Appendix No. 5

to the minutes of the Management Board meeting

NMH "Baiterek" JSC

(Minutes No. 33/22) dated August 17, 2022

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|  | Higher-level internal document | Charter of "Otbasy Bank" JSC |
| The owner of the internal document | Corporate Secretary |
| Prepared by | D. Sh. Dauylbayev, the Corporate Secretary  |
| Approved by | Minutes of the Management Board meeting of NMH "Baiterek" JSC (No. 53/18) dated November 28, 2018  |
| Effective date | November 28, 2018 |
| Classified as | For internal use |

**Regulations on the Board of Directors**

**of the "Otbasy Bank" House Construction Savings Bank**

**Joint Stock Company**

|  |
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|  *(the name has been changed in line with the decision of the Sole Shareholder*  *dated September 29, 2021 (Minutes No. 51/21).* |

Almaty, 2018

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| **Version number** | **Details of the decisions of the Bank's body on approval of amendments/additions** | **The procedure for putting into effect the approved amendments/additions** |
| **1** | **Decision of NMH "Baiterek" JSC dated November 28, 2018 (Minutes No. 53/18)** | **The decision becomes effective since November 28, 2018.** |
| **2** | **Decision of NMH "Baiterek" JSC dated January 30, 2020 (Minutes No. 06/20)** | **The decision becomes effective since January 30, 2020.** |
| **3** | **Decision of NMH "Baiterek" JSC dated October 7, 2020 (Minutes No. 47/20)** | **The decision becomes effective since October 7, 2020.** |
| **4** | **Decision of NMH "Baiterek" JSC dated December 23, 2020 (Minutes No.61/20)** | **The decision becomes effective since December 23, 2020.** |
| **5** | **Decision of NMH "Baiterek" JSC dated September 29, 2021 (Minutes No. 51/21)** | **The decision becomes effective since September 29, 2021.** |
| **6** | **Decision of NMH "Baiterek" JSC dated August 17, 2022 (Minutes No. 33/22)** | **The decision becomes effective since August 17, 2022.** |

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**Chapter 1. General provisions**

1. These Regulations on the Board of Directors of the "Otbasy Bank" House Construction Savings Bank Joint Stock Company (hereinafter - the "Regulations) have been drafted in accordance with the legislation of the Republic of Kazakhstan, the charter of the "Otbasy Bank" House Construction Savings Bank Joint Stock Company (hereinafter - the "Bank"), internal documents of the Bank and define the status, procedure for establishing the Board of Directors, rights, duties and responsibilities of the members of the Board of Directors, defines the procedure for the activities of the Board of Directors, convening and holding meetings of the Board of Directors, making and formalizing its decisions, the procedure for conducting a competitive selection of candidates for the position of an Independent Director of the Bank, as well as the procedure for paying remuneration and compensating expenses of a member of the Board of Directors, the procedure for appointing newly elected members of the Board of Directors, professional development of members of the Board of Directors and the involvement of external experts, the procedure for evaluating the activities of the Board of Directors and its committees. *Clause 1 was amended in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*
2. The Board of Directors is the governing body of the Bank, exercising general management of its activities and control over the activities of the Management Board, except for resolving issues referred by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and/or the Bank's Charter to the exclusive competence of the Sole Shareholder of the Bank, as well as strategic management and control over the implementation of sustainable development. *Clause 2 was amended in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*
3. The Board of Directors performs its activities in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", other regulatory legal instruments of the Republic of Kazakhstan, the Bank's Charter, and the Bank's Corporate Governance Code, decisions of the Sole Shareholder, these Regulations, and other internal documents of the Bank.
4. The decisions of the Board of Directors taken within its competence are binding on the Management Board, structural units, officials and employees of the Bank.
5. The activities of the Board of Directors are based on the principles of efficiency and responsibility, maximum observance and realization of the interests of the Sole Shareholder and the Bank, as well as protection of the rights of the Sole Shareholder.

 6. The Board of Directors ensures full transparency of its activities to the Sole Shareholder, as well as the implementation of all provisions of the Bank's Corporate Governance Code. *Clause 6 was amended in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

 6-1. In order to facilitate the achievement of the Bank's strategic goals provided for in the Bank's long-term Development Strategy, the Board of Directors holds regular strategic sessions with the participation of executives.

 6-2. The Board of Directors is responsible for organizing and ensuring the effective functioning of the risk management and internal control system.

*Clauses 6-1, 6-2 were supplemented in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

**Chapter 2. Competence of the Board of Directors**

 7. The competence of the Board of Directors of the Bank includes issues provided for by the legislation of the Republic of Kazakhstan, the Charter of the Bank.

At the same time, the Bank's Board of Directors pays special attention to issues related to:

1) defining the Development Strategy (areas and results);

2) setting and monitoring key performance indicators (hereinafter - the "KPIs") set out in the Bank's Development Strategy and/or Development Plan;

3) organization and control over the effective functioning of the risk management system, internal control and internal audit;

4) election (re-election), remuneration (except for the Chairman of the Management Board), succession planning and control over the activities of the members of the Management Board of the Bank;

5) corporate governance;

6) compliance in the Bank with the provisions of the Corporate Governance Code and corporate standards of the Bank in the field of business ethics (Code of Business Conduct).

Matters constituting the exclusive competence of the Board of Directors cannot be transferred to the Management Board of the Bank for resolution.

The Board of Directors is not entitled to make decisions on issues that, in accordance with the legislation of the Republic of Kazakhstan and the Charter, are attributed to the exclusive competence of the Bank's Management Board, as well as to make decisions that contradict the decisions of the Sole Shareholder.

**Chapter 3. Rights, duties and responsibilities of members of the Board of Directors**

8. A member of the Board of Directors has the right to exercise his/her functions to:

* 1. require the Bank to provide information (documents and materials) on the Bank's activities in line with the procedure established by these Regulations;
	2. familiarize himself/herself with the decisions of the Sole Shareholder, with the minutes of meetings and decisions of the Board of Directors adopted by absentee voting, minutes of meetings of the Bank's Management Board and committees of the Board of Directors, audit reports, and receive copies thereof;
	3. require to enter in the minutes of the meeting of the Board of Directors of his/her opinion on the issues on the agenda in cases when he/she participated in the meetings or sent a written opinion on the issues on the agenda;
	4. request the convening of a meeting of the Bank's Board of Directors by sending a message in writing to the Chairman of the Board of Directors containing the proposed agenda of the meeting of the Board of Directors;
	5. *Clause 8.5 was removed in line with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*
	6. exercise other rights provided for by the legislation of the Republic of Kazakhstan, the Carter of the Bank, internal documents of the Bank.

9. Members of the Board of Directors should fulfil their duties in good faith to:

1. act in line with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Bank on the basis of awareness, transparency, in the interests of the Bank and the Sole Shareholder;
2. act within the limits of his/her rights and competence in accordance with the goals and objectives of the Board of Directors;
3. take measures to prevent and resolve corporate conflicts arising between the Sole Shareholder, the bodies and officials of the Bank (employees of the Bank);
4. act with integrity and rationality, on the basis of full awareness, honestly, actively, prudently and professionally;
5. make an objective independent judgment on the issues under consideration;
6. not to disclose or use confidential information about the Bank for personal interests or in the interests of third parties during the term of office of a member of the Board of Directors and for 5 (five) years after the end of the term of office of a member of the Board of Directors, unless a longer period is provided for by other internal documents of the Bank;
7. attend meetings of the Board of Directors;
8. spend sufficient time to prepare for and participate in meetings of the Bank's Board of Directors and its committees, to notify the Board of Directors of positions held by a member of the Board of Directors in other legal entities;
9. contribute to the achievement of the Bank's strategic goals provided for in the long-term Development Strategy of the Bank, to act in the interests of the Bank;
10. comply with high standards of business conduct – members of the Board of Directors must comply with high standards of business ethics in his/her actions, decisions and behavior and set an example for the Bank's employees;
11. notify the Corporate Secretary in advance about the impossibility of his/her participation in the meeting of the Board of Directors, indicating the reasons;
12. make informed decisions on the issues under consideration, and review in full the necessary information (documents, materials);
13. participate in meetings and work of the committees under the Board of Directors to which he/she is elected;
14. assess risks and possible adverse consequences when making decisions;
15. provide the Bank with information about his/her affiliates within 7 (seven) days from the date of the affiliation;
16. refrain from actions and avoid situations that lead or are potentially capable of leading to a conflict between its interests (or those related to it) and the interests of the Bank, and in case of occurrence, immediately inform the Board of Directors of a conflict of interest;
17. bring to the attention of the Board of Directors information on the Bank's interest in making a transaction, in accordance with the requirements of Article 72 of the Law of the Republic of Kazakhstan "On Joint Stock Companies"; *Clause 9.17 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*
18. abstain from voting on issues in decision-making on which he/she has a personal interest. At the same time, a member of the Board of Directors must promptly disclose to the Board of Directors the very fact of such interest and the grounds for its occurrence;
19. act with due reasonableness, skill and prudence – members of the Board of Directors are recommended to continuously improve their knowledge of the competencies of the Board of Directors and the performance of his/her duties on the Board of Directors and committees, including areas such as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specific characteristics of the Bank's activities; in order to understand the current issues of the Bank's activities, members of the Board of Directors regularly visit key facilities of the Bank and hold meetings with employees.
20. bring the following information to the attention of the Bank:

– about the change of the main place of work (indicating the full name of the legal entity, legal address) and the position held, about other combined positions.

The approval process that a member of the Board of Directors undergoes before assuming the functions of an official in another entity in order to prevent a conflict of interest:

1. submitting an application addressed to the Chairman of the Board of Directors of the Bank, indicating the name of the position and the name of the entity;

2. submitting the issue to the Board of Directors of the Bank;

3. consideration of the issue by the Board of Directors of the Bank on approval of a member of the Board of Directors of the Bank to perform the functions of an official in another entity;

*Paragraph two of clause 9.20 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

– about the changes of passport data (series, document number, by whom and when issued), citizenship, individual identification number;

– about changing the postal address, e-mail box, contact phone number;

– on changing information about the presence or absence of shares (participation interests) of legal entities;

– to carry out other duties in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Bank's charter and internal documents of the Bank.

21) make rational decisions and act in the interests of the Bank based on a comprehensive assessment of the information provided in good faith, with due diligence and duty of care. The obligation to exercise prudence and care does not apply to errors in the business decision-making process, unless the members of the Board of Directors showed gross negligence; (*Clause 9.21 was supplemented in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

1. make decisions and act in good faith in the interests of the Bank, without taking into account personal benefits, the interests of persons associated with the bank in special relations against the interests of the Bank (duty of loyalty); (*Clause 9.22 was supplemented in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

23) be actively involved in the Bank's activities and be aware of significant changes in the Bank's activities and external conditions, as well as making timely decisions aimed at protecting the Bank's interests in the long term. *(Clause 9.23 was amended in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

24) adhere to the practice of arranging an active dialogue with key stakeholders through online and face-to-face meetings in accordance with GRI, AA1000 standards and monitor the disclosure of information to stakeholders on the Bank's website. *(Clause 9.24 was supplemented in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

10. Members of the Board of Directors are personally responsible for fulfilling the duties of a member of the Board of Directors, including fiduciary duties and decisions taken, the effectiveness of their activities, actions and/or inaction. If there are different opinions, the Chairman of the Board of Directors ensures that all proposals made by individual members of the Board of Directors are considered in order to make a decision that meets the interests of the Bank and the Sole Shareholder.

Members of the Board of Directors are liable, as established by the laws of the Republic of Kazakhstan, to the Bank and the Sole Shareholder for damage caused by their actions and (or) inaction, and for losses incurred by the Bank, including, but not limited to losses incurred as a result of:

1) providing misleading or knowingly false information;

2) violations of the procedure for providing information established by the Law of the Republic of Kazakhstan "On Joint Stock Companies";

3) offers for entering and (or) making decisions on entering into large transactions and (or) interested-party transactions that have caused losses to the Bank as a result of their unfair actions and (or) inaction, including for the purpose of obtaining profit (income) by them or their affiliates as a result of entering into such transactions with the Bank.

The adoption by the Sole Shareholder, in cases provided for by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and (or) the Bank's Charter, of a decision to enter into a major transaction and (or) an interested party transaction, does not exempt from liability a member of the Board of Directors who proposed them for conclusion, or a member of the Board of Directors who acted in bad faith and (or) who was inactive at a meeting of the Board of Directors, including for the purpose of obtaining profit (income) by it or its affiliates, if losses were caused to the Bank as a result of their implementation.

11. The Bank has the right, on the basis of a decision of the Sole Shareholder, to file a lawsuit against a member of the Board of Directors for compensation to the Bank for damage or losses caused by him/her to the Bank, as well as for the return to the Bank by a member of the Board of Directors and (or) its affiliates of profit (income) received as a result of making decisions on the conclusion (proposal to conclusion) of large transactions and (or) transactions in which there is an interest, which caused losses to the Bank, if a member of the Board of Directors acted in bad faith and (or) failed to act.

The Bank, on the basis of a decision of the Sole Shareholder, on its behalf has the right to file a lawsuit against a member of the Board of Directors and (or) a third party for compensation to the Bank for losses caused to the Bank as a result of an entered into transaction between the Bank and this third party, if, at the conclusion and (or) implementation of such a transaction, this member of the Board of Directors of the Bank on the basis of the agreement with such a third party acted in violation of the requirements of the legislation of the Republic of Kazakhstan, the Charter, and internal documents of the Bank. In this case, the specified third party and a member of the Board of Directors of the Bank act as joint debtors of the Bank in the process of reimbursing the Bank for such losses.

A member of the Board of Directors except for a member of the Board of Directors who is interested in making a transaction and proposed to enter into a transaction, as a result of which losses were caused to the Bank, is released from liability if he/she voted against a decision taken by the Board of Directors that caused losses to the Bank or the Sole Shareholder, or did not participate in voting for valid reasons.

Before submitting appeals to courts, the Sole Shareholder must apply to the Chairman of the Board of Directors with a request to raise the issue of compensation to the Bank for losses caused by Bank officials and the return to the Bank by Bank officials and (or) their affiliates of the profit (income) they received as a result of decisions on the conclusion (proposals for conclusion) of large transactions and (or) interested-party transactions at a meeting of the Board of Directors.

The Chairman of the Board of Directors must convene an in-person meeting of the Board of Directors no later than 10 (ten) calendar days from the date of receipt of the appeal of the Sole Shareholder specified in this clause of these Regulations.

The decision of the Board of Directors on the appeal of the Sole Shareholder is to be brought to the attention of the Sole Shareholder within 3 (three) calendar days from the date of the meeting. Upon receipt of the above-mentioned decision of the Board of Directors or its failure to receive it within the time frames established hereby, the Sole Shareholder has the right to file a lawsuit on its behalf in court to protect the interests of the Bank if there are documents confirming the shareholder's appeal to the Chairman of the Board of Directors on the specified issue.

*Clause 11 was supplemented with the fourth, fifth and sixth paragraph in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

**Chapter 4. The procedure for searching, selecting and electing members of the Board of Directors**

12. The composition of the Board of Directors of the Bank is formed from persons proposed (recommended) for election to the Board of Directors as representatives of the Sole Shareholder, individuals not proposed (not recommended) for election to the Board of Directors as a representative of the Sole Shareholder.

The composition of the Board of Directors and its committees should ensure a balance of skills, experience and knowledge of their members, depending on the industry specific characteristics of the Bank's activities, the scope of the Bank's activities, the issues considered by the committees under the Board of Directors, which enables for independent, objective and effective decision-making in the interests of the Bank and the Sole Shareholder.

The composition of the Bank's Board of Directors and its powers are adequate to exercise effective control; *Clause 12 was supplemented by part three in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

 The Board of Directors of the Bank consists of persons with the necessary qualifications, perfect business reputation and experience, collectively sufficient for the overall management of the Bank, in accordance with the chosen business model, scale of activity, type and complexity of operations; *Clause 12 was supplemented by part four in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

 The members of the Bank's Board of Directors are focused on interaction, cooperation and critical discussion in the decision-making process; *Clause 12 was supplemented by part five in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

 The members of the Board of Directors of the Bank fulfil their duties in good faith and make decisions, minimize conflicts of interest. *Clause 12 was supplemented by part six in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

13. Members of the Management Board, except for the Chairman of the Management Board, may not be elected to the Board of Directors. The Chairman of the Management Board cannot be elected Chairman of the Board of Directors of the Bank.

14. The number of members of the Board of Directors should be no less than three. At least thirty percent of the Board of Directors of the Bank must be independent directors. The selection, payment of remuneration and compensation of expenses of independent directors shall be carried out in accordance with these Regulations.

15. Only an individual may be a member of the Board of Directors.

16. Employees of the internal audit department and the Corporate Secretary may not be members of the Board of Directors.

17. The following person shall not be eligible as the member of the Board of Directors:

– being a participant, head of the executive body, member of the governing body or employee of a legal entity competing with the Bank;

– previously committed a corruption crime;

– having a criminal record that has not been extinguished or has not been withdrawn in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

– previously the Chairman of the Board of Directors, the first head of the executive body, the deputy first head, the chief accountant of another legal entity, for a period not more than one year before the decision on forced liquidation or forced repurchase of shares, or the conservation of another legal entity declared bankrupt, in accordance with the established procedure. The specified requirement is applied within five years after the date of the decision on forced liquidation or forced repurchase of shares, or the conservation of another legal entity declared bankrupt in accordance with the established procedure;

– a member of the Board of Directors of four or more companies, with the exception of a member of the Board of Directors who is a representative of the Sole Shareholder. *(Clause 17 was supplemented with paragraph six in line with the decision of the Sole Shareholder dated August 17, 2022. (Minutes No. 33/22).*

18. The Sole Shareholder determines the quantitative composition of the Board of Directors. The composition of the Board of Directors is determined individually, taking into account the scope of activities, current tasks, Development Strategy and/or development plan and financial capabilities.

19. The Sole Shareholder elects members of the Bank's Board of Directors in accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Bank, taking into account the competencies, skills, achievements, business reputation, and professional experience of candidates.

When re-electing individual members of the Board of Directors or its full composition for a new term, the results of the assessment of the activities of the members of the Board of Directors of the Bank are considered.

When selecting candidates for the Board of Directors, consideration is given to:

1) work experience in senior positions;

2) work experience as a member of the Board of Directors;

3) length of service;

4) education, major, including the availability of international certificates;

5) the availability of competencies/managerial experience of at least 2 years in specific areas and industries (industries may vary depending on the asset portfolio);

6) business reputation;

7) the presence of a direct or potential conflict of interest;

8) a professional certification of the director "Certified Director" (for independent directors).

No person should participate in making decisions related to their own appointment, election and re-election.

In order to ensure gender diversity, in case of equality of assessments of candidates for the Board of Directors of the Bank to meet the requirements, strive to give preference to female candidates.

Candidates for independent directors must be free from any material interests or relations with the Company, its management or its property that could jeopardize the exercise of objective judgment, have adequate professionalism and independence to make independent and objective decisions free from the influence of the Sole Shareholder, the executive body and other stakeholders.

*(Clause 19 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

20. The Sole Shareholder sets the term of office of the Board of Directors. The term of office of the members of the Board of Directors coincides with the term of office of the entire Board of Directors, unless otherwise determined by the decision of the Sole Shareholder, and expires at the time the Sole Shareholder decides to elect a new Board of Directors. The Sole Shareholder has the right to terminate the powers of all or individual members of the Board of Directors ahead of time. *(Paragraph one of clause 20 is set out in line with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

The powers of such a member of the Board of Directors shall terminate from the date of the decision of the Sole Shareholder on the early termination of its powers.

The powers of a member of the Board of Directors on his/her initiative are terminated early on the basis of a written notification to the Board of Directors. The powers of such a member of the Board of Directors shall terminate upon receipt of the notification by the Board of Directors.

The Board of Directors shall be entitled to recommend to the Sole Shareholder to prematurely terminate the powers of a member of the Board of Directors who attended less than fifty percent of meetings per year without a valid reason, and (or) in the case of submitting completed ballots on less than fifty percent of the issues put to absentee voting.

21. In case of early termination of the powers of a member of the Board of Directors and election by the Sole Shareholder of a new member of the Board of Directors, the powers of the latter expire simultaneously with the expiration of the term of office of the Board of Directors as a whole, unless otherwise determined by the decision of the Sole Shareholder.

22. Independent directors are elected for a term of no more than three years, and subsequently, subject to satisfactory results of their performance evaluation, they may be re-elected for up to three more years.

Any term of election to the Board of Directors for a period of more than six consecutive years (for example, two three-year terms) is subject to special consideration, taking into account the results of the work and performance evaluation of a member of the Board of Directors, as well as the need for a qualitative update of the Board of Directors pursuant to the procedure established by an internal document of the Bank.

The same person from among the independent directors may not be elected to the Board of Directors for more than nine consecutive years (for example, three three-year terms). In exceptional cases, it is possible to elect for a term of more than nine years, while the election of such a person to the Board of Directors takes place annually or at another time, with a detailed explanation of the need to elect this member of the Board of Directors and the impact of this fact on the independence of decision-making.

23. The search for candidates is initiated by the structural unit of the Sole Shareholder, which ensures the effectiveness of the Board of Directors, 60 calendar days before the expiration of the approved term of office or within 15 (fifteen) calendar days from the moment of the need for the selection of an independent director, by posting information on the search and selection of candidates for the position of an independent director on the Holding's and/or a Bank's website with requirements for the candidate.

The requirements for persons elected to the Board of Directors are established by the legislation of the Republic of Kazakhstan and the Charter of the Bank.

A candidate for the position of an independent director must meet the requirements specified in Appendix 8 to these Regulations.

Candidates to the position of an independent director shall submit the following documents:

1) application of the candidate for participation in the competitive selection (Appendix 9);

2) a copy of the candidate's identity document;

3) information about the candidate (Appendix 10).

The structural unit of the Sole Shareholder ensuring the effectiveness of the Board of Directors, based on the results of receiving documents from applicants for the position of independent director shall draw up a list of candidates who meet the requirements of these Regulations, and in accordance with the established procedure, submit the issue of electing an independent director to the Management Board of the Sole Shareholder, having previously agreed with the structural unit of the Sole Shareholder responsible for human resources management.

Other methods may be used to search for candidates that do not contradict the legislation of the Republic of Kazakhstan and the internal documents of the Sole Shareholder, including the involvement of organizations for the search and selection of personnel. *Clause 23 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

**Chapter 5. Procedure for payment of compensation for expenses and remuneration to members of the Board of Directors**

24. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Charter, internal documents of the Bank, members of the Board of Directors of the Bank, during the performance of their duties, may be paid remuneration and (or) compensated for expenses related to the performance of their functions as members of the Board of Directors of the Bank.

Members of the Board of Directors who are representatives of the Sole Shareholder and the head of the Management Board of the Bank do not receive remuneration for participation in the activities of the Board of Directors of the Bank.

The following types of remuneration may be established for a member of the Board of Directors:

1. fixed annual remuneration for membership in the Board of Directors;
2. fixed annual remuneration for participation in the Committee under the Board of Directors as Chairman of the Committee of the Board of Directors;
3. fixed annual remuneration for participation in the Committee under the Board of Directors as a member of the Committee under the Board of Directors.

When determining the amount of remuneration for a member of the Board of Directors, the responsibilities of members of the Board of Directors, the scope of the Bank's activities, long-term goals and objectives determined by the Development Strategy, the complexity of issues considered by the Board of Directors, the rate of remuneration in similar private sector companies (benchmarking, remuneration review) are to be considered.

25. Remuneration for the reporting period is paid pro rata to the participation of the independent director in all meetings of the Board of Directors/committees under the Board of Directors held in-person and in absentia during the reporting period. *(Paragraph one of clause 25 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

When calculating the number of cases in which an independent director participates in in-person and in absentia meetings of the Board of Directors/committees under the Board of Directors, cases are taken into account when an independent director:

1) sent his/her written opinion on the issues on the agenda to the Corporate Secretary in advance in accordance with the established procedure;

2) participated in the discussion and voting on issues under consideration at an in-person meeting of the Board of Directors/committees under the Board of Directors using technical means of communication (via videoconferencing, telephone conferencing, etc.).

Remuneration shall be paid during the month following the reporting period. The reporting period for the payment of remuneration may be a quarter or half a year.

In accordance with the tax legislation of the Republic of Kazakhstan, the remuneration of an independent director is the income of an individual and is subject to taxation in line with the requirements of the Tax Code of the Republic of Kazakhstan.

26. The Independent Director may be compensated for the following expenses related to travel to meetings of the Board of Directors, committees under the Board of Directors and other meetings, including those held outside the place of permanent residence of the independent director:

1. travel;
2. accommodation~~;~~
3. daily allowance, in accordance with the internal documents of the Bank.

These expenses are compensated according to out-of-pocket expenses within the limits established by the legislation of the Republic of Kazakhstan and internal documents of the Bank, upon presentation of supporting documents.

27. In the event of termination of the powers of an independent director, payments payable shall be made within 10 (ten) business days from the date of termination of the powers of the independent director.

28. In exceptional cases, the rates of compensation for expenses specified in clauses 26 and 27 of the Regulations may be revised by a decision of the Sole Shareholder.

29. The terms and amount of remuneration and compensation of expenses are reflected in the relevant agreement with the independent director, which is signed by the Chairman of the Board of Directors, unless otherwise established by the decision of the Sole Shareholder or provided for by the legislation of the Republic of Kazakhstan (Appendix 11).

**Chapter 6. Chairman of the Board of Directors**

30. The Board of Directors is headed by a Chairman.

The Chairman of the Board of Directors is elected in line with the Law of the Republic of Kazakhstan "On Joint Stock Companies".

The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and the constructive dialogue between the members of the Board of Directors, the Sole Shareholder and the Management Board of the Bank.

31. The Chairman of the Board of Directors organizes the work of the Board of Directors, conducts its meetings, and performs other functions defined by the Bank's Charter.

The key functions of the Chairman of the Board of Directors include:

1) planning meetings of the Board of Directors and setting the agenda;

2) ensuring timely receipt by members of the Board of Directors of complete and up-to-date information for decision-making;

3) ensuring that the Board of Directors focuses on strategic issues and minimizes current (operational) issues to be considered by the Board of Directors;

4) ensuring maximum effectiveness of meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of issues on the agenda, stimulating open discussions, and reaching agreed decisions;

5) ensuring monitoring and supervision of the proper implementation of the decisions taken by the Board of Directors and the Sole Shareholder;

6) in case of corporate conflicts, taking measures to resolve them and mitigate the negative impact on the Bank's activities, and timely informing the Sole Shareholder if it is impossible to resolve such situations on their own.

7) building proper communication and engaging with the Sole Shareholder, including arranging consultations when making key strategic decisions. *Clause 31.7 was supplemented in accordance with the decision of the Sole Shareholder dated dated October 7, 2020 (Minutes No. 47/20).*

32. The Chairman of the Board of Directors adheres to the principle of freedom of expression by the members of the Board of Directors on the issues discussed, promotes the search for an agreed solution, consensus among the members of the Board of Directors, and decision-making in the interests of the Sole Shareholder and the Bank. The Chairman of the Board of Directors fosters effective leadership in order to create conditions for the members of the Board of Directors to work as a unified team.

The Chairman of the Board of Directors is recommended to keep in constant touch with other bodies and officials of the Bank. Such communication should aim not only to obtain the most complete and reliable information necessary for the Board of Directors to make decisions in a timely manner, but also to ensure, where possible, effective interaction between these bodies and officials among themselves and with third parties.

33. In the absence of the Chairman of the Board of Directors, his/her functions are performed by one of the members of the Board of Directors by a decision of the Board of Directors adopted by a majority vote of its members participating in the meeting. At the same time, the Chairman of the Management Board cannot perform the functions of the Chairman of the Board of Directors.

**Chapter 7. Corporate Secretary**

34. In order to effectively organize the activities of the Board of Directors and ensure the engaging of the Management Board with the Sole Shareholder, the Board of Directors shall appoint a Corporate Secretary.

The Board of Directors decides on the appointment of the Corporate Secretary, determines the term of office, functions and operating procedures, the amount of the official salary and remuneration conditions.

The Corporate Secretary is accountable to the Board of Directors and is independent from the Management Board of the Bank.

The main functions in terms of ensuring the activities of the Board of Directors of the Corporate Secretary include, but are not limited to the following:

1) assistance to the Chairman of the Board of Directors in drafting an Activity Plan and meeting agendas;

2) organization of meetings of the Board of Directors and its committees;

3) ensuring that members of the Board of Directors receive quality, complete, relevant and timely information necessary for making decisions on issues on the agenda and within the competence of the Board of Directors;

4) taking minutes at the meetings of the Board of Directors and committees, ensuring the storage of minutes, materials of meetings of the Board of Directors and committees, as well as, if available, transcripts and audio-video recordings;

5) consulting shareholders, officials and employees of the Bank on the legislation of the Republic of Kazakhstan, the Bank's Charter, the Corporate Governance Code, internal documents, monitoring changes and timely informing members of the Board of Directors;

6) organization of the on-boarding of newly elected members of the Board of Directors;

7) organization of interaction between members of the Board of Directors and the Management Board;

8) ensuring monitoring and control of the proper implementation of the decisions taken by the Board of Directors and the Sole Shareholder.

9) monitoring the implementation and compliance with the principles and provisions of the Corporate Governance Code;

10) preparation of a report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code in accordance with Appendix 18; *(Clause 34.10 was supplemented in accordance with the decision of the Sole Shareholder dated August 17, 2022 (Minutes No. 33/22).*

11) identification, within the framework of the performance of his/her functions, of violations in terms of corporate governance standards enshrined in the legislation, the Charter, and other documents of the Bank.

12) sending information on changes in the composition of the Board of Directors and the Management Board of the Participating Bank quarterly to Kazakhstan Deposit Insurance Fund JSC.

35. The Corporate Secretary shall carry out the process of appointing members of the Board of Directors, including:

- preparation of requests to officials of the Bank, heads of departments of the Bank for the provision of information necessary for the implementation of the procedure of appointing newly elected members of the Board of Directors;

- collecting and systematizing information provided by officials of the Bank, heads of departments of the Bank;

- sending information to the newly elected members of the Board of Directors in accordance with these Regulations;

- ensuring the collection of documents on newly elected members of the Board of Directors necessary for coordination with the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal instruments of the National Bank of the Republic of Kazakhstan.

- assisting the organization of necessary meetings.

Within 1 (one) month from the date of election of the members of the Board of Directors, the Corporate Secretary shall send to each newly elected member of the Board of Directors information related to key aspects of the Bank's activities, including those related to the higher risks.

The Corporate Secretary, within 7 (seven) calendar days from the date of election of the members of the Board of Directors, shall collect information from the newly elected members of the Board of Directors on persons associated with the Bank by special relations about affiliated persons and send it to the Bank's department in charge.

At the request of the newly elected members of the Board of Directors, the Corporate Secretary shall provide information relevant to the proper performance of their duties by the members of the Board of Directors.

**Chapter 8. The procedure for organizing and holding meetings of the Board of Directors**

36. The Board of Directors annually shall draw up an Activity Plan with a schedule of meetings for the previous year, based on the principle of rationality, efficiency and regularity. Meetings of the Board of Directors should be held regularly, but at least six times a year.

The Activity Plan of the Board of Directors to be approved by a decision of the Board of Directors no later than December 25 of the year preceding the planned one, in accordance with Appendix 1 to these Regulations.

37. If necessary, the Board of Directors has the right to consider issues not included in the Activity Plan.

38. A meeting of the Board of Directors may be convened at the initiative of the Chairman of the Board of Directors or the Management Board of the Bank, or at the request of any member of the Board of Directors, the internal audit department, the auditing firm, the Sole Shareholder.

39. A request to convene a meeting of the Board of Directors to be submitted to the Chairman of the Board of Directors by sending a corresponding written notification containing the proposed agenda of the meeting.

40. The request to convene a meeting of the Board of Directors must be signed by the initiator of the meeting.

41. In the case the Chairman of the Board of Directors refuses to convene a meeting (conduct absentee voting), the initiator may apply with the specified requirement to the Management Board of the Bank, which is obliged to convene a meeting of the Board of Directors.

42. A meeting of the Board of Directors must be convened by the Chairman of the Board of Directors or the Management Board of the Bank no later than 10 (ten) calendar days from the date of receipt of the request for convocation, unless another period is established by the Bank's Charter.

At the same time, the draft agenda is to be preliminarily coordinated with the supervising structural unit of the Sole Shareholder no later than 5 (five) business days before the date of sending notification of the convening of a meeting of the Board of Directors to the members of the Board of Directors.

43. Notification of a meeting of the Board of Directors is to be sent by the Corporate Secretary to the members of the Board of Directors no later than 10 (ten) calendar days before the date of the meeting, unless the Bank’s Charter establishes another period. *(The first part of clause 43 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20), the word "convocation" is replaced by the word "holding" in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

The notification must contain:

– place and time of the meeting;

– the form of the meeting (in-person, in absentia or mixed).

The notification must be accompanied by:

– the agenda of the meeting, indicating the speakers;

– explanatory notes addressed to the members of the Board of Directors for each item on the agenda under consideration, signed by the head or members of the Management Board of the Bank, or the person initiating the inclusion of the issue in the agenda of the meeting. The requirements for the content of the explanatory note are provided in Appendix 2 hereto;

– draft documents submitted for approval, adoption, coordination or consideration, signed by the head or a member of the Management Board of the Bank, or by the person initiating the inclusion of the issue in the agenda of the meeting;

– a draft decision of the Board of Directors on each item on the agenda signed by the Chairman of the Management Board or members of the Management Board of the Bank, or the person initiating the inclusion of the issue in the agenda of the meeting. The requirements for the content of the draft decision are provided in Appendix 3 hereto;

– extracts from the minutes of meetings (decisions) of the Bank's Management Board (if necessary) and to the collegial advisory bodies of the Bank (if any);

– copies of decisions (extracts from decisions) of the committees of the Board of Directors of the Bank (if any);

– ballots of the absentee meeting of the Board of Directors of the Bank (in case of an absentee meeting of the Board of Directors);

– other additional documents, if available (presentations, copies of decisions of government bodies and (or) other legal entities, reference materials justifying the inclusion of these issues on the agenda).

In case of consideration of the issue of making a decision on entering a major transaction and (or) an interested party transaction, information about the transaction should include information about the parties to the transaction, the terms and conditions of implementation of the transaction, the nature and volume of the interests of the persons involved, as well as the appraiser's report (in the case provided for in Article 69.1 of the Law of the Republic of Kazakhstan "On Joint Stock Companies").

The notification of the meeting of the Board of Directors must necessarily contain a list of issues that will be considered at meetings of the committees under the Boards of Directors of the Bank.

The Corporate Secretary of the Bank shall ensure that free access to the materials of the meeting of the Board of Directors containing confidential information of the Bank, including materials on issues of the Bank's internal audit department, is restricted by taking security measures – setting passwords. At the same time, in addition to restricting access to the file, a ban is also imposed on its deletion, modification and other technically possible restrictions.

To set passwords, archive programs can be used that enable to set passwords to files with confidential information of subsidiaries, such as: WinRAR, WinZip, etc.

The requirements for the organization of password management processes are determined by the Bank's internal documents on information security.

The Corporate Secretary of the Bank shall ensure that the set passwords are shared to the members of the Board of Directors and employees of the relevant department of the Sole Shareholder by telephone.

The Corporate Secretary of the Bank, when performing functional duties within the framework of these Regulations, is responsible in line with the legislation of the Republic of Kazakhstan, the employment contract and internal documents of the Bank.

The Bank shall draw up, and subsequently, in accordance with the established procedure, approve a list of contacts of responsible employees to whom representatives of the Sole Shareholder can contact to receive answers to questions related to the Bank's activities. The list of contacts of responsible employees of the Bank should be updated as necessary, but at least once a quarter.

44. The notification of the meeting, as well as the necessary materials attached to it, shall be sent to the members of the Board of Directors in writing or, in agreement with the members of the Board of Directors, in any other way convenient for them (including through the use of postal, fax, electronic or other communication, by sharing it in the collective work system).

45. If there is a need to urgently resolve any issues affecting the Bank's activities, the deadline for sending a notification with the necessary materials may be shortened on conciliation of the Chairman of the Board of Directors.

46. The Corporate Secretary shall prepare the final materials for meetings of the Board of Directors. Materials for meetings and minutes of meetings of the Board of Directors are a priority, and this means that such documents are prepared and (or) agreed upon by the structural units of the Bank in the first place. The relevant structural units of the Bank shall provide materials, except for the agenda of the meeting, to the Corporate Secretary no later than 15 (fifteen) working days before the expected date of the meeting. If the necessary materials are not provided within the specified period and (or) they are provided improperly, the issue will not not included in the agenda of the meeting.

47. The explanatory note and the draft decision of the Board of Directors on the issue on the agenda of the meeting of the Board of Directors must be signed by the initiator of the item on the agenda, who is entitled to submit issues to the meeting of the Board of Directors in line with the legislation of the Republic of Kazakhstan and internal documents of the Bank. If the Bank's executive bod is initiating the consideration of the issue, the explanatory note and the draft decision of the Board of Directors must be signed by the actual performer of the initiating structural unit, the head of the initiating structural unit, the head of the structural unit responsible for legal support issues, the head of the structural unit responsible for risk management issues (depending on the risks), the managing director (if any), by the supervising member of the executive body and signed by the Chairman of the executive body (or the person acting as his/her duties). The actual performer and the head of the structural unit that drafted the document should sign every page of the materials for the explanatory note. All materials for the meeting of the Board of Directors, including the draft decision and explanatory note, should be sent to the Corporate Secretary in the amount determined by the Corporate Secretary *(Paragraph one of clause 47 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

Explanatory notes and draft decisions provided by the Chief Compliance Officer, the Corporate Secretary should be signed by the Chief Compliance Officer, the Corporate Secretary. The head of the department shall sign explanatory notes and draft decisions provided by the internal audit department. The head of the department and the Chief Compliance Controller shall sign explanatory notes and draft decisions provided by the compliance control department. The head of the audit firm auditing the Bank shall sign the explanatory note and the draft decision.

The initiator of the issue and the Corporate Secretary are responsible for incorrect/incomplete justification of the competence of the Board of Directors on the issue under consideration, as well as for the completeness and quality of materials.

An extract from the decision of the Bank's Management Board must be signed by the Secretary of the Management Board and stamped by the Secretary of the Management Board, or digitally signed by the Secretary of the Management Board. *(The fourth part of clause 47 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

48. If the document relates to the activities of third legal entities, then the materials sent to the members of the Board of Directors must also be signed by the first head of the relevant legal entity (or the person acting on his/her behalf).

49. Materials on the election of the Bank's bodies should contain the information about the proposed candidates as follows:

1) last name, first name, patronymic (if any);

2) information about education;

3) information about affiliation to the Bank;

4) information about places of work and positions held over the past three years;

5) other information confirming the qualifications and work experience of candidates.

50. The agenda of the meeting of the Board of Directors does not include issues on which materials were provided behind the deadlines. If there is a need to urgently resolve any issues affecting the Bank's activities, the deadline for receiving materials by the Corporate Secretary and notifying members of the Board of Directors with the necessary materials may be reduced by decision of the Chairman of the Board of Directors of the Bank.

51. Should any circumstances arise making it impossible or difficult to convene the Board of Directors meeting at a place or time that the members of the Board of Directors have been notified of, the meeting on the scheduled agenda may be held at another place and (or) at another time.

52. All members of the Board of Directors must be notified by the Corporate Secretary in advance of a change in the place or time of a meeting of the Board of Directors so that they have sufficient time to arrive at the meeting. Notification of these changes shall be sent to the members of the Board of Directors in any format that guarantees receipt of notification by a member of the Board of Directors.

53. At a meeting of the Board of Directors, decisions shall be taken on issues included in the agenda of this meeting.

The initiator of including an issue on the agenda may, before making a decision, exclude his/her issue from the agenda; it must necessarily form part of the record.

54. During any meeting of the Board of Directors attended by 2/3 (two thirds) of the total membership of the Board of Directors, additional issues may be included and considered on the agenda, provided that all members of the Board of Directors present vote for their inclusion in the agenda.

55. In order to discuss and work out organizational and (or) legal issues on materials submitted for consideration by the Board of Directors, a preliminary meeting may be held 2 (two) business days before the meeting of the Board of Directors under the leadership of the Corporate Secretary with the participation of employees of the structural units of the Sole Shareholder and representatives of the Bank.

56. The meeting of the Board of Directors begins at the time specified in the notification, subject to a quorum being reached, and is opened by the Chairman of the Board of Directors or a person performing his/her functions.

57. *(Clause 57 was removed in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

58. The quorum for holding a meeting of the Board of Directors is established by the Charter of the Bank, but should not be less than half of the number of members of the Board of Directors. The quorum may be established taking into account the absent members of the Board of Directors who participate in the discussion and voting of the issues under consideration using technical means of communication (via videoconferencing, telephone conferencing, etc.) or if their votes are expressed in writing on paper or in electronic format using an electronic digital signature. When establishing the quorum and voting results, a written opinion is taken into account only on those issues on the agenda on which it contains the result of a vote of a member of the Board of Directors.

In cases when the total number of members of the Board of Directors is insufficient to achieve the quorum determined by the Charter, the Board of Directors must submit for consideration by the Sole Shareholder the issue of electing (appointing) new members of the Board of Directors. The remaining members of the Board of Directors have the right to make decisions only on submitting such an issue to the Sole Shareholder.

*(The first part of clause 58 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

*(Paragraph two of clause 58 was removed in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

*(Paragraph two of clause 58 was supplemented in accordance with the decision of the Sole Shareholder dated August 17, 2022 (Minutes No. 33/22).*

59. The quorum should be established by the Chairman of the Board of Directors before the meeting.

In the quorum is not reached, the Chairman of the Board of Directors should announce the postponement of the meeting.

60. The Chairman of the Board of Directors shall inform those present that the quorum for holding a meeting of the Board of Directors has been established and announce the agenda of the meeting of the Board of Directors.

61. The meeting of the Board of Directors includes the following stages:

– presentation by a member of the Management Board or an invited person with a report on the agenda item;

– a speech by a member of the Board of Directors, who heads the committee, at which the issue of the agenda was previously considered;

– discussion of the agenda item;

– proposals on the formulation of a decision on the agenda item;

– counting of votes and summing up the voting results;

– announcement of the voting results and the decision taken on the agenda item.

62. A meeting of the Board of Directors should be held in the presence of the person who submitted the request to hold the meeting.

63. The Board of Directors may decide to hold a closed meeting, which may be attended only by members of the Board of Directors.

64. Representatives of the auditing firm that conducted the audit of the Bank, employees of the internal audit department, members of the Management Board, the head/head of risk management, employees of the Bank, as well as other persons may be invited to meetings of the Board of Directors. *(Clause 64 is set out in accordance with the decision of the Sole Shareholder dated 07.10.2020 (Minutes No. 47/20).*

65. The Chairman of the Board of Directors shall determine the order of speeches by members of the Board of Directors and invited persons.

66. When making decisions by the Board of Directors, the members of the Board of Directors present at the meeting have the right to express their opinion on the issues on the agenda by voting.

In cases where one or more members of the Board of Directors are unable to attend a meeting of the Board of Directors in-person, they may participate in the discussion and voting on the issues under consideration using technical means of communication (via videoconferencing, telephone conferencing, etc.) during a meeting of the Board of Directors.

67. When making a decision on the agenda of a meeting of the Board of Directors, each member of the Board of Directors shall have one vote.

The transfer of voting rights by one member of the Bank's Board of Directors to another person, including another member of the Bank's Board of Directors, is not permitted, except in cases provided for by the legislation of the Republic of Kazakhstan or the Bank's Charter.

Where the votes are equal, the Chairman of the Board of Directors or the person presiding at the meeting of the Board of Directors has the casting vote.

68. A member of the Board of Directors who has an interest in an issue submitted for consideration by the Board of Directors does not participate in the discussion and voting on this issue, and this should be recorded accordingly in the minutes of the meeting of the Board of Directors.

69. If a member of the Board of Directors is unable to attend the meeting in-person, he/she has the right to express his/her opinion in writing on the issues on the agenda.

70. No later than one (1) calendar day before the meeting of the Board of Directors, a member of the Board of Directors shall submit a written opinion in hard copy or in electronic format. *(Clause 70 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021. (Minutes No. 51/21).*

71. Written opinions shall be drafted in accordance with Appendix 5 hereto, either in any form on paper or in electronic format, using an electronic digital signature. *(Clause 71 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

72. The Chairman of the meeting of the Board of Directors shall read out the submitted written opinions of the members of the Board of Directors who are absent from the meeting of the Board of Directors before voting on the agenda items on which these opinions are presented.

73. Decisions of the Board of Directors on the issues of the agenda of the meeting of the Board of Directors approved in line with the established procedure are taken in the ways as follows:

– by face-to-face voting;

– by absentee voting;

– a combination of both forms of voting (mixed voting). This form of voting is used when a certain member(s) of the Board of Directors does not have the opportunity to personally attend a meeting of the Board of Directors, and shall submit his/her opinion in writing. *(Clause 73 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

74. The form of holding a meeting of the Board of Directors should be determined with due account of importance and urgency of the issues on the agenda in accordance with the Charter, internal documents of the Bank regulating the procedure for reviewing materials for meetings of the Board of Directors.

75. The face-to-face form of meetings of the Board of Directors is the most preferable and effective.

76. Decisions of the Board of Directors shall be taken by a simple majority of votes of the members of the Board of Directors present at the meeting (including taking into account the written opinions of absent members of the Boards of Directors) or participating in absentee voting, unless otherwise provided by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Charter of the Bank.

76-1. The decision to enter into transactions in which the Bank has an interest is made by a simple majority of votes of the members of the Board of Directors who are not interested in making it, except in cases when the standard terms of such a transaction are approved by the Board of Directors. *(Chapter 8 was supplemented by clause 76-1 in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

77. The minutes of the meeting of the Board of Directors shall be prepared p by the Corporate Secretary.

78. The minutes of the in-person meeting of the Board of Directors shall be prepared in hard copy and in electronic format, using an electronic digital signature and signed within 7 (seven) calendar days after its holding. *(Clause 78 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

79. The following data should be indicated in the minutes of the meeting (Appendix 7):

– full name and location of the Bank's Management Board;

– date, time and venue of the meeting;

– information about the persons who participated in the meeting;

– information about the quorum of the meeting;

– the agenda of the meeting;

– issues put to the vote and the results of voting on them, reflecting the result of voting by each member of the Board of Directors, on each item on the agenda of the meeting of the Board of Directors;

– decisions made;

– other information according to the decision of the Board of Directors.

80. The draft minutes of the meeting of the Board of Directors shall be drafted before the in-person meeting of the Board of Directors and in case of additions and comments voiced by members of the Board of Directors during its meeting, the draft minutes shall be finalized after the meeting within 1 (one) business day. Within the Bank, the draft minutes must be agreed upon within 2 (two) business days after its drafting.

81. The minutes of the meeting of the Board of Directors shall be signed by the Chairman of the Board of Directors and the Corporate Secretary personally or using an electronic digital signature. A hard copy of the Minutes / Decisions must contain a mandatory mark "The soft copy of the document is a true copy" and must be certified by the signature and the stamp of the Corporate Secretary. The minutes shall be accompanied by voting sheets drawn up in accordance with Appendix 4 hereto and written opinions of members of the Board of Directors who haven't attended the meeting, if any, as well as documents approved by the Board of Directors.

The voting sheets for the minutes of the in-person meeting of the Board of Directors shall be signed by the members of the Board of Directors who participated in the meeting of the Board of Directors, personally or using an electronic digital signature, within no more than 3 (three) working days after the circulating the draft Minutes by the Corporate Secretary. *(Clause 78 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

82. The Corporate Secretary may, if necessary, arrange for audio recordings and transcripts of meetings of the Board of Directors.

83. The Bank shall keep minutes, audio recordings and transcripts of meetings and decisions of the Board of Directors adopted by absentee voting at the location of the Management Board for an indefinite term or in another place, by decision of the Management Board of the Bank.

84. Minutes and transcripts of meetings of the Board of Directors and decisions of the Board of Directors adopted by absentee voting shall be kept by the Corporate Secretary.

85. The Corporate Secretary shall on an ongoing basis provide members of the Board of Directors with access to the minutes of meetings, decisions of the Board of Directors adopted by absentee voting.

86. The Corporate Secretary shall, at the request of a member of the Board of Directors, within 5 (five) working days provide him/her with the minutes of the meeting of the Board of Directors (committees of the Board of Directors) and (or) decisions taken by absentee voting for review, and (or) issue him/her extracts from the minutes and decisions signed and stamped by the Corporate Secretary of the Bank or certified using an electronic digital signature. A hard copy of the extract from the minutes and the decision must contain the mandatory mark "The soft copy of the document is a true copy" and must be certified by the signature and the stamp of the Corporate Secretary. *(Clause 86 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

87. The Corporate Secretary shall send a copy of the signed minutes to the members of the Board of Directors no later than 5 (five) business days after signing the minutes.

88. At the request of an interested structural unit of the Bank, the Corporate Secretary shall, within 2 (two) business days, provided it with extracts from the minutes and (or) decisions certified by the signature and the stamp of the Corporate Secretary of the Bank or certified using an electronic digital signature. A hard copy of the extract from the minutes and the decision must contain the mandatory mark "The soft copy of the document is a true copy" and must be certified by the signature and the stamp of the Corporate Secretary. *(Clause 88 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

89. The Corporate Secretary shall quarterly send information in writing to the members of the Board of Directors on the progress of the implementation of decisions and instructions of the Board of Directors.

With regard to ensuring interaction with the Sole Shareholder, the Corporate Secretary shall ensure quarterly monitoring of the implementation of decisions of the Sole Shareholder and providing information on requests from the Sole Shareholder in a timely manner.

90. At the discretion of the Chairman of the Board of Directors, the Board of Directors can make decisions on issues submitted for its consideration by absentee voting. For an absentee voting it is not necessary to hold a meeting of the Board of Directors.

91. For absentee voting on issues on the agenda, ballots drafted in accordance with Appendix 6 hereto in hard copy or in electronic format are used. *(Clause 91 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

92. Decisions on the following issues, if they are assigned by the Bank's Charter to the competence of the Board of Directors, are recommended to be considered at in-person meetings:

– approval of the Development Strategy, development plans, making changes to them, hearing reports on their implementation;

– hearing reports from the internal audit and external audit departments;

– consideration of investment/credit projects;

– making a decision on entering into large transactions and interested-party transactions;

– approval/change of the Bank's headcount; *(Paragraph six of clause 92 is set out in accordance with the decision of the Sole Shareholder dated August 17, 2022 (Minutes No. 33/22).*

– evaluation of the performance and determination of the amount of remuneration to the members of the Management Board of the Bank;

– human resource issues.

The Corporate Secretary shall send a ballot for absentee voting to the members of the Board of Directors no later than 5 (five) business days before the date of counting votes for absentee voting with a notification of its holding.

The ballot for absentee voting and other information (materials) must be sent to the members of the Board of Directors via an electronic document management system or postal, electronic or other communication, or delivered in person. *(The third part of clause92 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

The ballot for absentee voting must contain:

– full name and location of the Bank's Management Board;

– name of the person (body) who initiated the convening of the meeting;

– the agenda of the meeting;

– issues put to the vote and options for voting on them;

– the final date of submission of the signed absentee ballot to the Corporate Secretary;

– other information.

When sending absentee voting ballots to the members of the Board of Directors, the Corporate Secretary shall certify their correct and consistent preparation by his/her signature. The secretary using an electronic digital signature shall certify ballots drafted in electronic format. *The fifth part of clause 92 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20)*

 93. When filling out absentee voting ballots, members of the Board of Directors shall express their opinion on the issues under consideration by using the words "For", "Against", "Abstain" and send them to the Corporate Secretary within 2 (two) business days from the date of their receipt. The decision by absentee voting is recognized as adopted should the quorum is being reached according to the ballots received within the prescribed period. The decision by absentee voting must be made in writing in hard copy and signed by the Chairman of the Board of Directors and the Corporate Secretary or in electronic format using an electronic digital signature no later than 5 (five) business days from the deadline for accepting ballots, and also contain:

1) the name and location of the Bank (its executive body);

2) the date and place of the written decision of the absentee meeting;

3) information on the composition of the Board of Directors;

4) name of the person (body) who initiated the convocation of the meeting;

5) the meeting agenda;

6) whether or not a quorum for decision-making is present;

7) the results of voting on each item on the agenda and the decision taken;

8) other information.

*(Clause 93 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

94. Decisions adopted by the Board of Directors by absentee voting, with copies of the ballots attached, on the basis of which this decision was made, shall be sent by the Corporate Secretary to the members of the Board of Directors no later than 20 (twenty) calendar days since the signing the decision. *(Clause 94 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

**Chapter 9. Committees under the Board of Directors**

95. Committees under the Bank's Board of Directors should be established in the Bank to consider the most important issues and draft recommendations to the Board of Directors.

The Committees under the Bank's Board of Directors shall consider the following issues:

1. strategic planning;
2. human resources and remuneration;
3. internal and external audit;
4. risks and internal control;
5. social issues;
6. other issues stipulated by the Bank's documents.

96. The Committees under the Board of Directors shall consist of members of the Board of Directors of the Bank who have the necessary professional knowledge, competencies and skills to work in a particular committee. At the same time, a committee should consist of 2/3 independent directors. *(Paragraph one of clause 96 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

The Committee under the Board of Directors, whose functions include consideration of the issues provided for in Clause 95.3 of these Regulations, must comprise of independent members of the Board of Directors. A member of the Board of Directors who is not independent may be elected to this committee provided the Board of Directors, on an exceptional basis, decides that the membership of this person in the audit committee is necessary in the interests of the Sole Shareholder and the Bank. In case of such an appointment, the Board of Directors should disclose the nature of the dependence of this person and justify such a decision.

The members of the Committee under the Board of Directors, whose functions include consideration of the issues provided for in clause 95.3 of these Regulations, must have the necessary knowledge or recent professional managerial experience in accounting/financial management or professional certification in the field of audit/ finance/ accounting/ risk management.

A member of the Board of Directors from among independent directors should head the Committee under the Board of Directors, whose functions include consideration of the issues provided for in clause 95.1-4 of these Regulations, for the term of performance of its powers by the Board of Directors. The Head of the Executive body of the Bank may not be the Chairman of the committee under the Board of Directors of the Bank. (*Clause 96 is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

If necessary, the Committee under the Board of Directors, whose functions include consideration of issues provided for in clause95.1 of these Regulations, experts with relevant experience and competence may be involved. The members of the committee who are not members of the Board of Directors shall be appointed by the Board of Directors on the proposal of the Chairman of this Committee. *(Clause 96 was supplemented with the fifth paragraph in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

97. In order to improve the quality of decision-making by the Board of Directors of the Bank, funds may be provided within the annual budget of the Bank to engage consultants, including international companies, on issues considered by the Board of Directors or its committees.

98. The procedure for establishing and regulating activities of the committees under the Board of Directors of the Bank, their powers, and the number of committees shall be defined by internal documents of the Bank approved by the Board of Directors of the Bank.

98-1. The established Committee does not exempt members of the Board of Directors from responsibility for decisions taken within the competence of the Board of Directors. *(Clause 98-1 was amended in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

**Chapter 10. The procedure for providing information to members of the Board of Directors regarding the Bank**

99. The Chairman and members of the Management Board, heads of structural units of the Bank shall, no later than 10 (ten) days at the written request of a member of the Board of Directors, provide him/her with information (documents, materials) regarding the Bank necessary for a member of the Board of Directors to perform his/her functions, or to provide a written reasoned explanation indicating the reason for the inability to provide information within the specified period. The information (documents, materials) constituting an official or commercial secret is provided in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Bank.

The limitation period for non-disclosure of internal (official) information of the Bank by former members of the Board of Directors after termination of their activities as members of the Board of Directors is 5 years.

**Chapter 11. Performance evaluation of the Board of Directors of the Bank**

100. Performance evaluation of the Board of Directors and its committees (hereinafter - the "Evaluation") is carried out in order to obtain a comprehensive analysis of the main areas of activity of the Board of Directors of the Bank and enables the Board of Directors of the Bank:

- to analyze and identify the strengths and weaknesses (advantages and disadvantages) of the activities of the Board of Directors of the Bank;

- to make adjustments to the work and adjust the target areas of the Bank's Board of Directors;

- to determine to what extent the structure and composition of the Bank's Board of Directors contribute to the solution of the Bank's strategic objectives;

- to determine the effectiveness of the work of the Chairman of the Board of Directors and each member of the Board of Directors;

- to determine the effectiveness of the remuneration system for members of the Board of Directors.

Performance evaluation of the Board of Directors and its committees is carried out on an annual basis. At the same time, at least once every three years, the evaluation tis carried out with the involvement of an independent professional organization.

*(Clause100 is set out in accordance with the decision of the Sole Shareholder dated September 29, 2021 (Minutes No. 51/21).*

101. In accordance with the Bank's Corporate Governance Code and based on the range of issues within the competence of the Board of Directors, the Board of Directors shall carry out the following types of evaluation:

* evaluation of its own work;
* evaluation of the activities of the Board of Directors and committees under the Board of Directors of the Bank.

102. The Board of Directors may conduct an evaluation:

* on their own in accordance with the requirements of the legislation of the Republic of Kazakhstan or internal documents (questionnaires in appendices 12-17);
* involving independent consultants, professional associations and organizations that assign corporate governance ratings (hereinafter - the "Consultant"), in the cases provided for in clause 97 hereof;
* in other ways.

103. Evaluation is one of the main tools for improving the professionalism of members of the Board of Directors and its committees. The evaluation is mandatory for both independent directors and representatives of the Sole Shareholder.

The evaluation should make it possible to determine the contribution of the Board of Directors and each of its members to achieving the strategic objectives of the Bank's development, as well as identify areas and recommend measures for improvement.

The results of the evaluation may serve as a basis for the re-election of the entire Board of Directors or an individual member, a review of the composition of the Board of Directors and the amount of remuneration to members of the Board of Directors. If there are major shortcomings in the performance of individual members of the Board of Directors, the Chairman of the Board of Directors is recommended to consult with the Sole Shareholder.

The Board of Directors in the Annual Report shall indicate the way the evaluation was conducted and the measures taken based on its outcomes.

The Sole Shareholder may conduct its own evaluation of the Board of Directors independently or engaging an independent consultant. The results of an independent evaluation carried out by the Board of Directors, the results of the Bank's activities, the achieved KPIs and other factors should be taken into account.

104. The Board of Directors shall make a decision on the evaluation when approving the Activity Plan for the upcoming year. The decision defines the timing (schedule) of the evaluation, evaluation methods, required resources (materials, information, reports), and other necessary provisions.

The evaluation is not carried out if the term of office of the Board of Directors is determined less than 6 months before the end of the estimated period.

When a decision is made to involve a Consultant to conduct the evaluation, the materials on the issue should contain an appropriate justification (the need for a critical evaluation of the activities of the Bank's Board of Directors, the lack of effective results of the previous evaluation, the formation of a new composition of the Bank's Board of Directors, transformations in the Bank, etc.).

The evaluation based on the results of the work for the reporting year is carried out before June 1 of the year following the reporting year.

The Chairman of the Board of Directors shall coordinated the evaluation process. The results of the evaluation (questionnaires, interviews, etc.) and (or) the Consultant's submitted report shall be summarized by the Chairman of the Board of Directors.

The results of the evaluation should be discussed at a closed meeting of the Board of Directors, which is attended only by members of the Board of Directors. At this meeting, the members of the Board of Directors should conceptually discuss the work of the Board of Directors, the committees under the Board of Directors and each director, identify the factors that reduced the effectiveness of their work, and suggest ways to improve their performance.

In general, the evaluation process should encourage discussion of:

1) the optimal composition of the Board of Directors (balance of skills, experience, diversity of composition, objectivity) in the context of the tasks facing the Bank;

2) clarity of understanding of the Bank's vision, strategy, main objectives, problems and values;

3) succession and development plans;

4) the functioning of the Board of Directors as a single body, the role of the Board of Directors and the Chairman of the Management Board in the activities of the Bank;

5) the effectiveness of the interaction of the Board of Directors with the sole shareholder, the Management Board and officials of the Bank;

6) the effectiveness of each member of the Board of Directors;

7) the effectiveness of the activities under the committees of the Board of Directors and their interaction with the Board of Directors, members of the Management Board;

8) the quality of information and documents provided to the Board of Directors;

9) the quality of discussions on the Board of Directors, in committees;

10) the effectiveness of the Corporate Secretary's activities;

11) understanding processes and competencies;

12) risk identification and assessment processes;

13) interaction with the Sole Shareholder and other stakeholders.

No member of the Board of Directors should be involved in the process of evaluating their performance.

Following the discussion of the results of the evaluation of the members of the Board of Directors, the Chairman of the Board of Directors shall express his/her opinion, which should be objective. The independent director that chaired the evaluation of the Chairman of the Board of Directors shall also express his/her objective opinion about him/her.

Based on the results of the evaluation, the Board of Directors shall request the Sole Shareholder for specific measures to improve its performance, which may include the following proposals:

* identify several main tasks/areas that require improvement of the activities of the Board of Directors;
* make adjustments to the plans and working methods of the Board of Directors;
* *(Paragraph four of clause 104.13 was removed in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*
* draft recommendations on the amount of remuneration for members of the Board of Directors;
* take into account the results of the evaluation when preparing recommendations to the Bank's Sole Shareholder regarding the composition of the Board of Directors, individual members of the Board of Directors, the formation of its structure (the ratio of independent directors, etc.), taking into account the provisions of the Bank's internal documents.

105. The Board of Directors shall provide the Sole Shareholder of the Bank with information on the results of the evaluation.

The disclosure on the evaluation may include the information as follows: on the conduct of the evaluation, on the types and procedure of the evaluation, on the methods used, on the fact that the results of the evaluation were discussed at a meeting of the Board of Directors, on the results of the discussion and the measures taken, and other information.

Information about specific results for each type of evaluation can be classified as confidential and not subject to disclosure. The Consultant's report on the evaluation results, as well as the questionnaires completed by each member of the Board of Directors, shall be classified as confidential information and stored in accordance with the Bank's internal documents.

The results of the evaluation may be submitted to the Sole Shareholder upon its request in accordance with the procedure provided for by the Charter and internal documents of the Bank.

106. Evaluation of the activities of the members of the Board of Directors makes it possible to enhance the participation of directors in its work, and find opportunities to improve the efficiency of the Board of Directors.

When conducting an individual evaluation of the activities of members of the Board of Directors, it is recommended to pay special attention to the following factors:

knowledge of the industry and the special characteristics of doing business, the industry; competence in matters within the area of responsibility of the Board of Directors; participation in meetings of the Board of Directors; active participation at meetings of the Board of Directors and the nature of voting in the decision-making process, as well as compliance with the deadlines for consideration of materials submitted to meetings of the Board of Directors (consideration of materials and signing of the minutes of the meeting of the Board of Directors within the deadlines set by the Bank's internal documents); constructive approach and focus on finding solutions; personal characteristics of a member of the Board of Directors and their impact on the effectiveness of its work (ability to work in a team, accessibility to communication, ability to defend his views, ability to take into account the opinions of others, compliance with the norms of professional ethics).

**Chapter 12. The procedure for engaging external experts**

*(The name of Chapter 12 is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

107. *(Clause 107 was removed in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*

108. If justified, the Board of Directors of the Bank shall decide to involve external experts for consultations on certain issues of competence of the Board of Directors of the Bank and the committees under the Board of Directors of the Bank, at the expense of the Bank at the request of any member of the Board of Directors of the Bank or the recommendation of the Committee under the Board of Directors of the Bank, if the issue considered by the Board of Directors of the Bank requires external professional and independent expertise.

109. An appropriate request from a member of the Bank's Board of Directors or a recommendation from a committee under the Bank's Board of Directors must specify the issue on which consultation is required.

110. In order to exercise the right of members of the Board of Directors of the Bank to engage external experts, a separate article on the involvement of external experts for the Board of Directors of the Bank should be provided in the annual budget of the Bank. As part of the article on the involvement of external experts for the Board of Directors of the Bank, sub-categories should be allocated for the involvement of external experts for the committees under the Board of Directors of the Bank (if there are committees).

The Corporate Secretary of the Bank shall send an application for planning funds for the involvement of external experts for the Board of Directors of the Bank when drafting the annual budget of the Bank, in accordance with the internal documents of the Bank.

111. External experts for consultations on certain issues of competence of the Board of Directors of the Bank at the expense of the Bank may not be engaged for addressing the issues related to the personal interests of members of the Board of Directors of the Bank.

**Chapter 13. Final provisions**

112. In case of amendments and additions to the legislation of the Republic of Kazakhstan, the Charter of the Bank, these Provisions are valid unless they do not contradict such amendments and additions.

113. Amendments and additions hereto shall be made in a manner similar to the approval of these Regulations.

Appendix 1

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Activity Plan of the Board of Directors of the "Otbasy Bank" House Construction Savings Bank**

**for \_\_\_\_\_\_\_\_**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| from | **Name of the issue** | **The basis for submitting the issue to the Board of Directors (competence)** | **Estimated review date****(month)** | **Responsible structural unit of the Bank** | **Responsible person** **(at the level of the Managing Director and/or a member of the Management Board and/or a person (body) reporting directly to the Board of Directors)** |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| 4. |  |  |  |  |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Appendix 1 is set out in the wording in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

|  |  |
| --- | --- |
|  | Appendix 2to the Regulations on the Board of Directorsof the "Otbasy Bank" House Construction Savings Bank Joint Stock Company, approved by the decision of the Board of the National Managing Holding Baiterek Joint Stock Company dated November 28, 2018 (Minutes No. 53/18) (*Appendix 2 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).* |

**To the members of the Board of Directors**

**"Otbasy Bank" House Construction Savings Bank**

**Explanatory note**

**on the agenda of the meeting of the Board of Directors of the "Otbasy Bank" House Construction Savings Bank: "\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_"**

*(issue)*

Due to the fact that…/ In pursuance of... / Taking into account ... etc.

*The key point of the issue, the necessity and purpose of its submission to the Board of Directors*

According to paragraph \_\_\_ \_\_\_ of Article \_\_\_ of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and clause \_\_\_ \_\_\_ of the Charter **(***name of the company***)**, *if necessary, a link to the relevant regulatory document and its name may be additionally specified here*, consideration of the issue of/the *relevant competence is set out* and belongs to the exclusive competence of the Board of Directors **(***name of the company* **)**.

The Board of Directors is invited to consider/take note/approve / ... .

An affirmative decision by the Board of Directors on this issue may have a positive impact on the following risks: "*the code and name of the relevant risk*" provided for by the Risk Appetite Strategy shall be indicated, while reducing the likelihood of such causes of the above-mentioned risk/s as "*the causes of the above-mentioned risk/s shall be indicated above the risk/s provided by the Risk Appetite Strategy for this/these risk/risks. (The fourth paragraph of Appendix 2 is set out in the wording in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

There are no negative social and economic and/or legal consequences when the Board of Directors **(***company name***)** makes a decision on this issue.

Deadlines for expected results – for *example*, within the framework of the adopted decision, the following work will be done before 00.00.2000: …

The expected effectiveness for **(***company name***)** as a result of making a positive decision on this issue /consideration of this issue is as follows.... .

Making a decision on this issue will not entail financial costs **(***company name***)** and will not require bringing internal acts and regulatory documents **(***company name***)** in line with it.

Making a decision on this issue will entail the following financial costs **(***company name***)**, *specify which, in what amount* ..., which are provided/not provided for by the budget and Development Plan **(***company name***)** approved for the current year.

Making a decision on this issue will require making amendment and additions to some internal acts and documents regulating internal activities **(***company name***)**, including such as *specifying their name*.

The decision taken on this issue will require disclosure on the website of the depository of financial statements, the stock exchange and the Astana International Financial Center (links to the statutory provisions of the Republic of Kazakhstan and the Stock Exchange Listing Rules providing for the need for disclosure of information shall be indicated). \*

Taking into account the above, the following issue is submitted for consideration by the Board of Directors **(***company name***)**: "*the issue* shall indicated."

…

This issue has been previously considered by the Management Board **(***company name***)** "\_\_"\_\_\_\_\_\_\_\_\_\_\_\_20\_\_\_\_ year (Minutes No.\_\_\_\_)

This issue will be considered by the committee in advance *the full name of the committee of the Board of Directors* (**company name) shall be indicated.**

Annex:

1) draft decision of the Board of Directors **(***company name***)** on 1 sheet;

2) ..... on \_\_\_sheets;

3) ..... on \_\_\_sheets;

4) extract from the minutes of the Board meeting **(***company name) from "\_\_"\_\_\_\_\_\_\_\_\_\_\_\_20\_\_ year (Minutes* No.\_\_\_\_) on \_\_\_sheet/s.

**Position and full name of the submitting**

**the issue for consideration**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Signature of the head or members of the executive body of the Bank, or the person initiating the inclusion of the issue in the agenda of the meeting*

*Signatures of the contractor, the head of the structural unit responsible for the preparation (drafting) of materials.*

*\*(If the decision on this issue does not require disclosure, the specified paragraph should be deleted).*

|  |  |
| --- | --- |
|  | Appendix 3 to the Regulations on the Board of Directorsof the "Otbasy Bank" House Construction Savings Bank Joint Stock Company, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18) (*Appendix 3 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).* |

Draft

**Decision of the Board of Directors of the "Otbasy Bank" House Construction Savings Bank Joint Stock Company on the issue: "\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_"**

*(the wording of the issue)*

In accordance with clause \_\_\_ \_\_ of Article \_\_ of the Law of the Republic of Kazakhstan "On Joint Stock Companies", clause \_\_ \_\_ of Article \_\_\_ of the Charter of the Joint Stock Company (**company name***)* **(hereinafter - (**name of the company**)***), the Board of Directors (***name of the company**) **RESOLVED:**

1. ….

2. …

*Signatures of the actual performer of the initiating structural unit, the head of the initiating structural unit, the supervising Managing Director (if any) or Deputy Chairman of the Management Board (if any), the head of the structural unit responsible for legal support issues, the supervising member of the executive body, the head or members of the executive body of the Bank, or the person initiating the entering of the issue into the agenda of the meeting*

Appendix 4

 to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**THE VOTING LIST**

**on the agenda of the in-person meeting of the Board of Directors**

**"Otbasy Bank" House Construction Savings Bank**

**(Minutes dated \_\_\_\_\_\_\_\_\_\_ No. \_\_\_)**

**A member of the Board of Directors:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**The agenda:**

1.

 2.

 3.

**The results of the voting on the issues**

**of the agenda of the in-person meeting of the Board of Directors:**

|  |
| --- |
| **Full name of a member of the Board of Directors** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **The sequential number of the issue on the agenda and the text of the decision:** | **For** | **Against** | **Abstain** |
| **1.** |  |  |  |
| **2.** |  |  |  |
| **3.** |  |  |  |

In case of voting "Against" or "Abstain", a member of the Board of Directors may express his/her dissenting opinion, which is attached to the minutes of the in-person meeting of the Board of Directors.

*Note: if the voting sheet consists of more than one page, each page of the approval sheet should be certified by the signature of the voter.*

Appendix 5

 to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Written opinion**

**to the meeting of the Board of Directors of "Otbasy Bank" House Construction Savings Bank**

Astana city No. \_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

A member of the Board of Directors:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The agenda:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Written opinion on the Agenda item:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |
| --- |
|  |
|  |

A member of the Board of Directors: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (signature is required)

\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

Appendix 6

 to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Absentee voting bulletin**

**to the meeting of the Board of Directors of "Otbasy Bank" House Construction Savings Bank**

Astana city No. \_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

**A member of the Board of Directors: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**The location of the "Otbasy Bank" House Construction Savings Bank (hereinafter - the "Bank")**:

**The initiator of the meeting:**

The agenda:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Decided:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **FOR** |  |  | **AGAINST (dissenting opinion)** |  |  | **ABSTAINED (dissenting opinion)** |
|  |
| **Note:** a dissenting opinion should be attached, if available, separately in writing |

**Clarifications on the procedure for filling out the ballot:**

On the issue put to the vote, in this ballot, a member of the Board of Directors is to put his/her signature (or a tick) under one of the columns presented: "For", "Against", "Abstain". In case of voting "against" or "abstain", a member of the Board of Directors has the right to express his/her dissenting opinion, which should be attached separately, in writing

**The final date of submission of the signed ballot to the Corporate Secretary of the Bank:** \_\_\_\_\_\_\_\_\_\_\_\_.

**The absentee ballot shall be provided at:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**A member of the Board of Directors:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

*Note: if the absentee voting ballot consists of more than one page, each page should be certified by the signature of the voter.*

Appendix 7

 to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**MINUTES**

**of the meeting of the Board of Directors**

**"Otbasy Bank" House Construction Savings Bank**

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

\_\_\_\_\_\_\_\_\_ city \_\_\_\_\_\_\_\_\_\_, 2018.

|  |  |
| --- | --- |
| Full name of the joint stock company | \_\_\_\_\_\_\_\_\_\_\_\_\_ Joint Stock Company |
| Name of the executive body of the Bank | Management Board |
| Registered address of the Bank's Management Board | \_\_\_\_\_\_\_\_\_St, \_\_\_\_\_\_\_\_\_ city, the Republic of Kazakhstan |
| Venue of the meeting | \_\_\_\_\_\_\_\_\_St, \_\_\_\_\_\_\_\_\_ city, the Republic of Kazakhstan |
| Time of the meeting |  \_\_-00  |
| Quorum of the meeting | has been reached, the meeting was attended by \_\_\_\_\_members of the Bank's Board of Directors  |
| Corporate Secretary |  Full name |

**PARTICIPATED**

Chairman of the Board of Directors:

– Full name;

Members of the Board of Directors:

– Full name;

– Full name;

– …..

Invited persons:

– Full name;

– Full name;

– …..

The agenda specified in the notice of the meeting of the Board of Directors:

1.

2.

3.

Proposals for changing the agenda.

The issue of approving the agenda of the meeting has been put to the vote.

**Voting results:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Members of the Board of Directors** | **For**  | **Against**  | **Abstain** |
| Full name | **+** |  |  |
| Full name |  | **+** |  |
| Full name |  |  | **+** |

Following the results of the voting, the following agenda was approved:

1.

2.

3.

**CONSIDERATION OF ISSUES ON THE APPROVED AGENDA**

**On issue 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Summary of the issue *(no more than 1 sheet).*

The issue was previously reviewed and recommended by the committee \_\_\_\_\_\_\_\_ *(name of the committee,* *date and number of the minutes)*.

The results of the discussion.

The Board of Directors is invited to make a decision according to the attached draft.

 The issue has been put to a vote.

**Voting results:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Members of the Board of Directors** | **For**  | **Against**  | **Abstain** |
| Full name | **+** |  |  |
| Full name |  | **+** |  |
| Full name |  |  | **+** |

Following the results of the voting, the following decision was made:

1.

2.

Voting sheets (written opinions) of the members of the Board of Directors on the issues on the agenda of the meeting (Appendices No.\_\_\_) are attached to the minutes.

**Chairman of the meeting Full name**

**Corporate Secretary Full name**

Appendix 8

 to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Requirements for independent directors General requirements**

* 1. A candidate for election as an independent director to the Board of Directors must:
		1. Comply with the definition of an independent director in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies".
		2. Possess general information about key issues specific to an organization similar in scope and nature of the Bank's activities, have international experience in a similar industry/sector and professional experience of at least 2 (two) years prior to the nomination, as well as demonstrate an understanding of: *(Part one of clause 1.1.2. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*
1. legal requirements in relation to the Bank;
2. competitive environment in the national and international markets.
	* 1. Be able to analyze and objectively evaluate the information provided and formulate an independent position on the issue adhering the principles of legality, fairness and equal treatment of all shareholders. Have the ability to express its own opinion and defend its point of view in a reasoned manner.
		2. Know the principles of corporate governance and sustainable development. *(Clause 1.1.4. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20);*
		3. Have a perfect reputation/positive achievement in the business and/or industry environment. The candidate shall not have the criminal records in economic activity field, as well as administrative offenses in business activity.
		4. Have enough time to participate in the activities of the Board of Directors not only during meetings of the Board of Directors, but also for proper review of materials for meetings of the Board of Directors.
		5. Not to be a member of more than 3 (three) Boards of Directors of other companies. *(Clause 1.1.7. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20);*
		6. Carry out the procedure for confirming independence annually and inform the company in case of loss of the status of an independent director. (*Clause 1.1.8. Appendix No. 8 to the Regulations was supplemented in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20).*
3. **Special requirements**
	1. **Special requirements for candidates for the position an independent director of subsidiaries that are financial institutions.**
		1. Candidates for the position of an independent director of a Bank that is a financial institution must comply with the requirements of the National Bank of the Republic of Kazakhstan.
	2. **Special requirements for candidates for the position of an independent director, a specialist in the field of finance, audit and control.**
		1. A degree in economics and (or) finance, additional training/professional certification in the field of financial management/financial analysis/accounting/ taxation/ auditing/ risk management.
		2. At least 7 years of professional experience.
		3. At least 3 (three) years of work experience in governing bodies or executive bodies of financial organizations/holding structures/government bodies/international financial organizations/in the field of financial services regulation, and (or) work experience in governing bodies/executive bodies/as a manager/partner in organizations providing financial audit/compliance management services. (*Clause 2.2.3. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20);*
	3. **Special requirements for candidates for the position of an independent director, a specialist in the field of remuneration/social issues/ corporate culture.**
		1. Bachelor's degree and (or) Master's degree in Business Administration /Doctor of Philosophy and (or) additional training in the field of management. Have knowledge in the field of HR management theory/social development.
		2. Minimum 3 (three) years of work experience years in governing bodies or executive bodies in holding structures/national companies, and (or) work experience in governing bodies/executive bodies, and (or) as a manager/partner in companies specializing in business or HR consulting, and (or) experience as an HR director/ head in charge of a structural unit on HR/ legal expertise/settlement of corporate conflicts in Kazakhstan and international companies with an annual turnover of at least USD 20 million. (*Clause 2.3.2. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20);*

2.3.3. Have experience in senior positions/ in the field of working with senior and middle management for at least 5 years.

**2.4. Special requirements for candidates for the position of an independent director, a specialist in the field of investment management.**

1. A degree in finance, corporate finance, investments, investment management or investment analysis, additional training/professional certification in accounting/risk management/finance.
2. Knowledge in the field of evaluating the effectiveness of investment projects, principles of securities portfolio management, investment valuation methods, financial accounting and reporting standards.
3. Work experience in the field of investment activity should be at least 7 years.
4. Minimum 3 (three) years of work experience years in governing bodies/executive bodies/in senior positions (positions coordinating structural units and having the right to sign documents on the basis of which financial transactions are carried out) in financial organizations/holding structures/government agencies/ international development banks/ international financial/insurance companies/ international, and (or) Kazakhstan companies engaged in investment activity/bringing companies to the stock market, with an annual turnover of at least USD 20 million. (*Clause 2.4.4. Appendix No. 8 to the Regulations is set out in accordance with the decision of the Sole Shareholder dated October 7, 2020 (Minutes No. 47/20);*
5. **Special requirements for candidates for the position of an independent director, a specialist in the field of innovation development.**
6. A degree in engineering/economics/finance and (or) in the field of management, additional training in the field of innovation management.
7. The total work experience should be at least 7 years. Work experience in senior positions / as an expert in the field of innovation management for at least 3 years.
8. Knowledge and practical experience in the field of evaluating the effectiveness of development and implementation of innovations, knowledge of the principles of organization and financing of research activities.
9. Experience in managing innovative projects, implementing new ideas, initiating practical implementation and turning it into a viable cost-effective product, and/or experience in developing new products based on high technologies before creating consumer goods with unique properties.
10. Knowledge of the current situation in the market of priority/basic industries of the Republic of Kazakhstan, as well as in the market of innovative products to identify and assess market needs.
11. **Special requirements for candidates for the position of an independent director, a specialist in the field of business development.**
12. A degree, additional training in the field of management/ finance/ law.
13. Knowledge of the legislation of the Republic of Kazakhstan in the field of entrepreneurship.
14. The total work experience should be at least 7 years. Work experience in senior positions, in medium-sized businesses for at least 3 years.
15. The experience of creating from scratch / running (as the owner / partner / member of the managing or executive body / first head) a successful company (medium-sized business), producing competitive products, and (or) providing high-quality and in-demand services, which has existed on the market for at least 5 years.

Appendix 9

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Consent form**

I hereby confirm my consent to be elected to the Board of Directors of
"Otbasy Bank" House Construction Savings Bank as an independent director. I also confirm that I am not an affiliated person of the specified joint stock company and have not been for the last three years, I am not an affiliated person in relation to the affiliated persons of the specified joint stock company and am not subordinated to their officials - affiliated persons of the "Otbasy Bank" House Construction Savings Bank; I am not a civil servant; I am not and I have not been and auditor of this joint stock company for the last three years, I did not participate in the audit of "Otbasy Bank" House Construction Savings Bank as an auditor working as part of an auditing firm, and have not participated in such an audit over the last three years.

**Position, organization**  (signature)

(Full name)

**Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 201 .**

Appendix 10

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

Candidate's photo (color 3,5x4,5)

**Information about the candidate for the position of an independent director**

1. **General information:**

|  |  |
| --- | --- |
| Last name, first name, patronymic |  |
| (*in full compliance with the identity card (passport), in case of a change in the surname, first name, patronymic, indicate when and for what reason they were changed)* |
| Date and place of birth |  |
| Permanent residence, phone numbers, e-mail addresses |  |
| (*specify the detailed address, office, home, and contact phone numbers, including the area code)* |
| Citizenship |  |
| Name and full details of the identity document |  |

1. **Affiliation Information:**

Information about next of kin (parents, a spouse, a brother, a sister, and children), as well as relatives in-law (a brother, a sister, parents, children of the spouse):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Last name, first name, patronymic** | **Date, month, year of birth** | **Kin relationships** | **Place of work and position** |
| 1 |  |  |  |  |
| 2 |  |  |  |  |

Information on direct or indirect participation in the authorized capital of legal entities

1. **Professional data**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Name and location** | **Statutory activities of a legal entity** | **The amount and ownership interest** |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |

|  |  |
| --- | --- |
| Education, including vocational education appropriate to the job profile |  |
| (*specify in chronological order the name and location of the academic institution, faculty or department, the period of studying, the qualification awarded, the details of the certificate)* |
| Additional training, including advanced training courses in the field in which he/she works / in the field in which he/she intends to work, and academic degrees | *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**(specify in chronological order the name and location of the academic institution, the period of studying, the details of the diploma, certificate)* |
| Work experience in the provision and/or regulation of financial services, including in the field in which he/she intends to work |  |
| *(in chronological order indicate the number of years of work in financial organizations, working in the position of an auditor, accountant by type of activity)* |
| Work experience in senior positions / positions according to the requirements in the field in which he/she intends to work |  |
| *(detail the current work experience in chronological order: names of organizations, positions, job duties, professional skills, achievements)* |
| Work experience on the Board of Directors | *(specify the period, the name of the organizations, specify information about the work in the committees)* |
| Language skills and proficiency |  |
| Knowledge of a business similar to that of a Bank |  |
| The possibility to devote time to the work of an Independent Director |  |
| The possibility to head the Committee under the Board of Directors  |  |
| Available achievements | *(specify the relevant information, for example, the names of scientific publications, participation in scientific developments, draft laws, and so on)*  |
| Membership inprofessional organizations | *(specify the relevant information, for example, the Chamber of Auditors, Actuaries)* |
| Other information relevant to this issue | *(specify information characterizing the candidate's professional competence)* |

1. **Information about employment**

|  |  |  |
| --- | --- | --- |
| **No.** | **Working period (month, year)** | **The name of the organization, the positions and duties held, the registered address of the organization** |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |

1. **Other information**

|  |  |
| --- | --- |
| Information about unspent or unexpunged in accordance with the procedure of the Law of the Republic of Kazakhstan convictions for crimes committed in the field of economic activity, for corruption and other crimes against the interests of the public service and public administration | Yes/no |
| Data on suspension from performance of official duties for violation of the legislation of the Republic of Kazakhstan | Yes/ no, *if "Yes", then when and by whom the measure was implemented* |
| Previously, he/she has been a senior employee of an organization that was declared bankrupt or in respect of which a decision was made on compulsory liquidation, conservation, or forced buyback | *Name of the organization, position, period of work* |
| Other information relevant to this issue | *(specified arbitrarily)* |

 **I** *(surname, first name, patronymic of the candidate for the position of independent director)* **confirm that this information has been carefully checked by me and is reliable and complete, and I recognize that the knowingly false information provided by me is the basis for reviewing (revoking) consent to my appointment (election)*.***  *(signature, date)*

Appendix 11

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Standard form contract with a member of the Board of Directors / independent director - member of the Board of Directors**

 **CONTRACT No.**

\_\_\_\_\_\_ city \_\_\_\_\_\_\_\_\_\_\_, 201 .

"Otbasy Bank" House Construction Savings Bank Joint Stock Company (hereinafter - the "Bank"), represented by the Chairman of the Board of Directors of the Bank \_\_\_\_\_\_\_\_\_, acting on the basis of \_\_\_\_\_\_\_\_\_, on the one hand, and \_\_\_\_\_\_\_\_, elected as a member of the Board of Directors/independent director - member of the Board directors of the Bank (hereinafter - the "Director"), on the other hand, hereinafter collectively referred to as the “Parties”, on the basis of the decision (name of the body, number and date of the decision), have entered into this contract (hereinafter - the "Contract ") as follows.

1. **The subject of the Contract**
	1. The Director shall perform the duties of a member of the Board of Directors of the Bank/ an independent director, a member of the Board of Directors of the Bank, as defined by regulatory legal instruments of the Republic of Kazakhstan, the Charter and other internal documents of the Bank, and the Bank shall pay remuneration to the Director in full, and on time and to compensate expenses related to the performance of duties of a member of the Board of Directors in accordance with the procedure established by the Contract.
	2. Prior to signing the Contract, the Bank shall provide the Director with a copy of the Bank's Charter and internal documents of the Bank regulating the activities of members of the Bank's Board of Directors, in accordance with the annex to the Contract. During the term of the Contract, the Bank shall notify the Director of amendments to the relevant internal documents of the Bank in accordance with the annex to the Contract, and the adoption of new internal documents of the Bank within 15 (fifteen) calendar days from the date of such changes.
2. **Rights of the Director**
	1. The Director has the right to:
		1. receive in a timely manner from officials and employees of the Bank any information (documents, materials) regarding the Bank necessary for the performance of his/her functions in line with the procedure established by the internal documents of the Bank and taking into account the requirements of the legislation of the Republic of Kazakhstan;
		2. receive remuneration for the performance of his/her duties, as well as compensation for expenses in line with the procedure provided for in the Contract;
		3. participate in all meetings of the Bank's Board of Directors and (or) its committees, express its opinions on issues, vote on issues considered at meetings of the Board of Directors held both in-person and in absentia, and its committees, in line with the procedure provided for by the Charter and internal documents of the Bank;
		4. demand the convening of a meeting of the Bank's Board of Directors;
		5. make proposals on the agenda of the meeting of the Board of Directors of the Bank;
		6. request additional documents and information on the agenda of the meeting of the Board of Directors of the Bank;
		7. early termination of the Contract by sending a corresponding written notification addressed to the Chairman of the Board of Directors of the Bank at least two months before the expected date of termination of the Contract
		8. use the office space, communication facilities, and other property provided by the Bank to perform his/her duties provided for in the Contract, the Charter, and internal documents of the Bank;
		9. *in cases* *where information related to the Bank's activities is not provided in English*, *as well as in the case of meetings of the Bank's Board of Directors in a language other than English*, *the Director shall be provided with the services of an interpreter/translator for the proper performance of his/her duties and the exercise of his/her rights in accordance with the terms of the Contract (should be added if necessary);*
		10. exercise other rights, not prohibited by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Bank, as well as the Contract;
		11. enjoy other powers of a member of the Board of Directors of the Bank provided for by the legislation of the Republic of Kazakhstan, the Charter and other internal documents of the Bank.
3. **Responsibilities of the Director**
	1. The Director shall:
		1. act in the interests of the Bank and its Sole Shareholder/shareholders with integrity, rationality and fairness, observing the requirements contained in the legislation of the Republic of Kazakhstan, the provisions of the Corporate Governance Code of the Bank, the moral principles of the Bank, as well as the norms of business ethics established by the internal documents of the Bank; perform their duties taking into account the requirements of the legislation of the Republic of Kazakhstan, be guided by the Charter and other internal documents of the Bank; *(clause 3.1.1. is set out in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*
		2. vote on the issues on the agenda of the meeting of the Board of Directors and its committees in line with the procedure provided for by the Charter, and other internal documents of the Bank;
		3. attend at least four meetings of the Board of Directors of the Bank and its committees held in-person (at the place and time of which the Director must be notified within the time-frames established by the internal documents of the Bank), as well as submit to the Board of Directors his/her written opinions on issues considered at meetings of the Board of Directors and (or) its committees conducted in absentia or in a combined manner, and his/her ballots for absentee voting, except for illness, vacation, business trip reasons;
		4. it is mandatory to participate in an in-person meeting of the Board of Directors, where the issue of preliminary approval of the Bank's annual financial statements should be considered;
		5. notify the Corporate Secretary of the Board of Directors 15 (fifteen) calendar days in advance of the inability of participating in a meeting of the Board of Directors of the Bank and (or) its committees, specifying the reasons;
		6. perform the appropriate functions of the Chairman of the Committee (if elected Chairman of the Committee);
		7. not to work or hold positions in the Bank's competitor companies;
		8. notify the Chairman of the Board of Directors of new proposals received on combining work and positions in other organizations (commercial and non-commercial) no later than 15 (fifteen) calendar days from the date of receipt of such an offer;
		9. not be a member of more than 4 (four) Boards of Directors of other organizations, and not combine work in more than 4 (four) organizations in the Republic of Kazakhstan;
		10. when making decisions be guided by the legislation of the Republic of Kazakhstan, the Charter and relevant internal documents of the Bank;
		11. on behalf of the Board of Directors of the Bank, analyze information on the state of affairs in the Bank on issues within the competence of the Board of Directors of the Bank, present the results of the analysis in the form of an opinion;
		12. properly prepare for meetings of the Bank's Board of Directors and (or) its committees, in particular: review the materials related to meetings in advance, collect and analyze necessary information, draft his/her opinions, conclusions, recommendations;
		13. after fulfilling the term of office of the Director, including the early termination of his/her powers, termination of the Contract, within 10 (ten) working days, transfer all documents, Bank property, office premises, if any, to the person designated by the Bank, according to the transfer and acceptance certificate;
		14. at the request of the Chairman of the Board of Directors of the Bank, provide any information at the disposal of the Director and within the scope of issues that fall under the competence of the Board of Directors of the Bank, except for personal confidential information;
		15. in accordance with the procedure established by the legislation of the Republic of Kazakhstan, be responsible for the effective management of the Bank within the scope of issues that fall under the competence of the Board of Directors of the Bank, including:
4. to monitor the risk management process and other elements of the Bank's internal control, as well as to ensure compliance and analyze effectiveness, and improve the Bank's internal risk management procedures;
5. to monitor and evaluate whether the Bank is achieving its key performance indicators approved in accordance with the established procedure on an ongoing basis, to take measures to comply with the Bank's approved by the Sole Shareholder/General Meeting of Shareholders and the Board of Directors of the Bank, priority areas and financial and economic performance, taking into account the market situation and the financial position of the Bank;
6. not to use the Bank's property and facilities for personal purposes;
	* 1. observe the following rules and requirements regarding conflicts of interest:
7. immediately inform the Chairman of the Board of Directors of the Bank about any personal commercial or other interest (direct or indirect, real or possible) in transactions, contracts, projects related to the Bank, in accordance with the procedure provided for in the internal documents of the Bank, as well as about affiliation and other circumstances preventing him/her from performing the functions of an independent director in accordance with the law the Republic of Kazakhstan;
8. abstain from voting on issues in which he/she has a personal interest, disclosing to the Board of Directors of the Bank the fact of such interest and the grounds;
9. not to receive gifts, services or any benefits from individuals or legal entities that represent or can be considered as remuneration for decisions or actions taken or committed by the Director as a member of the Board of Directors of the Bank;
10. not to disclose confidential, internal information of the Bank and other information made known to the Director in connection with the discharge of his/her duties as a member of the Board of Directors (except for publicly available information) to persons who do not work at the Bank, who are not authorized representatives of the Sole Shareholder/shareholders or a person who owns all voting shares of the Bank, and who do not have access to such information, as well as not to use it in his/her own interests or in the interests of third parties, both during the period of discharging of duties as a member of the Board of Directors, and for 5 (five) years after the expiration of the Contract, as well as during the period specified in the documents (information) that have become known;
11. comply with the rules and procedures provided for in the Bank's internal documents and related to the security and handling of confidential information of the Bank;
12. refrain from actions that may lead to a conflict of interest;
13. refrain from making decisions on issues where there is a conflict of interest;
14. regularly provide information about his/her affiliates within the time limits set in the Bank's documents;
15. comply with the provisions of the Conflict of Interest Regulation and the Bank's Code of Business Conduct;
	* 1. in case of changes in contact details, including postal and e-mail addresses, notify the Bank in advance;
		2. perform other duties provided for by the legislation of the Republic of Kazakhstan, the Charter, and other internal documents of the Bank.
16. **Rights of the Bank**
	1. The Bank has the right to:
		1. require the Director as a member of the Board of Directors to discharge, in good faith and properly, his/her duties provided for by the legislation of the Republic of Kazakhstan, the Charter, and other internal documents of the Bank, as well as the Contract;
		2. claim through a court for compensation for losses caused to the Bank when the Director performs his/her duties under the Contract;
		3. request from Director the information necessary for keeping registers of persons that have special relations with the Bank (affiliated persons) in accordance with the legislation of the Republic of Kazakhstan;
		4. terminate the Contract early at any time if the Sole Shareholder of the Bank decides to cease powers of the Board of Directors or the Director early;
		5. enjoy other rights provided for by the legislation of the Republic of Kazakhstan, the Charter, and other internal documents of the Bank, as well as the Contract.
17. **Responsibilities of the Bank**
	1. The Bank shall:
		1. pay remuneration for the Director provided for in the Contract in a timely manner and in full, to compensate the expenses incurred by the Director in connection with the performance of duties of a member of the Board of Directors of the Bank;
		2. provide the Director with reliable and complete information, materials and documents necessary for the proper performance of his/her duties in a timely and complete manner;
		3. provide the Director with translation/interpretation services, premises, communication facilities, and other necessary technical assistance to perform his/her duties when participating in an in-person meeting of the Bank's Board of Directors and (or) its Committees;
		4. *insure the Director's liability in accordance with the terms of the relevant liability insurance contract for directors and officers. At the same time, the liability insurance contract for directors and officers should be concluded by the Bank in the shortest possible time necessary to comply with all legislative and internal corporate procedures for concluding such a contract (if necessary);*
		5. *fulfil tax obligations in accordance with the requirements of the tax legislation of the Republic of Kazakhstan arising from the implementation by the Bank of the provisions of clause 5.1.4. of the Contract (if necessary);*
		6. terminate the Contract in case the Sole Shareholder/General Meeting of the Bank decides to terminate the powers of the Board of Directors of the Bank or the Director early;
		7. within 10 (ten) business days after the expiry date of the Contract, including its termination in line with the procedure established by the Contract, pay remuneration to the Director in proportion to the hours he/she worked, and reimburse him/her for all expenses incurred for fulfilling the obligations under the Contract, for which he/she submitted supporting documents to the Bank (incurred in connection with fulfilling the duties of the Director, a member of the Board of Directors of the Bank for the hours actually worked in accordance with the terms of the Contract);
		8. in case of a change in the details, notify the Director in advance;
		9. fulfil other duties provided for by the legislation of the Republic of Kazakhstan, the Charter, and other internal documents of the Bank.
18. **The amount and conditions of payment of remuneration and compensation to the Director**
	1. The remuneration of the Director is the income of an individual and is subject to taxation in accordance with the requirements of the Tax Code of the Republic of Kazakhstan.
	2. According to the decision a fixed annual remuneration is set for the Director in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_, including:
* fixed annual remuneration in the amount of \_\_\_\_\_\_\_\_ for membership in the Board of Directors of the Bank;
* fixed annual remuneration for participation in meetings of the committees under the Board of Directors of the Bank as Chairman of the Committee in the amount of\_\_\_\_\_\_\_\_\_\_;
* fixed annual remuneration for participation in meetings of the committees under the Board of Directors of the Bank as a member of the Committee in the amount of ;
	+ 1. fixed annual remuneration in the Contract is indicated less of taxes withheld by the Bank as a tax agent, pursuant to the legislation of the Republic of Kazakhstan.
	1. The fixed annual remuneration of the Director should be paid during the month following the reporting period. The reporting period for the payment of remuneration is a quarter/half-year.
	2. If the Director participates in half or less than half of all meetings of the Board of Directors held in-person and in absentia, the fixed annual remuneration for membership in the Board of Directors of the Bank should be reduced by 50%, except where the Director was absent for reasons of health. At the same time, it is allowed to participate in the discussion and voting on issues considered at an in-person meeting of the Board of Directors using technical means of communication (via videoconferencing, telephone conference call, etc.) or by providing his/her written votes in advance.
	3. If the Director participates in half or less than half of all in-person and absentee Committee meetings held as Chairman of the Committee, the fixed annual remuneration for participation in meetings of the committees of the Bank's Board of Directors as Chairman of the Committee should be reduced by 50%, except where the Director was absent for reasons of health. At the same time, it is allowed to participate in the discussion and voting on issues considered at an in-person meeting of the committees of the Board of Directors using technical means of communication (via videoconferencing, telephone conferencing, etc.) or by providing his/her written votes in advance
	4. If the Director participates in half or less than half of all in-person and absentee Committee meetings held as a member of the committee, the fixed annual remuneration for participation in meetings of the committees under the Bank's Board of Directors as a member of the Committee should be reduced by 50%, except where the Director was absent for reasons of health. At the same time, it is allowed to participate in the discussion and voting on issues considered at an in-person meeting of the committees of the Board of Directors using technical means of communication (via videoconferencing, telephone conferencing, etc.) or by providing his/her written votes in advance
	5. No additional remuneration shall be paid for participation in in-person meetings of the Bank's Board of Directors.
	6. The Director shall be reimbursed for the following expenses related to attending a meeting of the Board of Directors, Committees under the Board of Directors of the Bank, and other meetings, including those initiated by the Chairman of the Board of Directors of the Bank and (or) the Chairman of the Management Board of the Bank, held outside the Director's place of permanent residence:
		+ travel;
		+ accommodation;
		+ daily allowance, in accordance with the internal documents of the Bank.
	7. Expenses specified in clause 6.8 of the Contract shall be reimbursed according to actual spending within the limits established by the legislation of the Republic of Kazakhstan and internal documents of the Bank, upon presentation of supporting documents.

6.10. The Director shall be compensated for the expenses specified in clauses 6.8. - 6.9. of the Contract (if necessary), provided that:

* supporting documents comply with the requirements of the legislation of the Republic of Kazakhstan;
* supporting documents shall be submitted no later than 30 (thirty) calendar days from the date of these expenses.
	1. The Bank does not make any payments to the Director that are not provided for by the decision of the Sole Shareholder.
	2. In case of early termination of the Director's powers due to violation of the terms of the Contract, the Director shall receive payments for the period of work up to the violation of the terms of the Contract, and (or) before the term of termination.
1. In case of termination of the Director's powers, including early termination, before the end of the year, the Director shall be paid remuneration and compensation for the period of actual stay on the Board of Directors of the Bank, except for the cases provided for in the clause of the Contract.

6.14 Remuneration and compensation shall be paid by the Bank by transfer of funds to the bankcard or the Director's current account provided for in Section 10 of the Contract or to another account of the Director indicated by him/her to the Bank in writing. At the same time, the Director shall pay the bank account service fees, including card servicing.

* 1. Compensation of expenses provided for in clauses 6.8. - 6.9. The Contract is subject to taxes and other mandatory payments to the budget of the Republic of Kazakhstan in cases provided for by the Tax Code of the Republic of Kazakhstan, including withholding taxes at the source of payment.
1. **Responsibility of the Parties**
	1. The Director is responsible to the Bank for losses caused to the Bank by faulty actions (or omission) of the Director, as well as for non-fulfillment or improper fulfillment of obligations under the Contract.
	2. The Director is not responsible for any actions committed by the Bank prior to his/her election as Director, or for decisions against which he/she voted or on which he/she did not participate in such a vote and which caused losses to the Bank.
	3. The Bank has the right, based on a decision of the Sole Shareholder/General meeting of Shareholders, to file a lawsuit against the Director for compensation for damage or losses caused by him/her to the Bank.
	4. While determining the grounds of liability and the scope of responsibility of the Director, the usual business conditions and other relevant circumstances should be taken into account.
	5. The Parties are not responsible for non-fulfillment and (or) improper fulfillment of the terms of the Contract, if it was the result of force majeure, about which the Parties must immediately notify each other.
2. **The term of the Contract and the terms of its termination**
	1. The Contract shall become effective on the date on which it has been signed and applies to legal relations that have arisen since the date of conclusion of the Contract.
	2. The date of termination of the Contract is one of the following three dates that comes first:
3. date of termination of the Director's powers in accordance with the decision of the Sole Shareholder/General Meeting of Shareholders of the Bank;
4. date of the decision of the Sole Shareholder/General Meeting of Shareholders on the termination of the powers of the Board of Directors of the Bank;
5. the date of receipt by the Chairman of the Board of Directors of the Bank of the Director's notification of termination of his/her powers on his/her own initiative.
6. **Final provisions**
	1. All correspondence between the Parties related to the fulfillment of the terms of the Contract must be delivered personally or by courier services, as well as by fax and e-mail with the mandatory condition of written confirmation of receipt of materials.
	2. All materials and correspondence should be sent to the Parties at the following addresses:

*For the Bank:*

*Address: city , St.*

*Fax number:*

*Email:*

*For the attention of*

*For the Director:*

*Address: city ,*

*Fax number:*

*Email:*

* 1. If the Director is re-elected as a member of the Bank's Board of Directors, the Bank shall enter into a new Contract with him/her.
	2. Amendments and additions to the Contract shall be made by mutual agreement of the Parties by signing the relevant addendum.
	3. All issues not covered by the Contract shall be regulated by the legislation of the Republic of Kazakhstan, the Charter, and other internal documents of the Bank.
	4. In the event of a dispute between the Parties in connection with the fulfillment of the terms of the Contract, such a dispute should be settled through negotiations. If the dispute between the Parties cannot be settled through negotiations, then should be resolved in accordance with the procedure established by the legislation of the Republic of Kazakhstan.
	5. The Parties should make every effort to resolve, in the course of direct negotiations, all disagreements or disputes arising between them under or in connection with the Contract.
	6. If, as a result of negotiations, the Parties fail to resolve the dispute under the Contract, either Party has the right to apply to a court of the Republic of Kazakhstan to resolve this issue in accordance with the legislation of the Republic of Kazakhstan.
	7. The Contract is signed in 2 (two) original copies, each in *Kazakh, Russian and English* *(if necessary)*, one copy for each of the Parties. In case of a discrepancy, the copy of the Contract in Russian shall prevail.
1. **Details and signatures of the Parties**

|  |  |  |
| --- | --- | --- |
| Bank: "Otbasy Bank" House Construction Savings BankLocation of the Bank:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Phones, fax |  | Director: \_\_\_\_\_\_\_\_\_\_\_\_\_\_Place of residence:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Phone, cell phone, email |

Appendix to the standard form Contract with an independent director

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

Copies of the Bank's documents provided to the Director:

1. the Charter of the Bank;
2. The Bank's strategy;
3. …….

 **Delivered Accepted**

*(date, position, full name, signature) (date, position, full name, signature)*

Appendix 12

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of the Bank's Board of Directors**

**1. To be filled in by each of the members of the Board of Directors**

**2. On a scale from 1 to 4, mark the score that matches your opinion on the following questions:**

1=improvement is required

2=satisfactory

3=good

4=excellent

**3. Based on the results of filling out the questionnaire, the total number of questions with a mark is displayed: 1 (improvement is required), 2 (satisfactory), 3 (good) and 4 (excellent), as well as a list of comments, recommendations, wishes, etc.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. | How much attention does the Board of Directors pay and, when making decisions, is guided by achieving the set goals and protecting the interests of the Bank and its Sole Shareholder  | 1 | 2 | 3 | 4 |
| 2. | Does the Board of Directors have all the necessary tools to properly monitor the financial and economic activities of the Bank | 1 | 2 | 3 | 4 |
| 3. | Does the Board of Directors regularly monitor and evaluate the progress of strategic objectives, implementation and approval of plans, budget and efficiency of the Bank's activities | 1 | 2 | 3 | 4 |
| 4. | To what extent do the Board of Directors and the Management Board pay attention to the main risks that may have a significant impact on the Bank's activities | 1 | 2 | 3 | 4 |
| 5. | How well does the Board of Directors perform its duties to evaluate the work of the first head and members of the Management Board (has the Board of Directors defined the main indicators of the Bank's profitability in order to assess the effectiveness of the management Board on this basis) | 1 | 2 | 3 | 4 |
| 6. | Do you receive properly prepared materials on the agenda of the Board meeting by the Director  | 1 | 2 | 3 | 4 |
| 7. | Does the Board of Directors have sufficient time and information to make informed important decisions regarding future goals, strategy, policy, major investment projects, appointments to senior management positions, etc.  | 1 | 2 | 3 | 4 |
| 8. | To what extent does the number of members of the Board of Directors meet the needs of the Bank | 1 | 2 | 3 | 4 |
| 9. | If it does not meet the needs, what is the optimal number of members of the Board of Directors should be |  |
| 10. | How effective is the leadership of the Chairman of the Board of Directors at the level of the Board of Directors itself  | 1 | 2 | 3 | 4 |
| 11. | To what extent does the composition of the Board of Directors (in terms of the knowledge and experience of its members) enable the latter to perform the duties of monitoring and developing the Bank's strategy | 1 | 2 | 3 | 4 |
| 12. | How effective is the joint work of the members of the Board of Directors. For example, is the Board of Directors effective as a collegial body and are directors encouraged to express their dissenting opinions | 1 | 2 | 3 | 4 |
| 13. | Do the members of the Board of Directors have all the necessary skills and knowledge, and whether a variety of opinions and approaches is represented | 1 | 2 | 3 | 4 |
| 14. | What skills and qualifications do you think are needed more on the Board of Directors  |  |
| 15. | Are meetings of the Board of Directors held in accordance with the Activity Plan of the Board of Directors | 1 | 2 | 3 | 4 |
| 16. | Are meetings of the Board of Directors held in such a way as to ensure an open exchange of views, active participation of members of the Board of Directors and timely resolution of issues | 1 | 2 | 3 | 4 |
| 17. | Do reports during Board meetings provide clear enough information to make informed decisions | 1 | 2 | 3 | 4 |
| 18. | Is there enough time at the Board of Directors meetings to discuss each issue | 1 | 2 | 3 | 4 |
| 19. | Do the members of the Board of Directors allocate enough time to studying the Bank's activities and its specific characteristics in order to effectively perform their control functions | 1 | 2 | 3 | 4 |
| 20. | Do the directors disclose information about their interest in the transactions being made and do they abstain from voting in such cases | 1 | 2 | 3 | 4 |
| 21. | Does the Bank provide any form of protection in the event of your liability | 1 | 2 | 3 | 4 |
| 22. | Is the Chairman of the Board of Directors involved in the process of onboarding and adapting newly elected members of the Board of Directors | 1 | 2 | 3 | 4 |
| **Comments:** |  |

Appendix 13

to the Regulations on the Board of Directors

"Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the NMH "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of members of the Board of Directors**

**1. To be filled in by each of the members of the Board of Directors, subject to confidentiality.**

**2. On a scale from 1 to 4, mark the score that matches your opinion on the following questions:**

1=improvement is required; 2=satisfactory; 3=good; 4=excellent.

**3. Based on the results of filling out the questionnaire, the total number of questions with a mark is displayed: 1 (improvement is required), 2 (satisfactory), 3 (good) and 4 (excellent), as well as a list of comments, recommendations, wishes, etc.**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Full name of the director** | **Professional experience** | **Knowledge of the specific characteristics of the industry** | **Area of specialization** | **Strategic vision**  | **Ethics** | **Attendance at meetings**  | **Responsibility** | **Consideration of materials, signing of the minutes of the meeting of the Board of Directors** | **Teamwork** | **Active participation** |
| Director 1 |  |  |  |  |  |  |  |  |  |  |
| Director 2 |  |  |  |  |  |  |  |  |  |  |
| Director 3 |  |  |  |  |  |  |  |  |  |  |
| Director 4 |  |  |  |  |  |  |  |  |  |  |
| Director 5 |  |  |  |  |  |  |  |  |  |  |
| Director 6 |  |  |  |  |  |  |  |  |  |  |
| Director's comments: in this section, a Director can note which factors prevent him/her from exhibiting his/her skills and knowledge, affect the level of his/her participation in meetings of the Board of Directors, areas (directions) in which he/she needs to improve his/her knowledge, etc. |

**The competence model of the members of the Board of Directors**

1. Motivation (the intrinsic value of "giving" and willingness to volunteer)

2. Professional competence within the framework of the Bank's activities

3. Key competencies: ethics, teamwork, responsibility, strategic vision, active participation

**Description of key competencies:**

| **Competence** | **Indicators of the demonstrating a competence** | **Indicators of negative manifestation** |
| --- | --- | --- |
| **Ethics** | Decency, the ability to adhere to the interests of the Bank and put them above personal interests Following ethics in all areas The ability to recognize a conflict of interest, talk about it and refuse to participate in projects where it existsThe ability to openly discuss conflict situations among members of the Board of Directors, including real or potential ethical conflicts | Discussing the behavior of members of the Board of Directors with third partiesUse of information received from the Board of Directors for personal purposesUsing the powers of a member of the Board of Directors to solve personal problems and personal advancementViolation of the Bank's Code of Business Conduct |
| **Teamwork** | Ability to work in a teamUnderstanding the value of the teamThe ability to listen and hear all team members, regardless of their hierarchical placeThe ability to give and receive constructive feedback | Initiating or participating in informal coalitions pursuing personal goalsNon-constructive behavior towards members of the Board of Directors and external partners |
| **Responsibility** | The ability to fulfill the obligations assumed and complete the initiated tasks achieving a resultThe ability to plan time for effective work on the Board of Directors Preparation for meetings | Failure to fulfill the obligations assumed within the agreed time frame |
| **Strategic vision** | The ability to keep the focus on priority tasks, to find a balance between personal goals and the goals of the BankThe ability to keep focus and attention on the priorities of the direction and take targeted actions to solve key tasks | Lack of focus on key areas and tasks |
| **Active participation** | The ability to independently and without additional external motivation create benefits for the development of the BankThe ability to maintain a high level of personal involvement in the processTaking initiativeThe ability to act effectively in conditions of limited financial and time resources | Lack of initiative |

*(Appendix 13 is set out in the wording in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*

Appendix 14

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of the Human Resources, Remuneration and Social Affairs Committee in the reporting year**

**Full name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |
| --- | --- | --- |
| **1. To be filled in by each member of the HRRSAC**  |   |   |
| **2. Please choose one answer to the following questions:** |   |
| 1=improvement is required |   |   |
| 2=satisfactory |   |   |
| 3=good |   |   |
| 4=excellent |   |   |
|  |   |   |
| **Human Resources, Remuneration and Social Affairs Committee (HRRSAC)** | **SCORE** | **make your suggestions or recommendations to improve the effectiveness of the BoD** |
| 1. The composition of the committee is well balanced, and its members have the necessary competence and experience to implement the tasks and functions assigned to the committee | 1 2 3 4  |   |
| 2. The process of interaction between the Committee and the BoD is well established  | 1 2 3 4  |   |
| 3. The Committee shall contribute to the creation of an effective system for the election and appointment of candidates  | 1 2 3 4  |   |
| 4. The Committee duly fulfills its responsibilities to the Board of Directors in terms of: |   |   |
| a. ensuring the proper search and selection of candidates for the membership of the BoD based on compliance with objective and clear criteria and taking into account the need for diversity in the Board | a. 1 2 3 4  |
| b. availability of the BoD succession plan to ensure the necessary competencies in the Bank and timely updating  | b. 1 2 3 4  |
| 5. The Committee duly fulfills its responsibilities to the Board of Directors in terms of: |   |   |
| a. the existence of appropriate procedures for determining the amount of remuneration for the Management Board | a. 1 2 3 4  |
| b. providing recommendations on the remuneration structure of the Management Board and other employees in accordance with the internal documents of the Bank | b. 1 2 3 4  |
| 6. The Committee systematically provides recommendations on evaluating the performance of the Chairman of the Management Board, members of the Management Board, the head of the internal audit department, and the Corporate Secretary | 1 2 3 4  |   |

Appendix 15

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of the Strategic Planning Committee in the reporting year**

**Full name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |
| --- | --- | --- |
| **1. To be filled in by each member of the SPC**  |  |  |
| **2.     Please choose one answer to the following questions:** |  |  |
| 1=improvement is required |  |  |
| 2=satisfactory |  |  |
| 3=good |  |  |
| 4=excellent |  |  |
|  |  |  |
| **Strategic Planning Committee (SPC)** | **SCORE** | **make your suggestions or recommendations to improve the effectiveness of the BoD** |
| 1. The composition of the committee is well balanced, and its members have the necessary competence and experience to implement the tasks and functions assigned to the committee | 1 2 3 4  |  |
| 2. In the process of reviewing the strategy and program of innovative development, the committee takes into account a wide range of factors (market assessment, competitive environment, advanced innovative technologies, trends and existing business models) | 1 2 3 4  |  |
| 3. While reviewing the strategy, the Committee evaluates the Bank's capabilities in terms of its: |  |  |
| a. competencies - availability of necessary knowledge, skills, experience, expertise  | a. 1 2 3 4  |  |
| b. production capabilities – availability of the required professionals, organizational structure and management system  | b. 1 2 3 4  |  |
| c. cultures - attitudes, values, principles and approaches | c. 1 2 3 4  |  |
| 4. The Committee regularly evaluates the strengths and weaknesses of the Bank | 1 2 3 4  |  |

Appendix 16

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of the Audit Committee in the reporting year**

|  |  |  |
| --- | --- | --- |
| **Full name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****1. To be filled in by each member of the AC**  |  |  |
| **2.     Please choose one answer to the following questions:** |  |
| 1=improvement is required |  |  |
| 2=satisfactory |  |  |
| 3=good |  |  |
| 4=excellent |  |  |
|  |  |  |
| **Audit Committee (CA)** | **SCORE** | **make your suggestions or recommendations to improve the effectiveness of the BoD**  |
| 1. The composition of the committee is well balanced, and its members have the necessary competence and experience to implement the tasks and functions assigned to the committee | 1 2 3 4  |   |
| 2. The process of interaction between the Committee and the BoD is well established  | 1 2 3 4  |   |
| 3. The Committee reviews the audit approach proposed by the auditing firm and its scope, ensuring that stakeholders understand the scope of the audit and the level of assurance  | 1 2 3 4  |   |
| 4. The Committee regularly analyzes the results of the activities of the internal audit department and holds discussions on their results with the Management Board of the Bank | 1 2 3 4  |   |
| 5. The Committee systematically monitors the financial reporting process, examines interim and annual financial statements in order to reasonably recommend the Board of Directors to approve the release of such statements | 1 2 3 4  |   |
| 6. The Committee duly fulfills its responsibilities to the Board of Directors in terms of: |   |   |
| a. conducting an audit of the effectiveness of the internal control and risk management system in the Bank, including the internal audit function, except in cases when these functions are performed by the Risk Committee | a. 1 2 3 4  |
| b. analysis of the existing system on the basis of which Bank employees can inform the Committee about possible violations or shortcomings in financial statements  | b. 1 2 3 4  |

Appendix 17

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Questionnaire for evaluating the work of the Risk and Internal Control Committee in the reporting year**

**Full name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |
| --- |
| **1. To be filled in by each member of the RICC**  |
| **2.     Please choose one answer to the following questions:** |
| 1=improvement is required |  |  |
| 2=satisfactory |  |  |
| 3=good |  |  |
| 4=excellent |  |  |

|  |  |  |
| --- | --- | --- |
| **Risk and Internal Control Committee** | **SCORE** | **make your suggestions or recommendations to improve the effectiveness of the BoD**  |
| 1. The composition of the committee is well balanced, and its members have the necessary competence and experience to implement the tasks and functions assigned to the committee | 1 2 3 4  |   |
| 2. The process of interaction between the Committee and the BoD is well established  | 1 2 3 4  |   |
| 3. The Committee verifies the effectiveness of the Bank's internal control and risk management system, as well as the drafting of proposals on these and related issues  | 1 2 3 4  |   |
| 4. The Committee regularly analyzes reports from external and internal auditors on the status of the Bank's internal control and risk management systems | 1 2 3 4  |   |
| 5. The Committee reviews and preliminarily approves risk appetites, risk tolerance, methods for determining and calculating acceptable risk levels, and other internal documents on risk issues, the approval of which is provided for by the competence of the Board of Directors of the Bank | 1 2 3 4  |   |
| 6. The Committee reviews and preliminarily approves the compliance risk management policy, compliance program (plan), reports on compliance risk control, key performance indicators (KPIs) of the Chief Compliance Controller and internal documents on compliance risk management, as well as on financial monitoring issues, and their approval falls under the competence of the Board of Directors of the Bank | 1 2 3 4  |  |
| 7. The Committee duly fulfills its responsibilities to the Board of Directors in terms of: |   |   |
| a. drafting, as necessary, recommendations to the Board of Directors on attracting independent consultants (experts), as well as on conducting special investigations (inspections), including with the involvement of independent consultants (experts); | a. 1 2 3 4  |
| b. drafting recommendations on the issues under consideration to the Board of Directors as necessary; | b. 1 2 3 4  |
| c. consideration of other issues in accordance with the requirements of the National Bank of the Republic of Kazakhstan for the risk management and internal control system for second-tier banks | c. 1 2 3 4  |  |

Appendix 18

to the Regulations on the Board of Directors

of the "Otbasy Bank" House Construction Savings Bank, approved by the decision of the Board of the National Managing Holding "Baiterek" Joint Stock Company dated November 28, 2018 (Minutes No. 53/18)

**Report**

**on compliance/non-compliance with the principles and regulations**

**of the Corporate Governance Code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1**

 *name of the Bank*

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Principles and provisions of the Corporate Governance Code** | **Complied with/ partially complied with/ not complied with** | **Activities carried out to implement the principles and provisions of the Corporate Governance Code** |
| **1** | **2** | **3** | **4** |
|  | **General provisions** |  |  |
| **1.1** |  **….** |  |  |
| **1.2** | **…..** |  |  |
| 1.
 | **The principle of separation of powers**  |  |  |
| **2.1** | **….** |  |  |
| **2.2** | **….** |  |  |
|  | **The principle of protecting the rights and interests of the Sole Shareholder** |  |  |
| **3.1** | **…..** |  |  |
| **3.2** | **….** |  |  |
|  |  |  |  |
| **4.1** | *Ensuring the rights of the Sole Shareholder* |  |  |
| **4.2** | *Dividend policy* |  |  |
|  | **The principle of effective management of the Bank by the Board of Directors and the Management Board** |  |  |
| **5.1** | *An effective Board of Directors* |  |  |
| **5.2** | *Remuneration of members of the Board of Directors* |  |  |
| **5.3** | *Committees under the Board of Directors* |  |  |
| **5.4** | *Organization of the activities of the Board of Directors* |  |  |
| **5.5** | *Evaluation of the activities of the Board of Directors* |  |  |
| **5.6** | *Corporate Secretary*  |  |  |
| **5.7** | *Ombudsman*  |  |  |
| **5.8** | *Internal Audit Service under the Board of Directors*  |  |  |
| **5.9** | *Management Board* |  |  |
| **5.10** | *Evaluation and remuneration of the Management Board members*  |  |  |
|  | **Sustainable development principle** |  |  |
| **6.1** |  |  |  |
|  | **The principle of risk management, internal control and internal audit** |  |  |
| **7.1** | *Risk management and internal control* |  |  |
| **7.2** | *Internal audit* |  |  |
|  | **The principle of settling corporate conflicts and conflicts of interest** |  |  |
| **7.1** | *Corporate conflict settlement* |  |  |
| **7.2** | *Conflict of interest settlement* |  |  |
|  | **Principles of transparency and objectivity of disclosure of information about the activities of the Sole Shareholder** |  |  |
|  | **Engaging with business partners** |  |  |

*(Supplemented by Appendix 18 in accordance with the decision of the Sole Shareholder dated December 23, 2020 (Minutes No.61/20).*