

APPROVED

by the decision of the Sole Shareholder of the
"National Investment Corporation of the
National Bank of Kazakhstan" JSC
No. 6 dated October 29, 2012

**CORPORATE GOVERNANCE CODE
"National Investment Corporation of
National Bank of Kazakhstan" JSC**

Almaty, 2012

Introduction

1. The Corporate Governance Code (hereinafter referred to as the Code) is a set of rules that the "National Investment Corporation of the National Bank of Kazakhstan" Joint Stock Company (hereinafter referred to as the Company) follows in the process of its activities to ensure a high level of responsibility and ethics, including the Company's relations with other Stakeholders and within the Company.

2. The objectives of the Code are to create an exemplary corporate governance system for the Company, to ensure the transparency of the Company's management and to confirm the Company's unwavering commitment to the standards of good corporate governance.

3. The Code was developed in accordance with the Legislation of the Republic of Kazakhstan, the Model Code, taking into account the developing practice of corporate behavior in Kazakhstan, ethical standards and conditions of activity in the financial market, as well as in accordance with the principles of corporate governance recognized in international practice.

4. Corporate governance covers a full range of principles aimed at protecting the interests of Stakeholders and the Sole Shareholder, maintaining a balance between management and control, the implementation of which increases the efficiency of the Company's activities on trust management of assets of the National Fund of the Republic of Kazakhstan, gold value exchange assets of the National Bank of the Republic of Kazakhstan, pension assets and other assets.

5. The Company's officials and employees, on the basis of relevant agreements with the Company, assume the obligations stipulated by the Code and undertake to comply with its provisions in the Company.

6. The following terms and definitions are used in the Code:

The sole shareholder is the “National Bank of the Republic of Kazakhstan”

The Board of Directors is the Company's management body

The Executive Board is the executive body of the Company

The Charter - the charter of the Company

Legislation - a set of regulatory legal acts of the Republic of Kazakhstan adopted in accordance with the established procedure

Internal documents of the Company — acts that regulate the conditions and procedure for the activities of the Company, its bodies, structural divisions and employees of the Company

Stakeholder - a person whose rights are related to the Company's activities in accordance with the Legislation of the Republic of Kazakhstan and the Charter

Directors - members of the Board of Directors

Independent directors - directors defined as independent in accordance with the Legislation of the Republic of Kazakhstan

Model Code -The Model Corporate Governance Code for Joint-Stock Companies with state Participation, approved by Order No. 86 of the Minister of Economy and Budget Planning of the Republic of Kazakhstan dated May 17, 2007

Corporate conflict - a disagreement or dispute between:

- 1) The Sole Shareholder and the Company's bodies; or
- 2) the Company's bodies or their members; or
- 3) the body of the Company and the Company's Stakeholders on corporate governance issues of the Company that negatively affect the interests of the Stakeholders, the Sole Shareholder and the Company's activities

7. The terms and definitions used, but not defined in the Code, are used in the sense in which they are used in Legislation and in the Charter.

Chapter 1. PRINCIPLES OF CORPORATE GOVERNANCE

8. Corporate governance is understood as a set of processes that ensure effective management and control over the Company's activities and include the relations of the Sole Shareholder with the Board of Directors, the Executive Board and Stakeholders in the interests of Stakeholders and the Sole Shareholder.

9. The Company considers corporate governance as a means of increasing the efficiency of the Company's activities, strengthening its reputation. Corporate governance of the Company is based on the principles of fairness, honesty, responsibility, openness, transparency, professionalism and competence. An effective corporate governance structure implies respect for the rights and interests of all persons interested in the Company's activities, contributes to the successful operation of the Company, including the growth of its value.

10. The fundamental principles of the Company's corporate governance are:

- 1) the principle of protecting the rights and interests of Stakeholders and the Sole Shareholder;
- 2) the principle of effective management of the Board of Directors and the Executive Board;
- 3) principles of transparency and objectivity of information disclosure about the Company's activity;
- 4) principles of legality and ethics;
- 5) principle of effective personnel policy;

6) corporate conflict management policy.

1.1. The principle of protection of rights and interests of Stakeholders and the Sole Shareholder

11. Corporate management in the Company is based on the principle of protection and respect of rights and legal interests of Stakeholders and the Sole Shareholder and contributes to effective operation of the Company.

12. The sole shareholder has the rights stipulated by the Legislation and the Charter.

13. The procedure of interaction between the Company and the Sole Shareholder is regulated by the Legislation, the Charter and internal documents of the Company. Internal documents of the company are developed on the bases of requirements of Legislation and regulations of corporate and business ethics.

13.1. The principle of effective Company management by the Board of Directors

13.1.1. Principles of activity of the Board of Directors

14. The activities of the Board of Directors are based on the principles of maximum observance and realization of the interests of Stakeholders and the Sole Shareholder and are aimed at improving the efficiency of the Company's activities in managing the assets of the National Fund of the Republic of Kazakhstan, gold value assets of the National Bank of the Republic of Kazakhstan, pension assets and other assets under the management of the Company.

15. Directors must act on a fully informed basis, in good faith and in the best interests of the Stakeholders, the Sole Shareholder and the Company.

16. The Board of Directors ensures full transparency of its activities to Stakeholders and the Sole Shareholder.

17. The Board of Directors is responsible for the disclosure of information and information coverage of the Company's activities and is obliged to justify the classification of information and ensure the protection and safety of internal (official) information.

18. The Board of Directors must include independent directors. The criteria for the independence of directors are based on the basic provisions of the Legislation. An outstanding feature of an independent director is its independence from the control of the Sole Shareholder, the management of the Company and the state.

19. The Board of Directors exercises control over the activities of the Executive Board within the limits stipulated by the Charter.

20. Upon assumption of office, Directors assume obligations in relation to their activities to the Company.

21. The obligations of Directors to the Company, the procedure for getting

acquainted Directors with the affairs and processes of its activities, measures of responsibility for non-fulfillment of assigned obligations, the procedure for convening and holding meetings of the Board of Directors are determined by the Charter, the Provisions on the Board of Directors of the Company, and other Internal Documents of the Company.

22. The Board of Directors and the Executive Board are obliged to justify planning changes in the Company's activity and propose specific measures to preserve and protect the rights of the Sole Shareholder.

1.2.2. Principles of the Executive Board

23. The main principles of Executive Board action are the honesty, integrity, reasonableness, prudence.

24. The activities of the Executive Board are based on the principle of maximum respect for the interests of Stakeholders and the Sole Shareholder and are fully accountable to the decisions of the Sole Shareholder and the Board of Directors and are aimed at improving the efficiency of asset management of the National Fund of the Republic of Kazakhstan, gold value assets of the National Bank of the Republic of Kazakhstan, pension assets and other assets under the management of the Company.

1.3. The principle of transparency and objectivity of information disclosure about Company's activity

25. The transparency is intended to ensure a maximum validity and transparency of Company management.

26. The Sole Shareholder or the members of the Board of Directors shall be able to free access to information about the Company, necessary for appropriate decisions making.

27. The Company promptly, within the limits stipulated by the legislation of the Republic of Kazakhstan, Internal documents of the Company, discloses information about the main results, plans and prospects of its activities, which may significantly affect the rights of the Sole Shareholder, the Board of Directors, and also promptly and fully responds to the requests of the Sole Shareholder, members of the Board of Directors.

28. The Company regularly provides information on significant corporate events in the Company's activities and at the same time follows strict and reliable disclosure mechanisms and internal (non-public) information defined as confidential information.

29. The procedures and rules of the financial report and audit are aimed at ensuring the Sole Shareholder's confidence in the Company's activities.

30. Financial reporting and auditing are based on the following principles:

- 1) completeness and reliability;
- 2) impartiality and independence;
- 3) professionalism and competence;
- 4) regularity and efficiency.

The Company provides information by convenient means that do not burden access to information and is responsible for the unreliability of the information provided by it.

32. The Board of Directors differentiates the competence of the bodies and persons included in the system of control over financial and economic activities, depending on their attitude to the processes of development, approval, application and evaluation of the internal control system.

1.4. Principles of legality and ethics

33. The Company operates in strict accordance with the Legislation, generally accepted principles of business ethics, the Charter, the provisions of the Code, and its contractual obligations.

34. Relations of the Company with the members Board of Directors and Executive Board are developed on mutual trust, respect, accountability and control.

1.5. The principle of effective personnel policy

35. Corporate management in the Company is based on the protection of rights stipulated by the legislation the Company's personnel rights and shall be aimed at development of partner relations within the Company in making decision of social issues and labour conditions regulation.

36. One of the main principles of personnel policy is personnel rotation, improving labour conditions in the Company and compliance of social security rules of Comapny's personnel.

37. Corporate governance should stimulate the processes of creating a favorable and creative atmosphere in the workforce, contribute to improving the professional qualifications and efficiency of the Company's employees.

CHAPTER 2. THE SYSTEM OF CORPORATE GOVERNANCE BODIES AND CONTROL

38. The bodies forming the corporate governance and control system of the Company are:

- 1) The Sole Shareholder;
- 2) Board of Directors;
- 3) The Executive Board is headed by the Chairman of the Executive Board.

The Sole Shareholder and the Board of Directors shall make decision related to Company's activity within their competence identified by the Charter of the Company. The decisions related to the management of the current activity of the Company are made by the Executive Board and the Chairman of the Executive Board of the Company.

2.1. The Sole Shareholder

40 . The Company in accordance with the established procedure ensures implementation of the basic rights of the Sole Shareholder stipulated by the Legislation and the Charter.

41 The decisions on the issues referred by the Legislation and the Charter to the competence of the Sole Shareholder are made in established procedure by the official of the Sole Shareholder who has the right to make such decisions.

2.2. Board of Directors

2.2.1. Functions of the Board of Directors

42. The Board of Directors performs its functions in accordance with the Legislation, the Charter, the Code and other Internal documents of the Company.

43. The Board of Directors ensures implementation of interests and protection of rights of Stakeholders and the Sole Shareholder.

44. The Board of Directors approves internal procedures on management and control of activity of the Executive body of the Company within their competence provided by the Charter.

45. The activities of the Board of Directors are based on the principles of ethics of reasonableness, efficiency, activity, integrity, honesty, responsibility and accuracy.

46. Meetings of the Board of Directors shall be held based on the principle of rationality, efficiency and regularity.

47. Meetings of the Board of Directors are provided for in person and in absentia. In-person meeting of the Company's Board of Directors is the most effective. In-person meeting is a mandatory in consideration of issues and decision making on particularly important, key, strategic decisions on the Company's activity. In special cases, a combination of both forms of a meeting of the Board of Directors is possible. This applies to a situation when one or more Directors (no more than 30%) are unable to attend a meeting of the Board of Directors in person. At the same time the Directors may attend in discussion of considering issues using technical means of communication and shall provide their opinion in written form.

48. The Directors control the activity of the Company within the limits established by the Charter, keep a constant liaison with other authorities and officials of the Company.

49. To consider the most important issues and prepare the recommendation for the Board of Directors, the committees of the Board of Directors are developed on the following issues:

- 1) strategic planning;
- 2) personnel and remuneration;
- 3) internal audit;
- 4) social issues.

50. Internal documents of the Company may provide for the establishment of committees of the Board of Directors on other issues.

51. The Committees of the Board of Directors are consist of Directors and experts,

with a competent professional knowledge for the operation in a certain Committee.

52. The Committee of the Board of Directors is headed by one of the Directors. The heads (Chairs) of the committees of the Board of Directors are the Independent Directors.

53. The head of the executive body cannot be the chair of the committee of the Board of Directors.

54. The procedure of formation and work of the Committees of the Board of Directors, as well as their quantitative composition are established by the Internal documents of the Company approved by the Board of Directors.

2.2.2. Formation of the Board of Directors

55. The quantitative composition of the Board of Directors is defined by the Sole Shareholder.

56. The Board of Director shall include an independent Directors the quantity of which shall not exceed the limit established by the legislation.

57. The candidates for Directors and the directors shall have an appropriate work experience, knowledge, qualification and impeccable reputation, required for performance their duties and arrangement of effective work of all the Board of Directors in favour of Stakeholders, the Sole Shareholder and the Company.

58. The Directors shall perform their activity honestly and in a responsible manner in favour of Stakeholders and the Sole Shareholder, shall have sufficient time for effective performance of duties as a member of the Board of Directors, express own independent opinion and maintain the opinion if they suppose that it correspond to the interests of the Company, disclose honestly and fully information about the their interest in conclusion of transactions of the Company, if it is necessary for decision making within work on Board of Directors, to improve their qualification.

2.3. Executive Board

2.3.1. General provisions on the Executive Board

59. The Executive Board has the right to make decisions on issues related to the activities of the Company, that not referred by the Legislation and the Charter to the competence of the Sole Shareholder and the Board of Directors. The activity of the Executive Board is regulated by the Charter and Internal documents of the Company.

60. The Executive Board is responsible for information disclosure and informational coverage of the Company's activity in accordance with requirements of the legislation and shall provide the protection and integrity of the internal (official) information.

61. The priority of the Execution Board is to ensure compliance with the requirements of the Legislation as well as in the field of civil, financial and labour law.

62. The Executive Board is responsible for implementation of the objectives assigned by the Sole Shareholder and the Board of Directors.

63. The main areas of the Executive Board are:

- 1) definition and approval of the systems and rules of functioning of the Company;
- 2) ensuring the implementation of decisions of the Sole Shareholder and the Board of Directors of the Company;
- 3) implementation of a policy aimed at increasing the profitability of the Company;
- 4) implementation of the Company's statutory purposes and objectives;
- 5) planning;
- 6) definition of internal labor regulations;
- 7) ensuring discipline;
- 8) the imposition of penalties and the provision of encouragements, etc.

2.3.2. Development of the Executive Board

64. The Sole shareholder approves the structure and composition of the Company's Executive Board.

65. Candidates for the positions of members of the Executive Board must have the experience, knowledge and qualifications necessary for the proper performance of their duties, as well as have an impeccable business reputation.

2.4. Protection of internal information

66. When disclosing information, the Company takes into account that information constituting a commercial and other legally protected secret must be protected. The conditions of access to such information, as well as the possibility of obtaining it, are determined by the Company, taking into account the need to maintain a balance between the openness of the Company and the desire not to harm its interests.

67. The Company necessarily ensures the safety and protection of corporate (internal) information.

68. Officials and employees of the Company are responsible for the disclosure of information constituting commercial, official, as well as other legally protected secrets.

2.5. External audit

69. In order to obtain an independent opinion on the reliability and objectivity of the preparation of financial statements, the Company conducts an audit of the annual financial statements for the past year with the involvement of an external auditor (audit organization) in accordance with the requirements of the Legislation.

70. The Independent Auditor of the Company is approved by the Sole Shareholder of the Company.

Chapter 3. PERSONNEL POLICY

71. The corporate governance system is designed to promote strict compliance

with labor legislation in the areas of occupational safety and health of employees, remuneration, and social protection.

72. The Company follows the principle of preserving jobs and improving working conditions.

73. The Company maximizes the process of creating a favorable and creative atmosphere in the workforce.

Chapter 4. CORPORATE GOVERNANCE CONFLICTS

74. Directors and members of the Executive Board of the Company, as well as employees of the Company, perform their professional functions in good faith and reasonably, with due care and prudence in the interests of the Company, in order to solve the tasks assigned to the Company in accordance with the Legislation, the Charter and other Internal Documents of the Company, avoiding conflicts of interest as much as possible. It is important that they act in full compliance not only with requirements of the Legislation, but also with ethics standards and generally accepted rules of business ethics.

75. The Chairman of the Executive Board on behalf of the Company shall manage the corporate conflicts on all issues, the decisions on which not referred to the competence of other bodies of the Company, as well as shall independently define the settlements of corporate conflicts.

76. The Board of Directors settles corporate conflicts on issues within its competence.

Chapter 5. CORPORATE CULTURE OF THE COMPANY

5.1. General provisions of corporate culture

77. The Corporate culture of the Company is the combination of values and models of behavior of the Company's personnel intending the development of creative and open to innovations personnel of like-minded people supporting a high level of responsibility and ensuring proper standards of ethics.

78. One of the important elements of the Corporate culture of each employee of the Company is the continuity of traditions of the "National Bank of the Republic of Kazakhstan" including social justice, the context of mutual development, as well as the mentoring and self-education.

79. The fundamental principles of the Company 's corporate culture are:

- 1) The principle of responsibility;
- 2) The principle of modesty and simplicity;
- 3) The principle of equality;
- 4) The principle of teamwork;
- 5) The principle of innovation;
- 6) The principle of efficient use of resources;
- 7) The principle of experience transfer.

5.2. Basic principles of corporate culture

80. **Responsibility** — the Company's employees are aware of their responsibility to Stakeholders for achieving the Company's strategic purposes. The Company's employees are guided by the standards of internal ethics and honesty.

81. **Modesty and simplicity** - every employee of the Company, including senior management, adheres to the rules of honesty and modesty. The simplicity of the Company's employees is expressed in honesty and openness to new ideas and changes. The Company creates an atmosphere in which employees can freely express their own thoughts despite their position.

82. **Equality** - all employees of the Company are equal, regardless of their position and position in the Company. Only by the common efforts of all employees it is possible to create the necessary results and achieve the strategic purposes of the Company.

83. **Teamwork** is the creation and maintenance of a creative atmosphere in a team in which openness, honesty, trust and team spirit are valued above all else. The principle supposes the creation of conditions for maintaining and conducting a partnership relation in which the managers assist in development of the employees, while the important decisions are taken by consensus.

84. **Innovation** - the employees of the Company are open for changes and use resources for innovations.

85. **Effective use of resources** - the employees of the Company are aimed at minimization of the resources while achieving the purposes of the Company.

86. **Transfer of experience** - experienced employees of the Company are mentors of young employees.

Chapter 6. CONCLUSION

87. The provisions of the Code are mandatory for the Company's officials and employees.

88. Certain provisions of the Code are contained in the Charter and Internal Documents of the Company.