Sole Shareholder.
24. Members of the Executive Board shall inform the Chairman of the Executive Board about the status of affairs on the range of issues coordinated by them.

By the decision of the Chairman of the Executive Board, any of his powers may be transferred to the members of the Executive Board in accordance with the established procedure.

The personal assignment of the Company's activities, coordinated by the members of the Executive Board, shall be performed by the Chairman of the Executive Board by means of appropriate order.
25. The amount of official salaries, conditions of remuneration and bonuses of the Chairman and members of the Executive Board of the Company shall be determined by the decision of the Board of Directors of the Company.
26. Members of the Executive Board shall be liable to the Company and the Sole Shareholder for losses caused to the Company and the Sole Shareholder by their actions (inaction) in accordance with the legislation of the Republic of Kazakhstan. A member of the Executive Board shall be released from liability if he voted against the decision taken by the Executive Board that caused losses to the Company or the Sole Shareholder, or did not participate in the voting.
27. Members of the Executive Board must perform their duties in good faith and shall use methods that best reflect the interests of the Company and the Sole Shareholder.
28. A member of the Executive Board shall be responsible for untimely informing and (or) failure to provide adequate, objective and reliable information during the discussion

by the Executive Board for the purpose of making decisions on the agenda.

29. The Company, on the basis of the decision of the Sole Shareholder, has the right to file a lawsuit to a member of the Executive Board for compensation for losses caused to the Company.

30. The Executive Board shall be responsible for approving and periodically reviewing the overall strategy and documents on various aspects of the Company's policy.

The Executive Board of the Company shall be responsible for the creation and functioning of an adequate and effective system of internal control and risk management in the Company.

The Executive Board of the Company shall be responsible for strict compliance with ethical norms and standards of professional activity, for creating a corporate culture that emphasizes and demonstrates to staff at all levels the importance of internal control.

31. Disciplinary actions shall be applied against the Chairman of the Executive Board by the Sole Shareholder of the Company.

#### **4. Procedure for convening and holding meetings of the Executive Board, adoption and execution of its decisions**

32. The Executive Board carries out its activities by making decisions in the following ways:

by voting of the members of the Executive Board at an in-person meeting; by absentee voting of the members of the Executive Board (by poll).

33. If necessary, the Executive Board meeting may be held using teleconference or videoconference. The vote of a member of the Executive Board who is absent from the meeting place but participates in the meeting through the specified connection shall be taken into account when counting votes.

34. If it is impossible for a member of the Executive Board to attend the meeting, it shall be allowed for him/her to express his will in absentia in writing "for", "against" or "abstained" on the issue to be put to the vote, with the draft decision on which he had previously read.

35. Meetings of the Executive Board shall be held at the location of the Company specified in the Charter of the Company.

36. The quorum for a meetings of the Executive Board is 50% (fifty) or more percent of the number of elected members of the Executive Board. Decisions of the Executive Board shall be taken by a simple majority of votes of the members of the Executive Board attending the meeting.

37. When resolving issues, each member of the Executive Board has one vote. Vote transfer by a member of the Executive Board to another person, including another member of Executive Board, not allowed.

In the event of a tie the Chairman of the Executive Board shall have a casting vote.

On every issue submitted to vote, The Chairman of the Executive Board shall be the last member of the Executive Board to express his opinion.

38. Meetings of the Executive Board shall be attended by the Chairman, members of the Executive Board, the Secretary of the Executive Board and other persons invited to the meeting of the Executive Board.

The decision to appoint a secretary of the Executive Board shall be taken by the Executive Board of the Company on the proposal of the Chairman of the Executive Board.

In the temporary absence of the Secretary of the Executive Board, his or her duties shall be performed by the Executive Board by another person from among the Company's employees.

39. Meetings of the Executive Board shall be held on matters within its competence under the laws of the Republic of Kazakhstan and the Charter of the Company and as necessary.

40. Meetings of the Executive Board may be convened at the initiative of the Chairman of the Executive Board or any of its members.

41. Determining the dates and agenda of the meeting and chairing the meeting shall be the responsibility of the Chairman of the Executive Board. In the absence of the Chairman of the Executive Board, these functions shall be performed by the person performing his duties.

42. Preparation of materials on issues for consideration by the Executive Board shall be carried out on behalf of the Chairman of the Executive Board of the Company, as well as on the own initiative of its structural subdivisions and (or) heads of structural subdivisions.

43. Materials for consideration at the meeting of the Executive Board prepared by the relevant structural subdivisions and (or) heads of structural subdivisions of the Company shall be duly agreed with the interested structural subdivisions, and, if necessary, with the members of the Executive Board.

44. The materials prepared for consideration by the Executive Board include an explanatory note (drawn up in accordance with Annex 1 to the Provision) justifying the need to consider this issue and make a decision on it, a draft decision agreed in accordance with the established procedure, a list of persons who are planned to be invited to a meeting of the Executive Board on a specific issue (if necessary), other necessary materials.

45. An explanatory note with the attached materials prepared by the structural subdivision and (or) the head of the structural subdivision of the Company shall be submitted for signature to the member of the Executive Board in charge of the relevant direction of the Company's activities and shall be transmitted to the Secretary of the Executive Board at least three (3) working days before the meeting.

In the event of a relevant issue being submitted to the Executive Board of the Company by the structural subdivision, coordinated by the Chairman of the Executive Board, an explanatory note on this issue shall be signed only by the head of this structural subdivision.

46. The Secretary of the Executive Board shall prepare and submit for approval to the Chairman of the Executive Board or the person performing his duties a draft agenda of the meeting of the Executive Board, which specifies the issues submitted for consideration by the Executive Board, the speakers on them, the expected time and place of the meeting.

47. If it is necessary to make an urgent decision on the proposed issue, the deadline for submitting documents to the Secretary of the Executive Board may be less than three (3) working days before the meeting of the Executive Board.

48. The Secretary of the Executive Board shall ensure the execution of documents for the meeting of the Executive Board no later than one (1) working day before the date of the meeting of the Executive Board.

49. Responsibility for timely and high-quality preparation of materials for the meeting of the Executive Board shall be assigned to the head of the structural subdivision that initiated the submission of the relevant issue for consideration by the Executive Board.

50. The Secretary of the Executive Board shall be responsible for timely provision of materials to the members of the Executive Board on the issues on the agenda.

51. The Chairman of the Executive Board or the person performing his duties may set other deadlines for the formation of materials and holding a meeting of the Executive Board.

52. At the suggestion of the member(s) of the Executive Board, The Executive Board has the right to additionally consider issues not included in the agenda at its meeting, subject to the consent of the majority of the members of the Executive Board participating in the meeting, and if all necessary materials on these issues are available.

53. Meetings of the Executive Board shall be necessarily recorded. The Executive Board may decide to conduct audio and/or video recordings of the meeting.

54. The minutes of the meeting shall be performed on the basis of recordings made during the meeting, submitted explanatory notes, abstracts of reports and speeches, references, draft decisions, etc.

The minutes shall be accompanied by the materials that served as the basis for the Executive Board's decisions.

55. The minutes of the meeting shall indicate:

- place and time of the meeting;
- members of the Executive Board participating in the meeting, invited persons;
- the agenda of the meeting;
- voting method;
- questions put to the vote and the results of voting on them;
- decisions taken;
- other information.

56. Following the results of the Executive Board, the minutes shall be performed in the

form established by the Appendix 2 to the Provision and, after its signing by the members of the Executive Board, shall be submitted for signature to the Chairman of the Executive Board.

The date of the minutes shall be the date of the meeting.

The minutes of the Executive Board meeting must be performed and signed within three (3) working days from the date of the meeting.

57. If a Member of the Executive Board who took part in the voting does not agree with the decision taken on the issue and/or issues on the agenda of the Executive Board meeting and votes "against" or "abstained" from voting on it, he may submit a written explanation of the reasons for such voting for inclusion in the minutes or record his opinion directly at the meeting, followed by mandatory reflection in the text of the minutes of the Board meeting.

58. The originals of the documents on the issues considered at the Executive Board meeting shall be filed together with the minutes of meeting.

59. Registration of minutes of meetings of the Executive Board, their formation in the relevant files and the safety of paper originals shall be provided by the Secretary of the Executive Board. After registration, extracts from the minutes of the meetings of the Executive Board, sealed with the stamp of the Executive Board of the Company, shall be sent according to the list established by the Secretary of the Executive Board.

60. Structural subdivisions of the Company may not make copies of the minutes of the Executive Board meeting. On behalf of the Chairman of the Executive Board or at the written request of the head of the structural subdivision of the Company with the permission of the management of the Company, the Secretary of the Executive Board issues extracts from the minutes of meetings of the Executive Board, signed by the Secretary of the Executive Board and stamped by the Executive Board of the Company.

61. Decisions of the Executive Board by absentee voting (by poll) shall be made by a simple majority of votes of the members of the Executive Board participating in absentee voting.

62. The decision to conduct absentee voting shall be made by the Chairman of the Executive Board or a person acting as his/her duties. A time limit shall be fixed for the conduct of an absentee vote.

63. The members of the Executive Board have the right to change the result of their voting before the expiration of the period allotted for voting by sending to the Secretary of the Executive Board a corresponding voting ballot with the changed voting result. At the same time, a member of the Executive Board shall make a note of the invalidity of the previous result of his vote.

64. Voting ballots must be sent (delivered) to the members of the Executive Board no later than 2 (two) working days before the deadline for submitting completed voting ballots.

65. The voting bulletin must contain the following information:  
full name of the Company;  
date of signing of the ballot;  
the address of receipt of the ballot;  
the wording of each question, put to the vote, and options for voting on it, expressed in the wording "for", "against" or "abstained";  
an indication that the voting ballot must be signed by a member of the Executive Board;  
other information.

66. Voting ballots and other information (materials) shall be sent to members of the Executive Board by post, electronic or other communication, or through the unified internal electronic document management information system, or delivered in person.

67. Voting ballots completed and signed in person by the members of the Executive Board shall be provided to the Secretary of the Executive Board.

In case of a "no" vote, a member of the Executive Board may explain in writing the reasons for such a vote and attach the opinion signed by him/her to the questionnaire.

68. The place of decision-making at the absentee meeting of the Executive Board shall be the location of the Company specified in the Charter.

69. On the basis of the returned voting ballots with the results of voting of the Executive Board, the Secretary of the Executive Board shall prepare a decision of the absentee meeting of the Executive Board, which shall reflect the results of voting on each issue, and record the fact of passing (not passing) the decision.

70. The decision on the results of the absentee meeting shall be informed to all members of the Executive Board by the Secretary of the Executive Board within three days of its signing, with the attachment of voting ballots on the basis of which the decision was taken.

71. Voting ballots shall be attached to the decision of the absentee meeting of the Executive Board.

72. The decision of the absentee meeting shall be signed by the Secretary of the Executive Board and submitted for signature to the Chairman of the Executive Board. The date of the decision of the absentee meeting of the Executive Board shall be the deadline for the submission of voting ballots.

## **5. Control over the execution of decisions of the Executive Board**

73. Control over the execution of decisions of the Executive Board shall be carried out in order to ensure their high-quality and timely execution.

74. Control over the execution of the instructions specified in the decisions of the Executive Board shall be carried out by the Chairman of the Executive Board, or by its members on supervised issues, or by the person to whom such control has been entrusted by the decision of the Executive Board.

The current control (as per deadline) over the execution of decisions of the Executive Board shall be carried out by the Secretary of the Executive Board.

75. All Executive Board decisions requiring implementation shall be subject to monitoring and verification.

76. In case of non-fulfillment and (or) improper execution of the decision of the Executive Board within the established deadline, the Secretary of the Executive Board shall bring the relevant information to the Chairman of the Executive Board.

77. The heads of structural subdivisions and (or) structural subdivisions of the Company, indicated in the decisions of the Executive Board as responsible for their implementation, shall bear the responsibility established by the legislation of the Republic of Kazakhstan and internal documents of the Company for the timely and high-quality implementation of the decisions taken by the Executive Board. At the end of the term specified in the decision of the Executive Board, they shall be obliged to send a message to the Secretary of the Executive Board on the execution of the relevant decision with a copy of the document confirming the execution of the decision, or a link to such a document.

78. The structural subdivisions of the Company responsible for the execution of the decisions of the Executive Board shall be obliged within a period not exceeding three working days from the date of receipt of the request from the Secretary of the Executive Board to provide him/her with information on the progress of the decisions execution of the Executive Board.

79. The Secretary of the Executive Board shall inform the members of the Executive Board about the results of the execution of the decisions taken by the Executive Board, and also shall inform the Board of Directors of the Company about the work performed by the Executive Board in accordance with the procedure determined by the internal documents of the Company.

## **6. The Executive Board activity evaluation**

80. The Board of Directors shall annually evaluate the effectiveness of the Executive Board in accordance with the procedure determined by the Company's internal documents.

## **7. Final provisions**

81. The provisions shall come into force on the date of their approval by the Board of Directors of the Company. Amendments and additions to the Provisions shall be made by decision of the Board of Directors of the Company.



82. If, as a result of changes in the legislation of the Republic of Kazakhstan or the Charter of the Company, certain articles of the Provision come into conflict with it, the Provision shall apply to the extent that they are not inconsistent with the legislation of the Republic of Kazakhstan and the Charter of the Company.

83. The invalidity of a certain articles of the Provision shall not entail the invalidity of other articles and Provision as a whole.

Appendix 1  
to the Provision on the  
Executive Board of "National  
Investment Corporation of the National  
Bank of Kazakhstan" JSC

To the  
Executive Board of "National  
Investment Corporation of the  
National Bank Kazakhstan"  
JSC

**Explanatory note on the agenda issue**

(content of the agenda issue)

The list of information that should be reflected in the explanatory note:

- justification of the need to consider and make a decision on this issue;
- the expected socio-economic and/or legal consequences in the event of a decision;
- estimated financial costs associated with the implementation of the solution;
- specific objectives, deadlines for expected results and the expected effectiveness of decision-making;
- the need for subsequent alignment of internal regulations with the decision taken;
- other information.

Coordinator\_\_\_\_\_

Manager of subdivision\_\_\_\_\_

**THE MINUTES**  
**Meetings of the Board of "National Investment Corporation of the National  
Bank of Kazakhstan" JSC**

No. \_\_\_\_\_

(date) “ \_\_\_\_ ” \_\_\_\_\_.

**Attended:**

Chairman of the Executive Board:  
*(full name) (position)*

Executive Board Members:  
*(full name) (position)*

Invited persons: *(full name of the invited employees of the Company)*

Secretary of the Executive Board: *(full name)*

**The agenda:**

1. *(the agenda issue)*
2. *(the agenda issue)*
3. *(the agenda issue)*

**1. On the first issue** of the agenda *(the position and full name of the speaker) ..... He (she) noted that (a summary of the essence of the content of the agenda issue presented by the speaker).*

Participated in the discussion of the issue *(full names of those who participated in the discussion of the issue and briefly the essence of their comments).*

*(Individual opinion of an Executive Board member)*

Having considered the agenda issue and provided materials, proposed  
*(a proposal to resolve the issue).*

*On the first issue of the agenda, the members of the Executive Board voted as follows:*

- *for: (initials and last name and of those who voted)*
- *against: (initials and last name and of those who voted,)*
- *abstained: (initials and last name of abstentions)*

After hearing all the speeches *(positions and/or full names of the speakers)*, the opinions of the members of the Executive Board on the issues on the agenda and, having considered the submitted documents, (the provisions of the Company's Charter shall be indicated, on the basis of which this issue falls within the competence of the Executive Board of the Company), the Executive Board

**Decided:**

1. On the first issue:  
*(the wording of the decision).*

*Appendixes: (documents attached to the minutes)*

**Chairman of the Executive Board** \_\_\_\_\_ (*initials, last name*)

**Executive Board Members:** \_\_\_\_\_ (*initials, last name*)

\_\_\_\_\_ (*initials, last name*)

\_\_\_\_\_ (*initials, last name*)

**Secretary of the Executive Board** \_\_\_\_\_ (*initials, last name*)