**“APPROVED"**

**by the Decision of the Sole Shareholder**

**of JSC «Damu» Entrepreneurship development fund» (Minutes of the Face-to Face Meeting of the Management Board**

**of JSC "National Management Holding "Baiterek"**

**dated October 13, 2016 No. 41/16 as amended dated October 11, 2017.**

**No. 39/17, June 19, 2019 No.32/19)**

C H A R T E R

**of**

**JSC «Damu» Entrepreneurship development fund»**

**Astana, 2017**

**1. LEGAL STATUS OF THE COMPANY**

1. JSC "Damu" Entrepreneurship Development Fund" (further – Company) was established based on the Decree of the Government of the Republic of Kazakhstan dated April 26, 1997 No. 665 "On Formation of Fund of Small Entrepreneurship Development" in the form of a joint stock company with 100% (one hundred percent) state participation in the authorized capital of the Company.
2. The Sole Shareholder of the Company is "National Management Holding “Baiterek” (further – the Sole Shareholder).
3. The Company in its activity shall be guided by the Constitution of the Republic of Kazakhstan, the Civil Code of the Republic of Kazakhstan, The Law of the Republic of Kazakhstan "On Joint Stock Companies", other regulatory legal acts of the Republic of Kazakhstan, international treaties (agreements), ratified by the Republic of Kazakhstan, internal documents of the Company and the present Charter.
4. The Company acquired the rights of a legal entity from the moment of its state registration in the judicial authorities of the Republic of Kazakhstan.
5. The Company is a commercial organization, that shall have an independent balance sheet, possess property separate from the property of the Sole Shareholder, have the right to open its own banking accounts, acquire and exercise property and personal non-property rights on its own behalf, bear obligations and act as a plaintiff and defendant in the court.
6. The Company shall be liable for its obligations with its property and is not liable for the obligations of the Sole Shareholder.

The Sole Shareholder of the Company shall not be liable for its obligations and shall bear the risk of losses associated with the activities of the Company within the limits of the share value, owned by it, except in cases provided for by the legislative acts of the Republic of Kazakhstan.

1. The duration of the Company is not limited.
2. The Company shall have a round seal, stamps, logo, letterheads with its name in the state, Russian and English language.
3. The Company shall have the right to participate in the authorized capitals of other legal entities, open its branches and representative offices in the territory of the Republic of Kazakhstan and grant them rights within the provisions of the Charter in accordance with the legislation of the Republic of Kazakhstan, taking into account the established limitations.

The branch and representative office of the Company shall carry out their activities within the limits of the rights delegated to them by the Company and in accordance with the provisions thereon approved by the authorized body of the Company. The Chief Executive Officers of the branch and representative office shall act on the basis of the Power of Attorney issued by the Company within the authorities granted to them, and report to the higher-level authorities of the Company.

1. The financial and economic activities of the Company shall be carried out on the basis of its property, economic, financial and business independence.
2. The Company shall organize its work in cooperation with state bodies, representatives of public associations on support and development of private entrepreneurship, with foreign and international financial organizations, foreign governmental and non-governmental organizations.
3. The Company shall carry out its activities in accordance with the strategic directions of the Company development.

**2. NAME AND LOCATION OF THE COMPANY**

13. Name of the Company:

full name:

in the state language: "Даму" кәсiпкерлiктi дамыту қоры" акционерлiқ қоғамы;

in Russian language: акционерное общество "Фонд развития предпринимательства "Даму";

in the English language: Joint-stock company «Damu» Entrepreneurship development fund».

short name:

in the state language: "Даму" кәсiпкерлiктi дамыту қор" АҚ; "Даму" Қоры" АҚ;

in the Russian language: АО "Фонд развития предпринимательства "Даму";АО "Фонд "Даму";

in the English language: JSC «Damu» Entrepreneurship development fund»; JSC «Damu» Fund».

14. Location of the Executive Body of the Company: A05C9Y3, the Republic of Kazakhstan, Almaty, Almaty district, 111 Gogol street.

**3. GOALS, OBJECTIVES AND TYPES OF ACTIVITIES OF THE COMPANY**

15. The main goal of the Company's activity is to promote the quality development of private entrepreneurship in the Republic of Kazakhstan through providing financial and non-financial support for private entrepreneurship.

Financial support of private enterprise entities shall be carried out by the Company at the expense of attracted and own funds.

The management of own and attracted funds should be carried out effectively, with generation of income from activities and its use in the interests of the Sole Shareholder.

16. The objectives of the Company are as follows:

1) subsidization of the rate of remuneration on loans issued and leasing transactions made by the regulated banks, the Development Bank of Kazakhstan and other legal entities that carry out leasing activities, private enterprise entities;

1-1) subsidizing the coupon remuneration rate on bonds issued by private enterprises in accordance with the legislation of the Republic of Kazakhstan and included in the list of stock exchange operating in the territory of the Republic of Kazakhstan;

2) development of micro-finance organizations activity;

3) establishment of a guarantee system of private enterprise entities in receiving loans by them in the regulated banks and other legal entities;

4) development of financial leasing;

5) training and consulting in areas of private entrepreneurship, including financial and property support for private entrepreneurship;

6) promotion of private entrepreneurship ideas;

7) information analysis support of private enterprise entities;

8) financing of private enterprise entities by conditional investment of funds in the regulated banks and other legal entities, as well as by other methods, directly provided by the legislation of the Republic of Kazakhstan;

9) monitoring implementation of support programs for private enterprise entities;

10) other objectives in accordance with the legislation of the Republic of Kazakhstan and/or the decisions of the Sole Shareholder.

17. The Company shall carry out the following activities:

1) participation in the development, implementation and financing of programs (including state programs) in the field of supporting private entrepreneurship;

2) resource support for organizations, specializing in microfinance;

3) assistance in attracting institutional and private investors in microfinance (microcredit);

4) acting as a targeted foreign loan facility agent in the field of support and development of private entrepreneurship in the order established by the legislation of the Republic of Kazakhstan;

5) assistance in the development of business centers and private enterprise incubators, consulting, educational, methodological, leasing and other market infrastructures in the field of private entrepreneurship;

6) subsidization of the remuneration rate to private enterprise entities on loans issued and leasing transactions made by the regulated banks, the Development Bank of Kazakhstan and other legal entities that carry out leasing activities;

6-1) subsidizing the coupon remuneration rate on bonds issued by private enterprises in accordance with the legislation of the Republic of Kazakhstan and included in the list of stock exchange operating in the territory of the Republic of Kazakhstan;

7) granting of guarantees to private enterprise entities receiving loans in the regulated banks and other legal entities;

8) monitoring implementation of support programs for private enterprise entities;

9) additional activities aimed at achieving the objectives of the Charter and determined for the Company by the relevant Decrees of the Government of the Republic of Kazakhstan.

# 4. PROPERTY OF THE COMPANY

18. The property of the Company shall belong to it on the right of ownership. The Property of the Company shall consist of fixed and current assets, as well as other property, the value of which is reflected in the independent balance sheet of the Company.

19. The property of the Company shall be formed by:

1) the property, transferred by the Sole Shareholder in payment for shares of the Company;

2) income received as a result of its activities;

3) other property acquired on the grounds and in the manner not prohibited by the legislation of the Republic of Kazakhstan.

20. In order to achieve the goals of the Charter, the Company shall be entitled to use the property on a contractual basis provided to it by legal entities in Kazakhstan and foreign legal entities and individuals.

**5. RESERVE CAPITAL OF THE COMPANY**

21. The Company shall create and have a reserve capital.

22. The reserve capital shall be formed according to the decisions of the Sole Shareholder of the Company through deductions from the net income of the Company.

23. The procedure for using the reserve capital shall be determined by the Board of Directors of the Company.

6. RIGHTS AND OBLIGATIONS OF THE COMPANY

24. The Company shall have all the rights and bear obligations, provided by the legislation of the Republic of Kazakhstan.

25. The Company shall possess property separate from the property of the Sole Shareholder, and shall be not liable for its obligations.

26. The Company may conclude transactions (contracts, agreements) on its own behalf, as well as carry out other actions that do not contradict the legislation of the Republic of Kazakhstan.

27. The Company may acquire and grant rights to own and use security documents, technologies, know-how and other information.

28. The Company may issue securities, terms and procedure for the issue, placement, circulation and discharge of which are established by the legislation of the Republic of Kazakhstan.

29. The Company shall independently solve all issues related to the employee compensation, material and technical supply, social development, income distribution, selection, placement and retraining of personnel.

30. The Company is entitled to open accounts in banks and other financial institutions located in the territory of the Republic of Kazakhstan and abroad, in both national and foreign currency in the established order.

31. The Company shall have the right to receive and use credits (loans) in tenge and foreign currency, both from the legal entities in Kazakhstan and foreign legal entities and individuals in accordance with the legislation of the Republic of Kazakhstan.

32. The Company shall develop and approve internal regulatory and technical documentation.

33. The Company may have other rights and bear other obligations stipulated by the legislation of the Republic of Kazakhstan and this Charter.

**7. RIGHTS AND OBLIGATIONS OF THE SOLE SHAREHOLDER**

34. The Sole Shareholder shall have the right:

1) to participate in the management of the Company in the manner provided for by the legislation of the Republic of Kazakhstan and the Charter of the Company;

2) to receive dividends;

3) to receive information on the activities of the Company, including inspection of the financial statements of the Company, in accordance with the manner determined by the Charter of the Company;

4) to receive statements from the central depositary or the Nominee Shareholder, confirming its ownership of securities;

5) to challenge the decisions taken by the bodies of the Company in court;

6) to apply to the judicial authorities on its own behalf in cases provided for by the Law of the Republic of Kazakhstan "On Joint Stock Companies", with a demand to compensate the Company for losses caused to the Company by the Company officials and return profit (income) to the Company, received by the Company officials and (or) their affiliates in the result of taking decisions on the conclusion (proposals for conclusion) of large transactions and (or) transactions in which there is an interest;

7) to apply to the Company with written requests for obtaining information about its activities and receive motivated answers within 30 (thirty) calendar days from the date of receipt of the request by the Company;

8) to a part of the property upon liquidation of the Company;

9) to a preferential purchase of shares or other securities of the Company convertible into its shares, in accordance with the established procedure;

10) to demand convening a meeting of the Board of Directors of the Company;

11) to require the audit of the Company carried out by the audit organization at its own expense.

35. The Sole Shareholder may have other rights stipulated by the legislation of the Republic of Kazakhstan and the Charter.

36. The Sole Shareholder is obliged:

1) to pay up shares in the manner prescribed by the legislation of the Republic of Kazakhstan and the Charter;

2) to notify the central depositary and (or) the nominal holder of shares, owned by this shareholder, about the change of information necessary for maintenance of the system of Company shareholder registers within 10 (ten) working days;

3) not to disclose information about the Company or its activities, constituting a commercial secret or other secret protected by law;

4) to fulfil other obligations in accordance with the legislation of the Republic of Kazakhstan.

The Company and the central depositary and/or the nominal holder shall not be liable for the consequences of the failure of the Sole Shareholder to comply with the requirements established by sub-paragraph 2) of this paragraph of the Charter.

**8. SHARES AND OTHER SECURITIES OF THE COMPANY**

37. The Company shall have the right to issue shares, bonds, convertible and other securities, including derivatives. The terms and procedure for the issue, placement, circulation and discharge of the Company's securities are determined by the legislation of the Republic of Kazakhstan on the Securities Market.

38. The Company shall issue only ordinary shares.

Ordinary shares shall grant the Sole Shareholder the right to make decisions on all matters submitted for its consideration. Ordinary shares shall also grant the Sole Shareholder the right to receive dividends in the presence of the Company's net income and receive a part of the Company's property upon its liquidation in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

39. The shares of the Company shall be issued in a non-documentary form.

40. The decision on the placement (sale), including on the number of the Company outstanding (sold) shares within the number of authorized shares, the method and price of their placement (sale) should be taken by the Board of Directors of the Company.

The Company shall place its shares after the state registration of their issue.

41. The outstanding shares may be paid in money, property rights (including rights to intellectual property) and other property, with the exception of cases provided for by the legislation of the Republic of Kazakhstan.

Payment in property other than money (excluding securities) shall be carried out at a price determined by the appraiser acting on the basis of a license issued in accordance with the legislation of the Republic of Kazakhstan.

Payment of the Company outstanding shares in securities circulating on the stock exchange shall be carried out at the market price determined by the stock exchange in accordance with the method of valuing securities of the stock exchange. In the absence of a market price for such securities, calculated by the stock exchange in accordance with this method with respect to the type of securities paid for shares, the valuation of their value shall be carried out by an appraiser acting on the basis of a license issued in accordance with the legislation of the Republic of Kazakhstan.

If the right to use the property is paid for the shares of the Company, the assessment of such right is carried out based on the amount of payment for the use of this property for the entire period of its use by the Company.

Before the expiry of the specified term, the seizure of such property without the consent of the Sole Shareholder of the Company is prohibited.

It is prohibited for the Company when placing shares:

1) to acquire the placed shares;

2) to conclude contracts (to acquire derivatives), whose terms (the terms of issue) provide for the right or obligation of the issuer to repurchase the outstanding shares of the issuer.

42. Maintenance of the system of the Company's shareholders registers shall be carried out by the central depositary.

43. The Company may take in pledge securities placed by it only if:

1) pledged securities are fully paid;

2) the total number of shares being pledged and pledged to the Company is not more than 25% (twenty five percent) of the Company's outstanding shares, except for shares repurchased by the Company;

3) The Pledge Agreement was approved by the Company's Sole Shareholder.

9. DIVIDENDS

44. Dividend is the income of the Sole Shareholder on the shares owned by it, paid by the Company in accordance with the Decision of the Sole Shareholder.

Payment of dividends shall be carried out in cash or securities of the Company. Payment of dividends on shares of the Company in its securities shall be allowed only on condition that such payment is carried out by the authorized shares of the Company and and/or the bonds issued by it upon written consent of the Sole Shareholder

45. The Decision to pay dividends on ordinary shares at the end of the year shall be taken by the Sole Shareholder.

The second paragraph is set out in accordance with the Decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017 No. 39/17

Payment of dividends should be carried out no later than 90 days from the date of the decision to pay dividends on ordinary shares if there is information about the current details of the Sole Shareholder in the system of the Company shareholders register. In the absence of information on the current details of the Sole Shareholder, payment of dividends on ordinary shares should be carried out within 90 days from the date of the Sole Shareholder's application to the Company with a document confirming introduction of necessary information about it to the system of the Company shareholders register.

46. The Sole Shareholder shall have the right, within the limits of his powers stipulated by the legislation of the Republic of Kazakhstan and the Charter, to make decision on non-payment of dividends on ordinary shares at the year-end.

The decision to pay dividends should contain the following information:

1) name, location, banking and other details of the Company;

2) period for which dividends are paid;

3) size of a dividend per one ordinary share;

4) date of commencement of the dividend payment;

5) procedure and form of the dividend payment;

6) name of paying agent (if any).

47. The Sole Shareholder shall have the right to demand payment of the unclaimed dividends irrespective of the term of the Company's debt formation, except for cases when the dividend is not calculated on the grounds provided for by the legislative acts of the Republic of Kazakhstan.

In case of failure to pay dividends within the time period established for their payment, the Sole Shareholder shall be paid the principal amount of dividends and a penalty calculated on the basis of the official refinancing rate of the National Bank of the Republic of Kazakhstan on the day of execution of the monetary obligation or its corresponding part.

48. It is not allowed to accrue dividends on ordinary shares to the Sole Shareholder:

1) if the Company’s equity is negative or if the Company’s equity becomes negative as a result of accrual of dividends on its shares;

2) if the Company meets the characteristics of insolvency or unsoundness in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy or the specified signs will appear at the Company as a result of accrual of dividends on its shares;

3) in the cases provided for by the legislation of the Republic of Kazakhstan.

49. Payment of dividends on shares of the Company may be carried out through a paying agent. Payment for the services of a paying agent shall be carried out at the expense of the Company.

**10. BODIES OF THE COMPANY**

50. The bodies of the Company are as follows:

1) Higher Authority – the Sole Shareholder;

2) Management Body – the Board of Directors;

3) Executive Body – the Management Board;

4) Body exercising control over the financial and economic activities of the Company - the Internal Audit Service;

Sub-paragraphs 5-6 are set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

5) Body implementing the domestic credit policy - the Credit Committee;

6) Body to improve the management of the assets and liabilities of the Fund in order to achieve the principles of asset and liability diversification, optimize financial risks and ensure financial stability- the Asset and Liability Committee;

Sub-paragraph 50 is supplemented with subparagraphs 7) -8) in accordance with the decision of the Management Board of JSC “NMH "Baiterek” dated October 11, 2017, No. 39/17

7) Body to implement the work on recovery of problem account receivable arising from the implementation of credit, leasing, documentary (issuance of guarantees), investment and economic activities of the Company - the Committee for Work with Distressed Assets;

8) Other bodies created in accordance with the legislation of the Republic of Kazakhstan.

**11. SOLE SHAREHOLDER OF THE COMPANY**

51. The Sole Shareholder shall annually within 5 (five) months after the end of the fiscal year take decisions on the following issues attributed to the competence of the Annual General Meeting of Shareholders of the Joint Stock Company:

1) approval of the annual financial statements of the Company;

2) establishment of the procedure for distribution of the Company net income for the expired fiscal year and the amount of dividend per one ordinary share of the Company;

3) consideration of the issue on appeals of the Sole Shareholder to the actions of the Company and its officials and the results of their consideration.

The specified term shall be considered as prolonged to 3 (three) months in case of impossibility to complete audit of the Company activity for the accounting period.

52. The Sole Shareholder is entitled to consider other issues, adoption of decisions on which is attributed to the competence of the General Meeting of Shareholders of the Joint Stock Company.

53. Preparation of issues, referred to the competence of the General Meeting of Shareholders of the Joint Stock Company for making decision by the Sole Shareholder, shall be carried out by the Company's Management Board, the central depositary in accordance with the Agreement concluded with him, the Board of Directors of the Company.

54. Submission of issues for the consideration of the Sole Shareholder within the competence of the Annual General Meeting of Shareholders shall initiated by the Board of Directors of the Company.

55. Submission of the remaining issues for the consideration of the Sole Shareholder, referred to the competence of the General Meeting of Shareholders, is initiated by the Board of Directors of the Company, the Sole Shareholder, and in the process of solvent liquidation - may also be initiated by the Liquidation Commission of the Company.

Legislation of the Republic of Kazakhstan may provide for cases of mandatory submission of issues for consideration by the Sole Shareholder.

56. The costs of submitting issues for consideration of the Sole Shareholder shall be borne by the Company, except for cases stipulated by the legislation of the Republic of Kazakhstan.

57. Materials on issues submitted for consideration by the Sole Shareholder should contain information in the amount necessary to make reasoned decisions on these issues.

58. Materials on the election of the Company bodies should contain the following information about the proposed candidates:

1) surname, name, and also patronymic if desired;

2) information on education;

3) information on affiliation to the Company;

4) information on places of work and positions held for the last three years;

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

If the issue on election of the Board of Directors of the Company (election of a new member of the Board of Directors of the Company) is included in the agenda, the materials shall indicate which representative is the proposed candidate to the members of the Board of Directors of the Company, or whether it is a candidate for the position of an Independent Director of the Company.

59. The materials of the Joint Stock Company on issues referred to the competence of the Annual General Meeting of Shareholders of the Joint Stock Company to be submitted for consideration to the Sole Shareholder should include:

1) annual financial statements of the Company;

2) an audit report to the annual financial statements;

3) proposals of the Board of Directors of the Company on the procedure for the Company's net income distribution for the expired fiscal year and the amount of dividends for the year per one ordinary share of the Company;

4) information on appeals of the Sole Shareholder to the actions of the Company and its officials and the results of their consideration;

5) other documents at the discretion of the initiator of the Annual General Meeting of Shareholders of the Joint Stock Company.

12. EXCLUSIVE COMPETENCE OF THE SOLE SHAREHOLDER

Paragraph 60 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

60. The exclusive competence of the Sole Shareholder shall include the adoption of decisions on issues on/about:

1. introduction of amendments to the Charter or approving the Restated Charter;
2. approval of the Corporate Governance Code, as well as introduction of amendments to it;
3. voluntary reorganization or liquidation of the Company;
4. determination of the number of members, term of office of the Board of Directors, appointment of its members and early termination of their powers, as well as determination of the amount and terms of remuneration payment and reimbursement for expenses to members of the Board of Directors for the performance of their obligations;
5. increase in the number of authorized shares of the Company or change in the type of unplaced authorized shares of the Company;
6. determining the conditions and procedure for converting securities of the Company, as well as changing them;
7. voluntary delisting of the Company's shares;
8. introduction and cancellation of the "golden share";
9. issue of securities convertible into ordinary shares of the Company;
10. exchange of offered shares of one type for shares of another type, determination of conditions, terms and procedure of such exchange;
11. determination of the audit organization carrying out the audit of the Company;
12. appointment of audits (inspections) in the Company;
13. approval of annual financial statements;
14. approval of the procedure for the Company's net income distribution for the reporting financial year, payment of dividends on ordinary shares and approval of the dividend amount per one ordinary share of the Company;
15. participation of the Company in the creation or activities of other legal entities or the withdrawal from the membership (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets in the amount of twenty five and more percent of all assets belonging to the Company;
16. election of the Chairman of the Management Board of the Company, as well as early termination of his powers;
17. non-payment of dividends on ordinary shares of the Company;
18. determining the procedure for providing information to the Sole Shareholder on the Company's activities, if such procedure is not determined by the Charter of the Company;
19. approval of changes in the methodology for determining the value of shares when they are repurchased by the Company on an informal market in accordance with the legislation of the Republic of Kazakhstan;
20. approval of the annual report of the Company;
21. approval of documents regulating the internal activities of the Company, according to the list determined by the Sole Shareholder, as well as amendments thereto;
22. giving direct (operative) instructions to be performed by the Company on the issues of its activities;
23. bringing to the disciplinary responsibility of the Head of the Executive Body of the Company, early removal of disciplinary sanctions;
24. entering into a major transaction by the Company, as a result of which the Company acquires or disposes of (may acquire or dispose of) property having a value of fifty per cent or more of the total book value of the Company’s assets at the date of making the decision on the transaction, as a result of which fifty percent or more of the total book value of its assets are acquired or disposed of (may be acquired or disposed of);
25. other issues, the adoption of decisions on which is attributed by the legislation of the Republic of Kazakhstan and (or) the Charter to the exclusive competence of the Sole Shareholder.

61. It is not allowed to transfer issues, the adoption of decisions on which is attributed to the exclusive competence of the Sole Shareholder, to the competence of other bodies, officials and employees of the Company, unless otherwise stipulated by the legislative acts of the Republic of Kazakhstan.

62. The Sole Shareholder shall have the right to cancel any decision of other bodies of the Company on issues related to the internal activities of the Company.

13. BOARD OF DIRECTORS OF THE COMPANY

63. The Board of Directors of the Company shall exercise general management of the Company's activity, with the exception of resolving issues referred to the exclusive competence of the Sole Shareholder by the legislation of the Republic of Kazakhstan and the Charter. Decisions of the Board of Directors of the Company shall be taken in the manner determined by this Charter.

64. According to the decision of the Sole Shareholder, in accordance with the legislation of the Republic of Kazakhstan, members of the Board of Directors of the Company may be paid remuneration and (or) reimbursed expenses related to performance of their functions of the members of the Board of Directors of the Company during the performance of their duties. The amount of such remunerations and the conditions for their payment are determined by the decision of the Sole Shareholder.

Paragraph 65 is set out in accordance with the decision of the Management Board of JSC "NMH “Baiterek” dated 11.10.2017, No. 39/17

65. Unless otherwise specified by the legislation of the Republic of Kazakhstan, the exclusive competence of the Board of Directors of the Company includes the adoption of decisions on issues on/about:

1. preliminary consideration of issues submitted to the Sole Shareholder;
2. repurchase of outstanding shares or other securities by the Company and the price of their repurchase;
3. preliminary approval of the Company's annual financial statements;
4. determination of priority directions of the Company's activity and Development Strategy of the Company, introduction of amendments and monitoring of its implementation;
5. determination of the terms and conditions for the issue of bonds and derivatives of the Company, as well as their issue;
6. placement (sale) of shares, including the number of shares being placed (sold) in the Company within the number of authorized shares, the method and price of their placement (sale), except in cases provided by the Law of the Republic of Kazakhstan «On Joint Stock Companies;
7. appointment, determination of the term of office of the Corporate Secretary, the order of his work, early termination of his powers, determination of (changing) the amount of official salary and terms of remuneration, bonuses (compensation), providing social support, and deciding on awarding (payment of remuneration);
8. settlement of corporate conflicts on the matters within the competence of the Board of Directors, as well as individual conflicts falling within the competence of the Management Board, if the conflict (s) occurred in the result of actions (inaction) of the Management Board or decisions taken by the Management Board;
9. determination of the number of members, terms of office of the Company's Management Board, the work order, election and early termination of the powers of the members of the Management Board, with the exception of the Chairman of the Management Board of the Company, determination (changing) of the amounts of salaries and terms of remuneration and bonuses (rewards), providing social support, and making decisions on awarding (payment of remuneration) of the Chairman and members of the Management Board of the Company;
10. granting consent to the members of the Board of Directors of the Company regarding the opportunity to work and/or hold the position (s) in other organizations that arose after election to the Board of Directors of the Company;
11. approval of the total number of employees;
12. approval of documents, including documents regulating internal activities of the Company, according to the list determined by the Board of Directors (except for documents adopted by the Sole Shareholder and the Management Board for the purpose of organizing the Company’s activities), including the internal document establishing the conditions and procedure for holding auctions and subscription of the Company’s securities, as well as amendments and additions there to;
13. creation and closing of branches and representative offices of the Company and approval of provisions on them;
14. acquisition (alienation) by the Company of ten and more percent of shares (partnership interests in the authorized capital) of other legal entities, as well as the Company's participation in the creation of other organizations;
15. increase in the Company's liabilities by an amount equal to ten percent or more of its own capital;
16. conclusion by the Company of major transactions and transactions in which the Company has an interest, except for major transactions, the decision on concluding of which is taken by the Sole Shareholder in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies";
17. approval of the Company's Development Plan, as well as making amendments and monitoring of its implementation;
18. approval of the Plan of Measures for the strategy implementation, introduction of amendments, as well as monitoring of its implementation;
19. determination of the number of members, term of office of the Internal Audit Service, appointment of its Head and members, as well as early termination of their powers, determining the procedure for the Internal Audit Service, determining (changing) the amount of salaries and terms of remuneration, bonuses (rewards), as well as the decision to award bonuses to the Head and members of the Internal Audit Service;
20. approval of internal documents on risk management (risk management policy, risk register, risk map, action plan for managing critical risks, matrix of business processes, risks and controls, risk appetite, key risk indicators, risk reports), as well as introduction of amendments to them;
21. creation of committees of the Board of Directors of the Company, determination of the number of members and term of office of the Board of Directors committees, election and early termination of the powers of the Chairman and members of the Board of Directors Committees, and approval of the provisions of the Board of Directors Committees, making amendments and additions thereto;
22. approval of reports on the work of the Board of Directors, committees of the Board of Directors of the Company, the Corporate Secretary, the Internal Audit Service, the Compliance Controller, the Ombudsman;
23. matters related to the competence of the General Meeting of Shareholders (members) of a legal entity, ten or more percent of shares (interests in the authorized capital) of which belongs to the Company;
24. determining the amount of payment for the services of an audit organization for the audit of financial statements, as well as an appraiser for assessing the market value of property transferred for payment of shares in the Company or being the subject of a major transaction;
25. determination of information about the Company or its activities, which constitutes official, commercial secret or other secret protected by law;
26. granting consent for the possibility of members of the Management Board of the Company to work in other organizations;
27. appointment, determination of the term of office and early termination of the powers of the Ombudsman;
28. approval of certain types of standards and other limits of administrative expenses of the Company, introduction of amendments to them;
29. bringing to disciplinary responsibility and early removal of disciplinary penalties from employees who are accountable to the Board of Directors of the Company, with the exception of the Chairman of the Management Board;
30. appointment, determination of the term of office of the Compliance Controller, the order of his work, early termination of his powers, determination (changing) of the amount of official salary and terms of remuneration, bonuses; providing social support, as well as making a decision on awarding the Compliance Controller;
31. giving direct (operative) instructions to be performed by the Company on its activities, as well as reviewing the results of their execution;
32. approval of the Report on Compliance/Non-compliance with the principles and provisions of the Corporate Governance Code;
33. other issues stipulated by the legislation of the Republic of Kazakhstan and (or) the Charter, not falling within the competence of the Sole Shareholder.

66. The issues listed in paragraph 65 of the Charter can not be transferred for resolution to the Management Board of the Company.

The Board of Directors of the Company is not entitled to take decisions on issues that, in accordance with the Charter, are attributed to the competence of the Management Board of the Company, as well as to take decisions that contradict the decisions of the Sole Shareholder.

67. A person who is not a shareholder of the Company and is not proposed (not recommended) to be elected to the Board of Directors as a representative of the Sole Shareholder may be elected as a member of the Board of Directors of the Company.

Members of the Board of Directors of the Company who are civil servants and exercising their powers in accordance with their official duties do not receive remuneration for exercising their powers in the Board of Directors of the Company.

The number of members of the Board of Directors of the Company is at least (5) five people. The number of independent directors who are members of the Board of Directors of the Company may not be less than thirty percent of the composition of the Board of Directors of the Company.

Candidates for members of the Board of Directors and members of the Board of Directors of the Company should have relevant work experience, knowledge, qualifications and positive achievements in the business and (or) industrial environment necessary to fulfil their obligations and organize effective work of the Board of Directors in the interests of the Sole Shareholder and the Company.

A person can not be elected to the position of a member of the Board of Directors:

- having a conviction that is not expired or removed in the manner prescribed by law;

- previously having been the Chairman of the Board of Directors, the Head (Chairman) of the Management Board), the Deputy Head, the Chief Accountant of another legal entity, in a period not more than one year before the decision on compulsory liquidation or compulsory redemption of shares, or the conservation of another legal entity recognized as a bankrupt, in accordance with the established procedure. The specified requirement is applied within five years after the date of adoption of the decision on compulsory liquidation or compulsory redemption of shares, or the conservation of another legal entity recognized as bankrupt in accordance with the established procedure.

Candidates elected to the Board of Directors of the Company as independent directors and members of the Board of Directors - independent directors of the Company, in addition to the above requirements, should meet the requirements expressly provided by the Law of the Republic of Kazakhstan "On Joint Stock Companies"

Candidates elected to the Board of Directors of the Company and members of the Board of Directors should also comply with the requirements for persons elected to the Board of Directors of the Company, certain legislation of the Republic of Kazakhstan and (or) decisions of the Company's Sole Shareholder.

68. The members of the Management Board of the Company, except for the Chairman of the Management Board of the Company, can not be elected to the Board of Directors of the Company. The Chairman of the Management Board of the Company can not be elected as the Chairman of the Board of Directors of the Company.

The first sub-paragraph of paragraph 69 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

69. Persons elected to the Board of Directors of the Company may be re-elected an unlimited number of times, and unless otherwise provided by this Charter, the maximum term of their tenure in the Board of Directors of the Company can not exceed in total more than 6 (six) years, including independent directors that are elected for a period of not more than 3 (three) years, and thereafter, subject to satisfactory results of the evaluation of their activities, may be re-elected for up to 3 (three) years.

In exceptional cases, independent directors may be elected for a term of more than 6 (six) years, while the election of such a person to the Board of Directors of the Company shall take place annually or in another period, with a detailed explanation of the need to elect this member of the Board of Directors of the Company and the effect of this fact on the independence of decision-making.

The term of office of the Board of Directors of the Company shall expire at the time of adoption by the Sole Shareholder of the decision, which elects the new Board of Directors of the Company. The Sole Shareholder shall have the right to early terminate the powers of all or some members of the Board of Directors of the Company. The powers of such a member of the Board of Directors of the Company shall be terminated from the date of adoption of the decision on early termination of his powers by the Sole Shareholder.

Early termination of powers of a member of the Company’s Board of Directors at his/her own initiative shall be carried out on the basis of a written notice of the Company’s Board of Directors. The powers of such member of the Company’s Board of Directors shall be terminated from the moment of receipt of the specified notice by the Company’s Board of Directors, unless the date of early termination of powers of such member of the Company’s Board of Directors is specified in the notice.

70. In the event of early termination of the powers of a member of the Board of Directors of the Company and election of a new member of the Board of Directors of the Company, the powers of the latter shall expire simultaneously with the expiration of the term of office of the Company Board of Directors as a whole.

71. The Chairman of the Board of Directors of the Company shall in the manner established by the legislation of the Republic of Kazakhstan and the Charter:

1) organize the work of the Board of Directors of the Company;

2) convene meetings of the Board of Directors of the Company and preside over them;

3) organize keeping of minutes at meetings.

In the absence of the Chairman of the Company Board of Directors, its functions are exercised by one of the members of the Company Board of Directors by decision of the Company Board of Directors.

72. The Meeting of the Company Board of Directors may be convened on the initiative of its Chairman or the Company Management Board or on demand of:

1) any member of the Company Board of Directors;

2) an audit organization that audits the Company;

3) the Sole Shareholder;

4) Internal Audit Service of the Company.

73. The request to convene a Meeting of the Company Board of Directors shall be presented to the Chairman of the Company Board of Directors by sending a relevant written message containing the proposed agenda of the Meeting of the Company Board of Directors.

In the event that the Chairman of the Board of Directors refuses to convene the meeting, the initiator shall have the right to apply to the Management Board of the Company with this requirement, which is required to convene a meeting of the Company Board of Directors.

The meeting of the Company Board of Directors shall be convened by the Chairman of the Board of Directors of the Company or the Management Board of the Company not later than fifteen working days from the date of receipt of the request for convocation.

The Meeting of the Board of Directors of the Company shall be held with the obligatory invitation of the person who presented the said request.

The procedure for sending notification to members of the Board of Directors of the Company on holding a meeting of the Board of Directors of the Company is determined by the Board of Directors of the Company.

The absentee ballot which, submitted in a unified form to all members of the Board of Directors of the Company, is attached to the written notifications on holding a meeting of the Board of Directors of the Company in writing.

The absentee ballot shall contain:

1) name and location of the Company;

2) date of submission of the signed ballot to the Corporate Secretary;

3) the Meeting agenda;

4) issues put to the vote, and options for voting on them;

5) other information.

When sending the absentee ballots to the members of the Board of Directors of the Company, the Corporate Secretary shall certify their correct and uniform drawing up with the signature.

The notification of the Meeting of the Board of Directors of the Company shall contain information on the date, time and place of the meeting, its agenda, as well as in cases of holding a face-to-face meeting, explaining of the possibility of a member of the Board of Directors of the Company to vote by sending a written notice on the agenda, when he can not attend the meeting.

Materials on the agenda shall be submitted to the members of the Board of Directors of the Company not less than 10 (ten) business days before the date of the meeting.

74. Member of the Board of Directors of the Company is obliged to notify in advance the Management Board of the Company of the impossibility of his participation in the Meeting of the Board of Directors of the Company.

75. The quorum for the Meeting of the Board of Directors of the Company shall be not less than half of the number of members of the Board of Directors of the Company and may be determined taking into account the absent members of the Board of Directors of the Company (in the presence of their votes expressed in writing).

In the event that the total number of members of the Board of Directors of the Company is not sufficient to achieve the quorum defined in the previous paragraph of this paragraph of the Charter, the Board of Directors of the Company shall submit to the consideration of the Sole Shareholder the issue of electing new members of the Board of Directors of the Company. The remaining members of the Board of Directors of the Company shall have the right to decide only on the bringing of such an issue for consideration by the Sole Shareholder.

76. Each member of the Board of Directors of the Company shall have one vote. Decisions of the Board of Directors of the Company shall be made by a simple majority votes of the members of the Board of Directors of the Company, unless otherwise provided by the Law of the Republic of Kazakhstan "On Joint Stock Companies".

If the votes are equal, the vote of the Chairman of the Board of Directors of the Company or of the person presiding at the meeting of the Board of Directors of the Company is decisive.

The Board of Directors of the Company shall have the right to take a decision to hold its closed meeting, in which only members of the Board of Directors of the Company can take part.

The decision on conclusion of transactions in the performance of which the Company has an interest shall be adopted in the manner determined by the legislation of the Republic of Kazakhstan and internal documents of the Company.

In case of consideration of the issue on taking a decision on the conclusion of a major transaction and/or an interested-party transaction, information on the transaction should include information on the parties to the transaction, the terms and conditions of the transaction, the nature and extent of participation of the persons involved, and the appraiser report (in the case stipulated by the Law of the Republic of Kazakhstan "On Joint Stock Companies").

The sixth sub-paragraph of paragraph 76 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

77. At the discretion of the Chairman of the Board of Directors of the Company, the adoption of decisions by the Board of Directors of the Company on matters submitted for its consideration shall be possible through absentee voting. In this case the absentee ballot are used on the agenda items of the meeting.

The second sub-paragraph of paragraph 77 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

At the same time, the Board of Directors shall seek to hold face-to-face meetings and minimize the number of meetings in absentia.

The decision by absentee voting shall be deemed accepted if there is a quorum in the ballots received within the established time limit. The decision of the meeting in absentia of the Board of Directors of the Company should be executed in writing and signed by the corporate secretary and the Chairman of the Board of Directors of the Company, and also contain:

1) name and location of the Company (its Management Board);

2) date and place of written registration of the decision of the meeting in absentia;

3) information on the membership of the Board of Directors of the Company;

4) indication of the person (body) that convened the Meeting;

5) the Meeting agenda;

6) record of the presence/absence of a quorum for making a decision;

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

8) other information.

It should be sent to the members of the Board of Directors of the Company with the enclosure of ballots on the basis of which this decision was made within twenty days from the date of registration of the decision.

78. Decisions of the Board of Directors of the Company that were adopted at its meeting held in the internal order shall be drawn up by a protocol to be drawn up and signed by the person presiding at the meeting and the Corporate Secretary within three days from the day of the meeting and contain:

1) full name and location of the Company (its Management Board);

2) date, time and place of the Meeting;

3) information about the persons who participated in the Meeting;

4) the Meeting agenda;

5) issues put to vote and voting results thereon, reflecting the voting result of each member of the Board of Directors of the Company for each issue on the agenda of the meeting of the Board of Directors of the Company;

6) adopted decisions describing the discussion on each issue;

7) other information on the decision of the Board of Directors of the Company.

Minutes of Meetings of the Board of Directors of the Company and resolutions of the Board of Directors of the Company adopted by absentee voting, as well as ballots with signatures shall be stored in the Company's archives.

The Corporate Secretary, at the request of a member of the Board of Directors of the Company, should provide him with the Minutes of the Meeting of the Board of Directors of the Company and decisions taken by absentee voting for familiarization and (or) give him extracts from the Minutes and decisions certified by the signature of the authorized employee of the Company.

The Board of Directors of the Company shall:

1. monitor and, if possible, eliminate potential conflicts of interest at the level of officials and the Sole Shareholder, including misuse of the Company's property and abuse of transactions in which there is an interest;

2) to monitor the effectiveness of corporate governance practices in the Company.

Paragraph 79 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

79. For consideration of the most important issues and preparation of recommendations to the Board of Directors, the Company should create committees of the Board of Directors of the Company on the following issues:

1) strategic planning;

2) personnel and remuneration;

3) internal audit;

4) social issues;

5) other issues provided for by internal documents of the Company.

Consideration of issues listed in part one of this paragraph may be attributed to the competence of one or several committees of the Board of Directors, with the exception of internal audit issues considered by a separate committee of the Board of Directors.

80. Committees of the Board of Directors of the Company shall consist of members of the Board of Directors of the Company and experts who have the necessary professional knowledge to work in a particular committee. At the same time the number of independent directors in the Committee of the Board of Directors of the Company should be at least half of its membership.

The Chairman of the Management Board of the Company can not be the Chairman of the Board of Directors of the Company.

The Committee of the Board of Directors shall be headed by a member of the Board of Directors. The Heads (Chairmen) of the Committees of the Board of Directors specified in clause 79 of this Charter are independent directors**.**

The Internal Audit Committee shall consist exclusively of members of the Company’s Board of Directors.

81. The procedure for the formation and operation of committees of the Board of Directors of the Company, as well as their quantitative composition, shall be established by an internal document of the Company approved by the Board of Directors of the Company.

**14. MANAGEMENT BOARD OF THE COMPANY**

Paragraph 82 is stated in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

82. Management of current activities shall be carried out by the Management Board of the Company. The Management Board shall be headed by the Chairman of the Management Board.

The Management Board of the Company shall have the right to take decisions on all matters of the Company's activities that are not referred by the legislative acts of the Republic of Kazakhstan and the Charter to the competence of other bodies and officials of the Company, take decisions on/about:

1. management of the Company's operational activities, ensuring the implementation of the decisions of the Sole Shareholder and the Board of Directors of the Company;
2. approving (amending and supplementing) internal documents adopted for the purpose of organizing the Company's activities, with the exception of documents whose approval by the legislation of the Republic of Kazakhstan and/or this Charter is attributed to the competence of the Sole Shareholder and/or the Board of Directors, including but not limited to:

- accounting policy;

- tax accounting policy;

- anti-corruption policy;

- rules for writing off from balance sheet and/or off-balance sheet accounts uncollectible account due to formation of provisions (waiver of rights of claim);

1. approval of the annual budget of the Company within the framework of the approved Development Plan of the Company;
2. approval of rules on remuneration, rewards, provision of social support to the Company's employees (with the exception of the Chairman and members of the Management Board, Internal Audit Service, Corporate Secretary, Compliance Controller);
3. approval of the staff schedule of the Company, taking into account the total number of employees approved by the Board of Directors;
4. creation, approval (introduction of amendments) of the provisions on committees (commissions) (other bodies of the Company) of the Company, including those at the Company's Board (collegial and advisory bodies under the Board), as well as election of members of committees (commissions) and early termination of their powers;
5. hearing reports of the chairman (s) of the Committee (s) (Commission (s)) (other bodies of the Company, as well as collegial and advisory bodies under the Board) operating in the Company (if necessary);
6. hearing reports of the Heads of the Company's structural divisions (if necessary);
7. preliminary consideration of issues submitted for consideration of the Sole Shareholder and the Board of Directors of the Company, except for the issues indicated in subparagraphs 7), 9) -10), 19), 21) -22), 26), 29) -31) of Clause 65 of this The Charter;
8. conditional investment of funds (change of conditions) in regulated banks and other legal entities for the subsequent financing of private enterprise entities, as well as for financing of private enterprise entities in other ways directly stipulated by the legislation of the Republic of Kazakhstan, and approval (amendment) of the basic conditions for financing of subjects of private entrepreneurship/conditions of financing of subjects of private entrepreneurship in other ways, directly stipulated by the legislation of the Republic of Kazakhstan;

10-1) borrowing funds (changes in borrowing conditions), determination of the procedure and conditions of borrowing;

1. granting (on refusal to grant) guarantees to private enterprise entities, termination or amendment of the main terms of the provided guarantees on the basis of the decision of the Company's Management Board, with the exception of issues falling within the competence of the Credit Committee;
2. activities of the Credit Committee:

- approval of the provision on the Credit Committee, introduction of amendments to it;-

- determination of the limit of the Credit Committee (within the limits set by the Company's Credit Policy), including on guarantee issues;

- on the delegation of authority to the Credit Committee, including the adoption of a decision on issues on termination or amendment of the main terms of the provided guarantees on the basis of a decision of the Management Board of the Company within the limits of the Credit Committee limit;

1. implementation of the Development Strategy, Development Plan, implementation of the Company's Annual Budget
2. increase in the Company's liabilities by an amount that is two to ten percent of the Company's equity capital and the conclusion of other transactions, with the exception of transactions attributed by the legislation of the Republic of Kazakhstan and (or) this Charter to the competence of other bodies and officials of the Company;
3. providing the Company with sponsor (charity) assistance in accordance with the Company's internal documents;
4. approval of programs for supporting private business entities initiated by the Company, as well as introduction of amendments to them;
5. approval of the organizational structure within the framework of the total number of employees approved by the Board of Directors after agreement with "NMH "Baiterek" JSC It is allowed to change the organizational structure no more than once in a calendar year;
6. other issues related to the provision of the Company's activities that do not fall within the exclusive competence of other bodies and officials of the Company.

83. The Management Board of the Company shall ensure timely submission to members of the Board of Directors of the Company, in the performance of the functions assigned to them, information on the Company's activities, including confidential ones, not later than ten calendar days from the receipt of the request.

84. The Management Board of the Company is obliged to execute decisions of the Sole Shareholder and the Board of Directors of the Company.

85. The Company shall have the right to challenge the validity of the transaction made by the Company's Management Board with violation of the restrictions established by the Company, if it proves that at the time of concluding the transaction, the parties were aware of such restrictions.

86. The members of the Company's Management Board shall be employees of the Company.

A member of the Management Board of the Company shall have the right to work in other organizations only with the consent of the Board of Directors.

The members of the Management Board of the Company should perform their duties in good faith and use the methods that most closely reflect the interests of the Company and the Sole Shareholder.

The members of the Management Board of the Company shall not use or allow the use of the Company's assets in contradiction to the Charter, decisions of the Sole Shareholder and the Board of Directors of the Company, or for personal purposes and abuse in making transactions with their affiliates.

The members of the Management Board of the Company are obliged to take the necessary measures to prevent damage, optimize the Company's activities by initiating a Meeting of the Management Board of the Company, informing the Chairman of the Management Board or in any other accessible way.

Members of the Management Board of the Company shall inform the Chairman of the Management Board of the state of affairs on the issues they are responsible for.

Other functions, rights and duties of a member of the Management Board of the Company shall be determined by the legislation of the Republic of Kazakhstan, the Charter, as well as the Employment Contract concluded by the said person with the Company. The Employment Contract on behalf of the Company with the Chairman of the Management Board of the Company shall be signed by the Chairman of the Board of Directors of the Company or by a person authorized by the Sole Shareholder or the Board of Directors of the Company.

An Employment Contract with the other members of the Management Board of the Company shall be signed by the Chairman of the Management Board.

87. The Management Board of the Company shall consist of at least three people.

88. As a rule, the Management Board of the Company shall meet at least once a month.

89. Decisions of the Management Board of the Company are made by a majority of the members present. Decisions of the Company's Management Board shall be executed by a protocol that should be signed by all the members of the Management Board present at the meeting and contain questions put to the vote, the results of voting on them, reflecting the result of voting of each member of the Company's Management Board on each issue.

90. The Chairman of the Board shall:

1) head the Management Board of the Company;

2) organize the implementation of decisions of the Sole Shareholder and the Board of Directors of the Company;

3) act on behalf of the Company in its relations with third parties without a Power of Attorney;

4) issue Powers of Attorney for the right to represent the Company in its relations with third parties;

5) carry out acceptance, transfer and dismissal of the Company's employees (except for cases stipulated by the legislation of the Republic of Kazakhstan), apply incentive measures to them and impose disciplinary sanctions, set the salaries of the Company's employees in accordance with the staff schedule of the Company, determine the rewards of the Company's employees, with the exception of the Corporate Secretary, Corporate Secretary staff, members of the Company's Management Board and employees of the Internal Audit Service;

6) in case of his absence, assign the performance of his duties to one of the members of the Management Board of the Company;

7) distributes duties, as well as powers and responsibilities between the members of the Company’s Management Board and other employees of the Company;

8) establish the work schedule of the Company;

9) ensure the implementation of current and future plans and programs - the work of the Company;

10) bear responsibility for the Company's work before the Sole Shareholder and the Board of Directors of the Company;

11) report to the Board of Directors of the Company and the Sole Shareholder in accordance with the legislation of the Republic of Kazakhstan;

Paragraph 12 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

12) take decisions on increasing the Company's liabilities by up to two percent of the Company's equity capital, and also close transactions on behalf of the Company that are not within the competence of the Company's bodies;

13) issue orders, give orders within the limits of his competence;

14) convene meetings of the Management Board of the Company submit to it the necessary materials for consideration;

15) conclude, modify and terminate Employment Contracts with employees of the Company, on behalf of the Company including in due course with members of the Company's Management Board, the Corporate Secretary and employees of the Internal Audit Service;

16) conclude, modify and terminate Procurement Contracts for goods, works and services, contracts not related to procurement, contracts concluded for the purpose of implementing a tool to subsidize the rate of remuneration on loans and leasing transactions of private enterprise entities on behalf of the Company; and also have the right to delegate this authority to another person of the Company;

17) excluded in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

18) ensure the development of a medium-term plan for the financial and economic activities of the Company and a report on its implementation in accordance with the procedure and terms established by the legislation of the Republic of Kazakhstan;

19) take decisions on all other issues related to the current activities of the Company necessary for the performance of objectives not related to the exclusive competence of the Sole Shareholder and the Board of Directors of the Company,as well as to the competence of the Management Board of the Company.

According to the decision of the Chairman of the Company’s Management Board, members of the Company’s Management Board and other employees of the Company may be transferred any of his/her powers in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

91. The Chairman of the Management Board shall not be entitled to hold the position of the Head of the Executive Body or of a person acting solely as the executive body of another legal entity.

Article 15 is set out in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

**15. OTHER BODIES OF THE COMPANY**

92. Committees of the Company:

1) The Credit Committee is a permanent collegial body of the Company implementing the internal credit policy of the Company.

2) The Committee for Asset and Liability Management is a permanent collegial body of the Company that carries out work related to the effective management of the assets and liabilities of the Company.

3) The Committee for dealing with distressed assets is a permanent collegial body of the Company that is engaged in the work to recover problem receivables arising from the implementation of credit, leasing, documentary (issuance of guarantees), investment, and economic activities of the Company.

93. The Chairman of each committee shall control the work of committees. In the absence of the Chairman of the Committee, his authority shall bbe vested in the Deputy Chairman of the Committee.

94. The number of employees and personal composition of each committee shall be determined by the decision of the Management Board.

The requirements for the composition of the Credit Committee shall be determined by the credit policy of the Company.

95. The Chairman of the Committee shall decide on convening the meeting of the committee, the date, time and place of the meeting and agenda issues, as well as the decision on the list of persons invited to participate in the meeting.

96. The Secretary of the Committee shall form the agenda of the committee meeting on the basis of the proposals of the Chairman of the Committee, members of the committee, heads of structural divisions of the Company and the Chairman of the Committee shall approve the agenda for the day preceding the day of the committee meeting.

97. The meetings of the Committee are held as necessary, but at least once a month. If necessary, the Chairman of the Committee may postpone the next meeting or convene an extraordinary meeting of the Committee.

98. The Meeting of the committee is held if there is a quorum of at least half of the committee members, and the quorum can be determined taking into account the absent members of the committee (in the presence of their voices expressed in writing).

99. The Chairman of the Committee shall determine the presence of a quorum at the opening of the meeting.

100. Each member of the Committee shall have one voice. Decisions on issues submitted to the Committee shall be taken by a simple majority of votes present at the meeting and expressed their opinion in writing. In case of a tie, the vote of the Chairman of the Committee is decisive.

101. Transfer of vote by a Committee member to other persons, including members of the committee, is not allowed.

In case of disagreement with the decision of the Committee, a member of the Committee shall have the right to demand, and the secretary is obliged to add a special opinion to the protocol.

102. Committees shall have the right, in accordance with the internal documents of the Company, to take decisions on the following issues, including but not limited to increasing the Company's liabilities by up to two percent of the Company's equity, by concluding transactions:

1) The Credit Committee (within the limits set by the Company's credit policy) shall decide on/about:

- provision or refusal to grant guarantees to private enterprise entities;

- termination or amendment of the main terms of the provided guarantees to private enterprises on the basis of the decision of the Credit Committee;

- termination or amendment of the main terms of the provided guarantees to private enterprises on the basis of a decision of the Board within the limits of the Credit Committee limit;

- on matters within the competence of the Credit Committee, in accordance with the internal documents of the Company.

2) The Asset and Liability Management Committee (within the limits set by the decision of the Board of Directors of the Company) shall take decisions on/about:

- opening and closing of bank accounts and bank deposits;

- changes in terms of bank account agreements and bank deposit agreements;

- Conducting repurchase transactions;

- on matters within the competence of the Assets and Liabilities Management Committee, in accordance with the Company's internal documents.

3) The Committee on work with distressed assets shall make decisions on/about:

- participation of the Company in the sale of the seized property for non-performing loans/leasing with the establishment of the cost of the repurchase;

- initiation of procedures for applying to the court with a claim for the purpose of collecting debts and bankruptcy of debtors of the Company;

- targeted sale of the Company's property without conducting an auction in accordance with the current rules of the Company;

- write-off for the balance of the uncollectible loans to collection of debts due to the formed provisions;

- withdrawing from the state registration of movable property provided as collateral for non-performing loans registered with the Company;

- on issues within the competence of the Committee for dealing with distressed assets, in accordance with the internal documents of the Company.

103. Members of the Committee, secretary of the Committee, employees of the Company invited to its meetings and other persons are obliged to keep in secret the discussion of the issues submitted for consideration by the committee, the voting process.

104. Responsibility for implementation of the decisions of the Committee shall be borne by all the structural units of the Company involved in this within their functional responsibilities.

105. Control over the implementation of the decisions of the Committee is assigned to the heads of the relevant structural divisions of the Company, if necessary, to other employees of the Company.

106. Members of the committee are obliged:

1) to act in the interests of the Company, exercise its rights and fulfil its obligations with respect to the Company in good faith and reasonably, in making decisions to assess risks and adverse consequences for the Company;

2) to participate in the meetings of the Committee;

3) to refrain from voting on issues, in making decisions for which they have a personal interest;

4) to comply with business ethics standards;

5) to maintain confidentiality of information on the Company's activities, including within three years from the date of termination of work in the Company, unless otherwise established by internal documents of the Company;

6) to act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, an Employment Contract on the basis of awareness, transparency, in the interests of the Company and its Sole Shareholder;

7) to make an objective independent judgement on the issues;

8) to act with observance of such principles as professionalism, honesty and objectivity.

107. Members of the Committee are responsible in accordance with the legislation of the Republic of Kazakhstan.

**16.** **INTERNAL AUDIT SERVICE**

108. The Internal Audit Service is established in the Company to monitor the financial and business activities of the Company. Employees of the Internal Audit Service can not be elected to the Board of Directors and the Management Board of the Company.

109. The Internal Audit Service in accordance with the procedure established by the Board of Directors shall:

1) provide the Board of Directors with independent objective information on the Company's activities;

2) exercise other functions falling within its competence, in accordance with the Regulation on the Internal Audit Service.

110. The Internal Audit Service shall report to the Board of Directors. The supervision of the Internal Audit Service shall be carried out by the Audit Committee of the Board of Directors of the Company. The tasks and functions of the Internal Audit Service, its rights and responsibilities, as well as its operating procedures, shall be determined by the Regulations on the Internal Audit Service of the Company approved by the Board of Directors.

17. OFFICIALS OF THE COMPANY

111. Officials of the Company shall:

1) perform the obligations assigned to them in good faith and use the methods that most closely reflect the interests of the Company and the Sole Shareholder;

2) not use or allow to use the Company's assets in contradiction to the Charter, decisions of the Sole Shareholder and the Board of Directors of the Company, or for personal purposes and abuse in making transactions with their affiliates;

3) ensure the integrity of the system of accounting and financial statements, including the conduct of an independent audit;

4) control the disclosure and provision of information on the activities of the Company in accordance with the requirements of the legislation of the Republic of Kazakhstan;

5) maintain confidentiality of information on the Company's activities, including within three years from the date of termination of work in the Company, unless otherwise established by internal documents of the Company;

112. Officials of the Company shall be liable, as established by the laws of the Republic of Kazakhstan, to the Company and the Sole Shareholder for damage caused by their actions and (or) inaction, and for losses incurred by the Company, including but not limited to losses incurred as a result of:

1) providing information that is misleading, or knowingly false information;

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

3) proposals to conclude and (or) take decisions on conclusion of major transactions and (or) transactions they are interested in, resulting in the occurrence of losses of the Company as a result of their unfair acts and (or) inaction, including for the purpose of obtaining profit (income) by them or their affiliated persons as a result of concluding such transactions with the Company.

Adoption the decision by the Sole Shareholder in the cases provided for by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and (or) the Company's Charter, on the conclusion of a major transaction and (or) a transaction they are interested in, does not release from responsibility an official (s) who proposed this decisions, or an official (s) acting in a bad faith and (or) who was inactive on the meeting of the Company body, the member of which he is, including for the purpose of obtaining profit (income) by them or their affiliated persons, if in the result of their activities, the Company suffered losses.

The Article is supplemented with subparagraphs 112-1 in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

112-1. The Company based on the decision of the general meeting of shareholders, or the shareholder (shareholders) owning (owning in total) five and more percent of voting shares of the Company, on its own behalf, in the interest of the Company, is entitled to file a claim in court for prosecution of an official for the damage caused to the Company as a result of performance of a transaction by the Company, in which there is an interest, and as a result of which the Company acquired or disposed of property, the value of which is ten per cent or more of the total book value of its assets, resulting in receipt of profit (income) by the official and (or) by its affiliated persons, if it is proved that, at the time of making the decision to conclude the transaction, the value of such property was clearly disproportionate to its market value determined by the appraiser in accordance with the Law of the Republic of Kazakhstan «On valuation activities in the Republic of Kazakhstan».

113. The Company on the basis of the decision of the Sole Shareholder or the Sole Shareholder on its own behalf shall have the right to apply to the court with a claim against the official to compensate the Company for damages or losses incurred by the Company, as well as on the return of profit (income) to the Company by an official (s) and (or) his affiliated persons, that was obtained as a result of taking decisions on concluding (proposing to conclude) major transactions and (or) transactions, they were interested in, that caused the occurrence of losses of the Company, if the official acted in a bad faith and (or) in the result of his inaction.

The Company on the basis of the decision of the Sole Shareholder or the Sole Shareholder on its own behalf shall have the right to apply to the court with a claim against the Company's official and (or) third party to compensate the Company for losses incurred by the Company as a result of the concluded transaction of the Company with this third party, if in the result of conclusion and (or) implementation of such a transaction, this official of the Company on the basis of an agreement with such a third person acted in violation of the requirements of the legislation of the Republic of Kazakhstan, the Charter of the Company and internal documents of the Company or its Employment Contract. In this case, the said third person and the Company's official shall act as joint debtors of the Company upon reimbursement of such losses to the Company.

Before applying to the judiciary authority, the Sole Shareholder should apply to the Chairman of the Board of Directors of the Company with a request to submit a claim for compensation to the Company for losses caused by the Company officials and return profit (income) to the Company by the Company officials and (or) their affiliates, as a result of taking decisions on the conclusion (proposal to conclude) of major transactions and (or) transactions they were interested in, at the Meeting of the Board of Directors of the Company.

The Chairman of the Board of Directors of the Company should convene face to-face meeting of the Board of Directors of the Company within 10 (ten) calendar days from the receipt of the request specified in part three of this paragraph of the Company's Charter.

The decision of the Board of Directors of the Company on the application of the Sole Shareholder shall be brought to its notice within 3 (three) calendar days from the date of the Meeting. After receiving this decision of the Board of Directors of the Company or its non-receipt within the time limits established by this paragraph of the Company's Charter, the Sole Shareholder shall have the right to apply on its behalf to the court in defence of the Company's interests in the presence of the documents confirming the request of the Sole Shareholder to the Chairman of the Board of Directors of the Company on the said issue.

114. Officials of the Company, with the exception of an official who is interested in the transaction and who proposed to conclude a transaction, as a result of which the Company caused losses, shall be released from responsibility in case they voted against a decision taken by the Company's body that caused losses to the Company or the Sole Shareholder, or they did not take part in voting for valid reasons.

The official shall be exempt from compensation for losses arising as a result of a commercial (entrepreneurial) decision if it is proved that it acted in a proper manner in compliance with the principles of the Company officials' activities as established by the Law of the Republic of Kazakhstan "On Joint Stock Companies", based on the current (appropriate) information at the time of the decision and reasonably believed that such a decision serves the interests of the Company.

This Article is supplemented with subparagraphs 114-1 in accordance with the decision of the Management Board of JSC "NMH "Baiterek" dated October 11, 2017, No. 39/17

114-1. The provisions of paragraphs 113 and 114 of this Charter shall apply to cases of damage to the Company arising as a result of the transaction specified in paragraph 112-1 of this Charter.

115. Officials of the Company recognized by the court as guilty of committing crimes against property, in the sphere of economic activity or against the interests of service in commercial or other organizations, and also released from criminal liability on the basis of clauses 3), 4), 9), 10) and 12) of the first part of Article 35 or Article 36 of the Criminal Procedure Code of the Republic of Kazakhstan for the commission of the specified crimes, within five years from the date of cancellation or expunging of a record of conviction or exemption from responsibility can not serve as officers of the Company, as well as representative of the Sole Shareholder in accordance with the procedure established by law.

116. In the event that the financial statements of the Company distort the financial position of the Company, the Company's officers who signed this financial statement of the Company shall be liable to third parties who as a result suffered material damage.

For the goals of paragraphs 112 - 116 of the Company's Charter, the following definitions are used:

in bad faith, that is the adoption of a decision (proposal to conclude) on conclusion of major transactions and (or) transactions they are interested in not in the Company's interests in violation of the principles of the Company's officials activities as established by the Law of the Republic of Kazakhstan "On Joint Stock Companies", in the result of which the Company suffered losses not covered by ordinary business risk;

inaction, that is the Company's official abstained in making a decision to conclude major transactions and/or transactions they were interested in, as a result of which the Company suffered losses not covered by ordinary business risk, or did not participate in voting without good reason.

**18.** **ACCOUNTING, ACCOUNTABILITY AND AUDIT**

117. Accounting and financial reporting is carried out in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting.

118. The Company is obliged to annually publish on the Internet-resource of the financial reporting depositary consolidated annual financial statements, and in the absence of a subsidiary organization (s) - unconsolidated annual financial statements and an audit report in accordance with the procedure and terms established by the authorized body.

Information on a major transaction and/or a transaction, the Company is interested in, shall be disclosed in the explanatory note to the annual financial statements in accordance with international financial reporting standards, and shall be brought to the notice of the shareholders and investors in accordance with the requirements of the legislation of the Republic of Kazakhstan. The information on the transaction, as a result of which ten or more percent of the assets of the Company is acquired or disposed of, should include information about the parties to the transaction, the terms and conditions of the transaction, the nature and volume of the participatory interests of the persons involved, as well as other information about the transaction.

119. The annual financial statements of the Company shall be subject to preliminary approval by the Board of Directors of the Company not later than 30 (thirty) calendar days before the date of its submission to the Sole Shareholder. The final approval of the Company's annual financial statements is carried out by the Sole Shareholder.

120. The Company is obliged to audit the annual financial statements in a period not later than 90 (ninety) calendar days after the end of the reporting period by the audit organizations in accordance with the established procedure. Audit of the financial statements of the Company may be conducted on the initiative of the Board of Directors of the Company, the Management Board of the Company at the expense of the Company or at the request of the Sole Shareholder fat its won expense, while the Sole Shareholder shall have the right to independently determine the audit organization.

In the event of an audit at the request of the Sole Shareholder, the Company is obliged to provide all necessary documentation (materials) requested by the audit organization.

If the Management Board evades carrying out an audit of the Company's financial statements, an audit can be appointed by a court decision on the suit of any interested person.

121. The statistical accounting and reporting of the Company shall be carried out in accordance with the regulatory legal acts of the Republic of Kazakhstan.

#### 19. DISLOSURE OF INFORMATION BY THE COMPANY DOCUMENTS OF THE COMPANY

122. The Company is obliged to disclose information on the Internet-resource of the depository of financial statements and the Internet-resource of the stock exchange in accordance with the procedure established by the Law of the Republic of Kazakhstan «On the securities market» and the regulatory legal act of the authorized body.

123. deleted

124. The Company's documents relating to its activities shall be subject to storage by the Company during the whole term of its activity at the location of the Management Board of the Company or in another place, upon the decision of the Company's Management Board.

The following documents are subject to storage:

1) The Charter, amendments to the Charter;

2) the Decision of the Sole Founder, amendments, introduced to the Decision of the Sole Founder;

3) permission to Company to be engaged in certain types of activities and (or) perform certain actions (operations);

4) documents confirming the Company's rights to property that is (was) on its balance sheet;

5) Share Issue Prospectus of the Company;

6) documents confirming the state registration of the securities issue of the Company, cancellation of securities, as well as approval of reports on the results of placement and redemption of the Company's securities submitted to the authorized body;

7) regulations on the Company's branches and representative offices;

8) Decisions of the Sole Shareholder and related materials;

9) Minutes of the Meetings (decisions of absentee meetings) of the Board of Directors of the Company and ballots (including ballots recognized as void), materials on the agenda of the Board of Directors of the Company affecting the rights of shareholders in accordance with the Law of the Republic of Kazakhstan «On Joint Stock Companies», the Charter and the prospectus of issue of non-state issuable securities of the Company;

10) Minutes of the Meetings (decisions) of the Management Board of the Company and other bodies functioning in the Company;

11) the Corporate Governance Code;

12) audit reports;

13) reports of appraisers on the assessment of the Company's property;

14) internal regulatory documents of the Company;

15) certificates of inspection of the Company activities by the authorized bodies.

125. Other documents, including the financial statements of the Company, shall be kept for a period established in accordance with the legislation of the Republic of Kazakhstan.

126. At the request of the Sole Shareholder, the Company is obliged to provide him with copies of documents stipulated by the legislation of the Republic of Kazakhstan in the manner approved by the Chairman of the Management Board, but not later than ten calendar days from the date of receipt of such request by the Company. Information on the Company's activities marked "Confidential", "For official use", which became known to the Sole Shareholder, can not be transferred in writing or in any other form to third parties. The Sole Shareholder who has such information is obliged to keep it in secret. Disclosure of confidential information is possible only with the permission of the Company's Management Board, otherwise the Sole Shareholder is liable under the laws of the Republic of Kazakhstan.

The documents regulating certain issues related to the issue, placement, circulation and conversion of the Company's securities containing information constituting official, commercial or other secret protected by law should be presented to the Sole Shareholder upon request.

127. The Company shall keep records of its affiliated entities on the basis of information provided by these entities or by the central depositary (only in respect of the entities being large shareholders, in accordance with the procedure established by the authorized body).

128. Individuals and legal entities that are affiliated entities of the Company are obliged to submit information to the Company within 7 (seven) days from the date of occurrence of affiliation of their affiliates.

In the event that a person specified earlier as the Sole Shareholder or an official of the Company as an affiliate ceases to be such, the Sole Shareholder or an official of the Company shall notify the Chairman of the Management Board thereof within five days.

Information on affiliated persons is provided to the Chairman of the Management Board of the Company on the appropriate form approved by the government body that regulates and supervises the securities market.

129. Persons interested in the transaction made by the Company (hereinafter referred to as interested parties) are obliged to inform the Board of Directors of the Company before taking the decision to enter into a transaction they are interested in:

1) that they are party to the transaction or participate in it as a representative or an intermediary within three working days;

2) on legal entities with whom they are affiliated, including legal entities in which they own independently or in the aggregate with their affiliates, ten and more percent of voting shares (interest, common shares) and legal entities in whose bodies they are occupy posts;

3) on transactions known to them, committed or suspected, in which they can be recognized as interested parties.

**20.** **LEGAL PROTECTION OF THE COMPANY PROPERTY**

130. Legal protection of the property of the Company and its rights is exercised in accordance with the legislation of the Republic of Kazakhstan.

21. REORGANIZATION OF THE COMPANY

131. The Company's reorganization (merger, takeover, division, spin-off, reorganization) is carried out in accordance with the legislation of the Republic of Kazakhstan.

132. Reorganization can be carried out voluntarily or compulsorily.

133. Compulsory reorganization can be carried out by decision of judicial bodies in cases provided by the legislation of the Republic of Kazakhstan.

**22. LIQUIDATION OF THE COMPANY**

134. The decision on voluntary liquidation of the Company shall be made by the Sole Shareholder, who determines the liquidation procedure by agreement with creditors and under their control in accordance with the legislation of the Republic of Kazakhstan.

135. Compulsory liquidation of the Company shall be carried out by the court in cases provided for by the legislation of the Republic of Kazakhstan.

The requirement to liquidate the Company may be brought to court by interested persons, unless otherwise provided by the legislation of the Republic of Kazakhstan.

136. A Liquidation Commission is appointed by a decision of the court or the Sole Shareholder to liquidate the Company.

The Liquidation Commission shall have the authority to manage the Company during its liquidation and the commission of actions, the list of which is determined by the legislation of the Republic of Kazakhstan.

In case of voluntary liquidation, representatives of the Company's creditors, representatives of the Sole Shareholder, as well as other persons in accordance with the decision of the Sole Shareholder, should be included in the Liquidation Commission.

137. The procedure for liquidating the Company and the procedure for satisfying the claims of its creditors shall be regulated by the legislation of the Republic of Kazakhstan.

When the Company is liquidated, its authorized, including outstanding shares shall be subject to cancellation in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The distribution of the property of the liquidated Company shall be carried out in accordance with the legislation of the Republic of Kazakhstan.

**23.** **FINAL PROVISIONS**

138. If any provision of this Charter becomes invalid, this does not affect the validity of the other provisions thereof. An invalid provision may be replaced by another that meets the requirements of the legislation of the Republic of Kazakhstan.

139. The Charter comes into force from the moment of its registration in the order established by the legislation of the Republic of Kazakhstan.

**Chairman of the Management Board**

**of Joint Stock Company**

**“Damu" Entrepreneurship Development Fund” А. Sarkulov**