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*Justice Ministry of the Republic of Kazakhstan
Justice Department of Turksib District of the city of Almaty
State Registration of a Legal Entity has been performed
On this date: April 04, 2015
Certificate No. 2842 – 1910 – 07 – AK
BIN 150440000668*

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*Justice Ministry of the Republic of Kazakhstan
Justice Department of Turksib District of the city of Almaty
Amendments and additions were made
Order No. 896
Date: November 11, 2016*

Stamp:

*Justice Ministry of the Republic of Kazakhstan
Justice Department of Medeu District of the city of Almaty
Founding documents valid with amendments and additions
Order No. 757
Date: March 14, 2018*

APPROVED
by the resolution of the Sole Shareholder
JSC “QAZAQ AIR”
(Minutes of the Board of Management of JSC
“Samruk-Kazyna” No. 36/16 dated October 7, 2016)

CHARTER
of Joint Stock Company
“QAZAQ AIR”

Almaty, 2016

The present Charter (hereinafter - the Charter) is developed in accordance with the legislation of the Republic of Kazakhstan (hereinafter - RoK) and identifies legal status of «Qazaq Air» joint-stock company, as a legal entity, hereinafter referred to as «Company».

1. General Provisions

1. Name of the Company:

- 1) in the state language – «QAZAQ AIR» Акционерлік қоғамы, the short name – «QAZAQ AIR» АҚ;
 - 2) in the Russian language – Акционерное общество «QAZAQ AIR», the short name - АО «QAZAQ AIR»;
 - 3) in the English language – Joint stock company «QAZAQ AIR», the short name – JSC «QAZAQ AIR».
2. The address of the Management Board of the Company: 11/3 Mailin st., Almaty, 050039, the Republic of Kazakhstan.
3. The term of the Company's activity is perpetual.

2. Legal status of the Company

4. The Company is a legal entity established in the legal form of the joint-stock company, and is guided by the Constitution of the RoK, the Civil Code of the RoK, the Law of the RoK «On the Sovereign wealth fund», the Law of the RoK «On Joint-Stock Companies» and other legal acts of the RoK, this Charter, Code of Corporate Governance of the Company, as well as the resolutions of the Sole shareholder and other bodies of the Company.

5. The Company has a legal status upon state registration in justice authorities of the RoK.

6. Financial and operational activity of the Company is performed on the base of economic autonomy.

7. The Company has its own balance, bank accounts, seal with full name of the company in state and in Russian languages.

8. The Company has its own trademark and can have other marks, samples which are approved by the Management Board of the Company and registered in stated procedure, as well as stamps in state and in Russian languages and if required in other languages, company's letterhead papers and other details.

3. The Sole Shareholder of the Company

9. The Sole shareholder of the Company is «Sovereign wealth fund «Samruk-Kazyna» Joint-Stock Company (hereinafter —«Sole shareholder of the Company» or «the Fund»).

4. Constituent documents of the Company

10. The present Charter shall be the constituent document of the Company.

11. All the interested parties shall be entitled to familiarize with the Charter of the Company in the order established by the legislation of the RoK.

5. Object, subject and types of activity of the Company

12. The base object of the Company is increase of long-term cost and sustainable development of the Company.

13. Type of activity of the Company - performance of regional and international transportation of passengers and cargo by civil aircrafts.

14. The Company has a right, as per procedure and terms provided by the legislation to perform other activities non-prohibited by the legislation, as in the territory of the RoK, as abroad.

15. Individual type of activity, being subject to be licensed in accordance with the legislation of the RoK, the Company performs only after obtaining of relevant license.

6. Rights and obligations of the Company

16. The Company has rights and bears obligations provided by the legislation of the RoK and the Charter.

17. The Company on behalf of its name has a right:

1) to conclude the contracts (contract, agreements), perform business and other actions, which are not prohibited by the legislation of the RoK;

2) to buy in the RoK and abroad interests/shares in charter capital of legal entities, immovable property, securities, facilities of intellectual property, including rights, as well as any other property, the right of subsurface use;

3) to create in the RoK and abroad consortiums (alliance), legal entities, branches and representative offices;

4) to alienate, rent or otherwise dispose of its property and property rights in accordance with the legislation of the RoK and the Charter;

5) to perform long-term investments into securities of legal entities within the territory of RoK and abroad, other investments with the aim of long-term profit in accordance with the legislation of the RoK;

6) to participate in realization of state (national) programs and perform works/services for state needs on the contract basement and in accordance with the legislation of the RoK;

7) to carry out entrepreneurial activities abroad, including participation in the activities of international organizations and associations and organizations with participation of foreign legal entities and individuals;

8) in accordance with the legislation of the RoK to open bank accounts in the banks of the RoK and abroad;

9) through legislation decide issues related to production planning, wages of employees, logistics, social development, income distribution, selection, placement and retraining of the employees;

10) to receive loans and use credits in tenge and foreign currency, as in Kazakhstan as in foreign legal entities in accordance with the legislation of the RoK with implementation, where appropriate, hedging operations;

11) to provide other organizations, including within the Fund Group, credits (loans) in cash on the terms of payment, urgency and collectability;

12) to issue bonds and other types of securities;

13) to obtain other property and personal non-property rights.

18. The Company has its own balance and is owner of the property, which is in

charter capital of the Company as contribution, property, received from its activity, as well as property obtained on other bases which are not contradict the legislation of the RoK.

19. The Company has property, separate from the assets of the Sole shareholder of the Company, and is not responsible for its obligations. The Company is liable for its obligations within its property. The state is not liable for the obligations of the Company, the Company is not liable for the obligations of the state.

20. The Sole shareholder of the Company is not liable for the obligations of the Company and bears the risk of losses related to the Company, concerning of the value of its shares, except cases provided by the legislation of the RoK.

21. Business and relations between the Company and the Sole shareholder of the Company are carried out on normal commercial terms under the legislation of the RoK.

22. The Company discloses information and publishes its financial statements in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting and other regulatory legal acts of the Republic of Kazakhstan and internal documents of the Company.

23. The Company can establish its branches and representative offices in Kazakhstan and abroad, and provide them fixed and current assets using own property and to determine the order of their activities in accordance with the legislation of the Republic of Kazakhstan.

24. The Company shall approve to the branches and representative offices the range of positions appointed by the Company, as well as the size of the annual payroll. The head of the branch and representative offices shall act on the basis of powers of attorney issued by the Company, as well as the Regulations on branches and representative offices.

25. The Company shall develop and approve the internal regulations governing the activities of the Company which are mandatory for all divisions of the Company, in accordance with standards established by the legislation of the Republic of Kazakhstan.

26. The Company may have other rights and perform other duties stipulated by the legislation of Kazakhstan and the Company Charter

7. Rights and obligations of the Sole shareholder of the Company

27. The Sole shareholder of the Company has a right:

1) to participate in management of the Company in accordance with the legislation of the RoK and the Charter;

2) to receive dividends on the terms and conditions stipulated by the legislation of the RoK, the Company's bylaws and the Charter;

3) to receive information about the Company's activity, including to acquaint with the financial reports of the Company in the manner specified by the Sole shareholder of the Company or the Charter, information on the activities of affiliated entities of the Company;

4) to apply to the Company with written inquiries on its activities, including in the context of affiliated entities, and get motivated answers within the prescribed terms or not later than thirty days from the date of receipt of the request to the Company.

Access to information constituting state secrets, is carried out in accordance with the legislation of the RoK;

5) to receive statements from the Company's registrar or nominal holder confirming its ownership of securities of the Company;

6) to elect members of the Board of Directors of the Company;

- 7) to contest in the courts resolutions made by the Company's bodies;
- 8) on part of property after liquidation of the Company;
- 9) pre-emption of shares or other securities of the Company convertible into its shares, in accordance with the legislation of the RoK;
 - 10) to demand the convening of meeting of the Board of Directors of the Company;
 - 11) to demand performance of audit by audit company at its expenses;
 - 12) to apply the courts on behalf of its name in the cases stipulated by the legislation of the RoK, claiming compensation for the Company incurred losses from officers of the Company, and the return by the Company's officers to the Company and (or) its affiliated entities income (profit) received by them in the result of the adoption of resolutions (proposal to conclusion) of major transactions and (or) transactions with related parties;
 - 13) in accordance with the legislation to receive compensation for breaching its rights.

28. The Sole shareholder can have other rights provided for the legislation of the RoK, the Charter.

29. The Sole shareholder is obliged:

- 1) to pay shares in accordance with the legislation of the RoK and the Charter;
- 2) within 10 (ten) days to notify the Company's registrar or nominal holder owned by the Sole shareholders about changes of information required for system of shareholder's registers;
- 3) not to disclose information about Company or its activity constituting work, commercial or any other secret;
- 4) to perform other obligations in accordance with the legislation of the RoK, the Charter.

30. The Company and the Company's registrar shall bear no responsibility for the consequences of a failure to perform the requirements set by sub-item 2) of item 29 of this article of the Charter

8. Shares and other securities of the Company

31. The Company issues ordinary shares. Ordinary shares of the Company are issued in non-documentary form. The share is indivisible.

32. The ordinary share provides the Sole shareholder of the Company the right to make any resolutions on matters, which are subject to its decision. The ordinary share provides the Sole shareholder of the Company the right to receive dividends if the Company has net profit at the year-end and to receive part of property of the Company if the Company is liquidated as per legislation of the RoK.

33. Decision on placing of shares, including their quantity, way and price, to be taken by the Board of Directors of the Company.

34. The Company places its shares after state registration and their issuance.

35. The payment for shares may be made by money, property rights (including the right to intellectual property) and other property, except cases provided by the legislation of the RoK.

36. Other way of payment, apart from the money, property (excluding securities) at the price determined by an evaluator acting on the basis of a license issued under the legislation of the RoK.

37. Information about the own shares acquired by the Company, must be included in the system of registers of securities holders.

38. Keeping the share register of the Company may only be performed by the registrar of the Company.

39. The document, confirming the right of the Sole shareholder of the Company for the signed and fully paid shares, is an extract from the share register.

40. The Company shall take a pledge placed shares only in cases established by legislation of the RoK.

41. In order to attract additional funds the Company may issue bonds in accordance with the legislation of the RoK.

42. The procedure and conditions of issuance, placement, circulation of bonds, the payment of interest on it, repayment of the bonds and the use of funds from the sale are determined by the legislation of the RoK and the bonds issue prospectus. The Company may change the terms of the bond issuance in the manner stated by the legislation.

43. The Company has the right to issue other securities, the terms and procedure of issuance, placement, circulation and redemption of which are established by the legislation of the RoK.

9. Dividends

44. The Company's net profit at the year-end (after taxes and other obligatory payments to the budget) is allocated in a manner determined by the decision of the Sole shareholder of the Company.

45. Dividend is an income of the Sole shareholder of the Company to be paid by the Company in accordance with the decision of the Sole shareholder of the Company for the year.

46. Payment of dividends may be made in cash or securities of the Company, provided that the decision on dividend payment was made by the Sole shareholder of the Company.

47. The decision to pay dividends on ordinary shares for the year takes the Sole shareholder. The Company, in accordance with the legislation of the RoK, carries out payment of dividends on shares in accordance with the dividend policy of the Company. The decision of the Sole shareholder of the Company to pay dividends on ordinary shares for the year indicates the amount of dividend per ordinary share.

48. The Sole shareholder has a right to make decision not to pay dividends on ordinary shares. .

Decision on dividends payment has to include following:

- 1) name, location, bank details and other information of the Company;
- 2) paid dividends period;
- 3) amount of dividend as per one ordinary share;
- 4) start date of dividends payment;
- 5) procedure and form of dividends payment.

49. The Sole shareholder of the Company shall be entitled to demand payment of uncollected dividends irrespective of the term of the indebtedness of the Company.

In the case of non-payment of dividends within the prescribed period, the Sole

shareholder shall be paid the principal amount of the dividend and penalties, calculated on the basis of the official refinancing rate of the authorized body of the RoK on the day of the monetary obligation or part thereof.

50. Dividends on ordinary shares are not allowed to be paid if:

- 1) unfavorable amount of own capital or if own capital of the Company becomes unfavorable as a result of dividends accrual on ordinary shares;
- 2) if the Company meets the insolvency or bankruptcy, in accordance with the legislation of the RoK on rehabilitation and bankruptcy or these signs appear as a result of accrual of dividends on its shares.

10. Bodies of the Company

51. Bodies of the Company are:

- 1) supreme body - the Sole shareholder of the Company;
- 2) management body - the Board of Directors;
- 3) executive body - Management Board;
- 4) body responsible for supervising the financial and economic activities of the Company, evaluation of internal control, risk management and consultancy in order to improve the activity of the Company - Internal Audit Service.

11. The Sole shareholder of the Company

52. Decisions on the matters within the legislation of the RoK, the Charter to the competence of the general meeting of shareholders of the Company are made by the Sole shareholder in writing.

53. The Sole shareholder of the Company shall annually during the five months after the end of the financial year to make decisions on matters within the competence of the Annual General Meeting of Shareholders. This time limit shall be deemed extended up to three months in the case of failure to complete the audit of the Company for the reported period.

54. Preparation of issues related to the competence of the general meeting of shareholders to decide by the Sole shareholder of the Company may be carried out by the Management Board, the registrar of the Company in accordance with the concluded agreement, the Board of Directors of the Company, the liquidation commission of the Company.

55. Introduction of issues for the Sole shareholder's review, related to the competence of the Annual General Meeting of Shareholders, is initiated by the Board of Directors of the Company.

56. Introduction of other issues for the Sole shareholder's review, related to the competence of the Sole shareholder, may be initiated by the Sole shareholder and/or the Board of Directors, and in the process of voluntary liquidation - may also be initiated by the liquidation commission of the Company.

57. The cost of introduction the issues for the Sole shareholder's review to be incurred by the Company, except cases established by the legislation of the RoK.

58. The information and materials provided by the Sole shareholder of the Company, should be organized in relation to the proposed to the Sole shareholder's issues and provide information to the extent required to make informed decisions on these issues.

59. Materials for the election of the Company 's bodies shall contain the following information on the proposed candidates:

- 1) surname, name, as well as if so desired - patronymic;
- 2) information about education, including availability of international certificates;
- 3) information about affiliation to the Company and availability (nonavailability) direct or potential conflict of interests in case of election in the bodies of the Company;
- 4) information about work experience, work places and positions, including information about work experience in lead positions, work experience as a member of the Board of Directors;
- 5) other information, confirming qualification, availability of competence in the field of the Company's activity, goodwill of candidates.

60. Materials on issues related to the competence of the Annual General Meeting of Shareholders proposed to the Sole shareholder of the Company, shall include:

- 1) annual financial report of the Company;
- 2) audit report to the financial report of the Company;
- 3) proposals of the Board of Directors on procedure of net income distribution with a view to one ordinary share of the Company;
- 4) information about compellation of the Sole shareholder of the Company and its officers and results of their consideration;
- 5) other documents at discretion of general meeting initiator.

61. The decisions of the Sole shareholder of the Company shall be kept available by the Management Board and to be provided to the Sole shareholder of the Company for review at any time. The Sole shareholder of the Company shall be provided with a copy of the decision of the Sole shareholder of the Company at its request.

12. Exclusive competence of the Sole shareholder of the Company

62. Exclusive competence of the Sole shareholder of the Company includes the following:

- 1) alterations and amendments in the Charter of the Company or its approval in new version;
- 2) approval of the Code of Corporate Governance and introducing amendments and additions into it;
- 3) voluntary reorganization or liquidation of the Company;
- 4) determination of quantity, term of powers of the Board of Directors, election (appointment) of the Chairman of the Board of Directors, its members and early termination of authorities, as well as determination of amount and terms of payment of remuneration and compensation to members of the Board of Directors for implementation of their duties, and approval of regulation on the Board of Directors;
- 5) implementation and cancellation of «gold share»;
- 6) decision on approval of a conclusion of a major transaction by the Company as a result of which the Company shall alienate the property amounting to fifty or more percent from the total amount of the balance sheet assets of the Company on the date of decision on the transaction as a result of which fifty or more percent can be alienated;
- 7) agreement of approval and early termination of authorities of the Chairman of

the Board of the Director;

8) determination in the established procedure of the audit company, conducting the audit of the Company and determining the paid amount of the audit company for audit financial services;

9) determination the terms and procedure for conversion of the Company's securities, as well as their changes;

10) decision on issuance of securities convertible into ordinary shares of the Company;

11) decision on the exchange of placing shares of one type into another type, determination terms and procedures of the exchange;

12) approval of annual financial report of the Company;

13) approval of procedure for net income distribution for reported financial year, making decisions on dividends payment on ordinary shares and approval of dividends amount per one ordinary share of the Company;

14) making decision on non-payment of dividends on ordinary shares of the Company;

15) approval of dividends policy of the Company and norms for dividends appraisal for the Company;

16) approval of the methodology for determining the value of the shares at their redemption by the Company on the informal market, in accordance with the legislation, and approval of changes to this methodology;

17) decision on the Company's participation in the creation or activities of other legal entities or withdrawal from the participants (shareholders) of other legal entities through the transfer (receipt) part or more of the assets, in the amount constituting twenty-five percent or more of all assets owned by the Company;

18) making decisions on increase of quantity of declared shares of the Company or type changing of non-placed declared shares of the Company;

19) making decision on voluntary delisting of the Company;

20) approval of regulation on cooperation with the Sole shareholder of the Company, determination of procedure for provision of information to the Sole shareholder about Company's activity, including determination of mass media in accordance with the legislation of the RoK;

21) making decision on the treatment of the Company in court against the officer of the Company to reimburse the Company's incurred losses at its fault;

22) determination of standards for provision of service cars and space standards to accommodate the administrative office of the Company;

23) determination of procedure and terms to reimburse expenses of the employees, who were in business trip;

24) determination of the limits for reimbursable expenses at the expense of the Company in providing employees the right to use mobile communication, norms of representation expenses of the Company;

25) other issues on which decisions related legislation and (or) the Charter to the exclusive competence of the Sole shareholder of the Company.

63. It is not permitted to transfer issues, where decision-making is assigned to the exclusive competence of the Sole shareholder of the Company, within the competence of other bodies of the Company's officers and employees of the Company, unless otherwise provided by the legislation of the RoK.

64. The Sole shareholder is entitled to cancel any decision of Company's bodies on issues related to internal activity of the Company.

13. Board of Directors of the Company

65. Board of Directors of the Company performs overall management of the Company, except issues which legislation and (or) the Charter relate to exclusive competence of the Sole shareholder and the Management Board. Decisions of the Board of Directors are accepted in accordance with the legislation of the RoK, the Charter, the Code of corporate governance and the Company's bylaws.

66. The Board of Directors is responsible to the Sole shareholder of the Company for the overall management of the Company.

67. Exclusive competence of the Board of Directors includes following:

1) determination of priority activities of the Company, approval of Company's development strategy, and ensuring the implementation of the strategy;

2) approval of the development plan of the Company for five years, overseeing its implementation;

3) making of decision on placement (selling), including the amount of placed (sold) shares within the number of authorized shares, method and price of their placement (sale);

4) making of decision on the repayment of placed shares or other securities and their redemption price;

5) determination of the terms of bonds issuance and derivative securities of the Company, as well as the decision on their issuance;

6) making decisions on the establishment and closing of branches and representative offices in Kazakhstan and abroad, the approval of their regulations;

7) determination of quantitative composition, power term of the Management Board, election of its members and early termination of their powers, as well as the appointment and termination of the Chairman of the Management Board, subject to agreement the Sole shareholder of the Company in accordance with subclause 5) of clause 58 of the Charter

8) approval of the programs of succession planning of the Chairman and members of the Management Board and other employees in accordance with the list approved by the Board of Directors;

9) approval of regulation on the Management Board of the Company;

10) determination of the amount of salaries, conditions of remuneration, bonuses and social support to the Chairman and members of the Management Board with regard to the policies of the Sole shareholder of the Company, evaluation of their performance;

11) determination of quantitative composition, power term of the Internal Audit Service of the Company, appointment of its manager and staff, as well as early termination of their powers, determining the procedure of the Internal Audit Department, the amount and terms of remuneration, bonuses and social support for employees of the Internal Audit Service;

12) approval of the annual audit plan of the Internal Audit Service of the Company, consideration of quarterly and annual reports of the Internal Audit Service and making decisions on them;

13) approval of the staffing of the Secretariat of the Board of Directors of the

Internal Audit Service;

14) decision on the conclusion of a transaction or a set of interrelated transactions as a result of which the Company shall acquire or alienate (or can be purchased alienated) property whose value is ten percent or more of the total assets of the Company (hereinafter - the major transaction), except for the approval of large transactions which refer by this Charter to the competence of the Sole Shareholder of the Company.

15) making decisions on transactions in which the Company has an interest, signed with the companies not included into the Fund group as well as with physical persons.

16) appointment, the definition of the power term of the Corporate Secretary of the Company, early termination of its powers, as well as the determination of the amount of the salary and terms of remuneration, bonuses and social support to the Corporate Secretary of the Company with regard to the policies of the Sole Shareholder of the Company;

17) approval of the Company's total number of employees, including representative offices and branches of the Company, the structure of the central office of the Company;

18) approval of documents regulating internal activities of the Company, on a list approved by the Board of Directors of the Company, including an internal document setting out the conditions and the procedure for holding auctions and subscription of securities of the Company, making amendments and (or) alterations, as well as recognition as invalid documents adopted by the Board of Directors;

19) making decisions to purchase (alienation) by the Company of ten and more percent of shares (shares in the charter capital) of other legal entities;

20) making decision on the transfer by the Company in the asset management ten or more percent of shares of other legal entities;

21) making decision on Company's participation in the establishment of other legal entities;

22) preliminary approval of the annual financial reports of the Company, providing the Sole shareholder with proposals on the distribution of net income for the last financial year and the amount of dividend per ordinary share of the Company;

23) approval of the annual report of the Company, including the annual report on the work of the Board of Directors and submitting it for approval to the Sole shareholder;

24) approval of the sustainable development of documents, including a report and action plan on sustainable development;

25) preliminary approval of the Company's dividend policy and making it for approval to the Sole shareholder;

26) establishment of committees of the Board of Directors, approval of their regulations, as well as the election of members of the committees of the Board of Directors of the Company;

27) determination of the procedure and terms on receiving of information about the Company, including financial information;

28) approval of the regulations on remuneration, social support, schemes of salaries of the Management Board, employees of the Internal Audit Service, Corporate Secretary of the Company;

29) submission to the Sole shareholder proposals on the determination of the audit company conducting audit of the Company and the amount of payment for the audit company;

30) making decision on provision of consent on the possibility of members of the

Management Board work in other organizations;

31) approval of key performance indicators and targets, including for members of the Management Board, Head of Internal Audit Service, Corporate Secretary;

32) approval of the internal procedures of the Company's risk management (except for the issues referred by the Company's bylaws to the competence of other bodies of the Company);

33) enforcement and evaluation of the effectiveness of risk management, approval of the Company's risk management policy;

34) approval of accounting and tax accounting policy of the Company and alterations and additions to them;

35) evaluation of the Management Board and other employees of the Company which are appointed by the approval of the Board of Directors of the Company;

36) making of policy in relation to the appointment of officers in legal entities, shares of which are directly or indirectly owned by the Company;

37) preparation of recommendations for the Sole shareholder on amount, and the procedure of determining the terms of payment of remuneration to the members of the Board of Directors of the Company, as well as compensation for their expenses related to participation in meetings of the Board of Directors;

38) providing guidance on the election (appointment) of the Chairman of the Board of Directors;

39) evaluation of the effectiveness of the corporate governance of the Company, approval of changes to the relevant documents of the Company within its competence, preparation of proposals for improvement;

40) approval of the list of key positions, the occupation of which provides for the establishment of qualification requirements, approval of appointment, assessment of its activities by the Board of Directors;

41) bringing the matter before the Sole shareholder's consideration;

42) approval policy of sponsorship and charitable assistance of the Company and the annual spending plan for the provision of sponsorship;

43) making decision to grant consent on the possibility of the Chairman and members of the Board to work in other organizations;

44) increase the Company's liabilities by an amount constituting 10 (ten) percent or more of its own capital;

45) determination the amount of an appraiser to assess the market value of the property transferred as payment for the shares, or is the subject of a major transaction;

46) other issues provided by the legislation and (or) the Charter, which are non-exclusive competence of the Sole shareholder of the Company and the Management Board.

68. Issues, a list of which is set by clause 67 of this Charter, shall not be submitted for decision to the Board of the Company.

The Board of Directors is not entitled to make decisions on issues that are in accordance with the legislation and (or) the Charter shall be the responsibility of the Management Board, as well as to make decisions that are contrary to the decisions of the Sole shareholder of the Company.

The Board of Directors cannot decide the issues by absentee voting on the issues identified in subclauses 1) - 8), 11), 12), 16) -18), 20) 22) -26), 30) -35) of clause 67 of the Charter.

In the case of objection at least one member of the Board of Directors of the Company against consideration of the issue on absentee meeting, the issue includes on the agenda of the next live meeting.

69. A member of the Board of Directors of the Company may be an individual person nominated (recommended) to be elected to the Board of Directors as a representative of the Sole shareholder, or a person who is not a shareholder of the Company and not proposed (not recommended) for election to the Board of Directors as a representative of the Sole shareholder of the Company.

Member of the Board of Directors is not entitled to transfer the execution of the assigned functions in accordance with the legislation and (or) the Charter, to other persons.

The members of the Management Board other than the Chairman of the Management Board cannot be elected to the Board of Directors. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors. The number of members of the Board of Directors of the Company is not less than 3 (three) persons. Not less than thirty percent and not more than fifty percent of the members of the Board of Directors must be Non-executive Directors.

70. Candidates for members of the Board of Directors and members of the Board of Directors shall have relevant experience, knowledge, skills and positive developments in the business and/or industry environment required for the performance of their duties and organization of effective work of the Board of Directors of the Company in the interests of the Sole shareholder and Company.

The member of the Board of Directors cannot be elected if:

- 1) having unserved or not taken as prescribed by the legislation a criminal record;
- 2) non-availability of high degree;
- 3) previously being the Chairman of the Board of Directors, the first head (chairman), deputy head and chief accountant of another legal entity in the period of no more than one year before the decision on compulsory liquidation or compulsory redemption of shares or conservation of another legal entity declared bankrupt in the manner provided by the legislation; this requirement shall apply five years after the date of the decision on compulsory liquidation or compulsory redemption of shares or conservation of another legal entity declared bankrupt in accordance with legislation;
- 4) being a shareholder (participant), an officer or employee of a legal entity competing with the Company

Candidate of Non-executive Director of the company shall comply with following:

- 1) is not an affiliate of the Company and has not been named for three years prior to its election to the Board of Directors (except in the case of being an Non-executive Director of the Company);
- 2) is not an employee of the Company and its affiliates and has not been named for three years prior to its election to the Board of Directors;
- 3) is not a member and does not take place within three years prior to its election to the Board of Directors, in a close relative (parent, brother, sister, son, daughter), marriage and property (brother, sister, parent, son or daughter husband (wife)) to an employee of the Company;
- 4) is not an affiliate in relation to the affiliates of the Company;
- 5) is not associated with the subordination of officers of the Company or

organizations - affiliates of the Company and was not associated with the subordination of these persons during the three years prior to its election to the Board of Directors;

6) is not and has not been for three years prior to its election to the Board of Directors of the Company, affiliate of a major customer or supplier of the Company or its affiliates;

7) is not an affiliate of a non-profit organization that receives significant funding from the Company or its affiliates;

8) does not provide the Company and its affiliates of any kind of commercial services, including counseling;

9) is not an officer of the legal entity in which the Company's employee holds the position of member of the Board of Directors;

10) is not state officer;

11) is not representative of the Sole shareholder of the Company at the meetings of the Company's bodies, and has not been for three years prior to its election to the Board of Directors;

12) is not an auditor of the Company and has not been named for three years prior to its election to the Board of Directors;

13) does not participate in the audit of the Company as an auditor, working as part of the audit company and has not participated in such audit during three years prior to its election to the Board of Directors;

14) is not and has not been for three years prior to its election to the Board of Directors of the Company, an affiliate of the auditor of the Company or its affiliates.

71. Requirements, to be met by persons elected to the Board of Directors of the Company, are established by the legislation and the Charter. The relationship between the member of the Board of Directors and the Company is regulated by the legislation, the Charter and bylaws of the Company.

72. The power terms of members of the Board of Directors is set by the Sole shareholder of the Company and cannot exceed 3 (three) years, with the right to re-election. Any period of election to the Board of Directors for a period of more than 6 (six) consecutive years, subject to special consideration in view of the need for a qualitative renewal of the Board of Directors. A Non-executive Director cannot be elected to the Board of Directors of the Company for more than nine consecutive years. In exceptional cases the election for more than nine years is acceptable, the election of the Non-executive Director of the Board of Directors shall take place each year with a detailed explanation of the need to elect a member of the Board of Directors of the Company and the impact of this factor on the independence of decision-making.

73. The power terms of the Board of Directors will expire when the Sole shareholder of the Company makes decision to elect a new Board of Directors. The Sole shareholder of the Company may terminate the powers of all or individual members of the Board of Directors on its own initiative.

74. Early termination of powers of a member of the Board of Directors on its own initiative to be carried out by written notice to the Board of Directors. The powers of the member of the Board of Directors shall be terminated upon receipt of the notification by the Board of Directors of the Company.

75. The Chairman of the Board of Directors to be elected by the Sole shareholder of the Company.

76. The Chairman of the Board of Directors in accordance with the legislation, the

Charter and bylaws of the Company:

- 1) arranges work of the Board of Directors and hold the meetings;
- 2) convenes meetings of the Board of Directors and chair;
- 3) arranges keeping minutes at the meetings of the Board of Directors;
- 4) arranges preparation of agenda for meeting of the Board of Directors;
- 5) on behalf of the Company's makes employment agreement with the Chairman of the Management Board, with the establishment, in accordance with the decision of the Board of Directors, of salary, conditions, wages, bonuses and social support. At the same time the employment agreement must include direct dependence of material incentives of the Chairman of the Board of the Company from achieving the key performance indicators of the Company established by the Board of Directors of the Company;
- 6) provides an effective contribution of members of the Board of Directors in the work of the Board of Directors of the Company, in particular the constructive relationship between the members of the Board of Directors and the Management Board, as well as providing a report on the activities of the Board of Directors for the previous calendar year;
- 7) ensures effective interaction with the Sole shareholder of the Company, including a discussion with him the development strategy of the Company and key strategic decisions, as well as bringing the point of view of the Sole shareholder of the Company to the Board of Directors of the Company in a whole;
- 8) signs the contracts on behalf of the Company with Non-executive Directors of the Board of Directors of the Company;
- 9) provides the Sole shareholder with responses to its inquiries;
- 10) provides timely receiving by the members of the Board of Directors full information for decision-making;
- 11) provides the focus of the Board of Directors for consideration of strategic issues and minimization the issues of the current (operational) character to be addressed to the Board of Directors;
- 12) provides maximum effectiveness of the meetings of the Board of Directors of the Company through the allocation of sufficient time for discussion, a comprehensive and in-depth consideration of issues on the agenda, to stimulate open discussion, achieving agreed decisions;
- 13) provides monitoring and supervision of proper execution of decisions of the Board of Directors and the Sole shareholder;
- 14) in case of corporate conflicts takes steps to resolve them and to minimize their negative impact on the Company's operations and timely inform the Sole shareholder, in the event of the impossibility of solving these situations on their own.
- 15) performs other functions provided by the legislation and the Charter and bylaws of the Company.

In case of the absence of the Chairman of the Board of Directors of the Company, its functions are performed by one of the members of the Board of Directors of the Company as per decision of the Board of Directors of the Company.

77. The procedure for holding meetings of the Board of Directors of the Company is established by the legislation, the Charter and Regulations of the Board of Directors of the Company approved by the decision of the Sole shareholder.

78. Materials for the meetings of the Board of Directors are sent advance - not later than 7 calendar days, and for more important issues mentioned below - not later than 15 working days:

- 1) determination of priority directions of the Company's activities;
- 2) approval of the Company's development strategy;
- 3) approval of the Company's development plan for the five-year period;
- 4) decision on placement (selling), including on the number of placed (sold) shares within the number of authorized shares, method and price of their placement (sale);
- 5) decision on redemption of placed shares or other securities and their redemption price;
- 6) approval of key performance indicators for the head and members of the Board;
- 7) preliminary approval of annual financial statements of the Company, granting to the Sole shareholder proposals on the procedure for distribution of net income of the Company during the past financial year and the amount of dividend per ordinary share of the Company;
- 8) decision on the Company's participation in the creation of other legal entities.

79. The Board of Directors meeting may be convened on the initiative of the Chairman of the Board of Directors or the Management Board or on demand of:

- 1) any member of the Board of Directors of the Company;
- 2) audit company performing audit of the Company;
- 3) the Sole shareholder of the Company;
- 4) Internal Audit Service of the Company.

80. The requirement to convene a meeting of the Board of Directors of the Company to be presented to the Chairman of the Board of Directors by sending a written notice containing the proposed agenda of the meeting of the Board of Directors.

In case of refusal of the Chairman of the Board of Directors to convene a meeting, the initiator is entitled to apply with the specified requirement in the Company's Management Board, which is obliged to convene a meeting of the Board of Directors of the Company.

The Board of Directors of the Company shall be convened by the Chairman of the Board of Directors or the Management Board no later than ten calendar days from the date of receipt of the request to convene.

The meeting of the Board of Directors shall be held with a mandatory invitation of person who made this requirement.

The procedure for giving notice to members of the Board of Directors for the meeting is determined by the Board of Directors.

By the written notice on meeting of the Board of Directors in absentia an absentee ballot is also attached, which is a single form is provided to all members of the Board of Directors.

The absentee ballot shall contain:

- 1) full name and location of the company (its Management Board);
- 2) date of provision of signed ballot to Secretary of the Board of Directors;
- 3) agenda;
- 4) issues for voting and variants;
- 5) other information.

81. The quorum for meeting of the Board of Directors of the Company is at least half of the members of the Board of Directors.

If the total number of Board of Directors is not sufficient to achieve a quorum as defined in the preceding paragraph of this clause, the Board of Directors shall submit for consideration of the Sole Shareholder of the Company's issue of the election of new

members of the Board of Directors. The remaining members of the Board of Directors shall be entitled to take a decision only on making this issue to the Sole shareholder of the Company.

82. Each member of the Board of Directors shall have one vote. Decisions of the Board of Directors are adopted by a simple majority vote of the Board of Directors present at the meeting, unless otherwise provided by legislation or by the Charter.

In case of equality of votes, the Chairman of the Board of Directors or the person presiding at the meeting of the Board of Directors is crucial.

The Board of Directors may decide to hold its closed meeting, which is open only for members of the Board of Directors.

83. Decision on the conclusion of transactions, in which the Company is interested, is adopted by a simple majority vote of the Board of Directors who are not interested in their commission. If all the members of the Board of Directors of the Company, except for Non-executive Directors of the Company, are interested in such transaction, a decision is taken by simple majority votes of Non-executive Directors of the Company.

Decision on conclusion of the transaction, in which there is interest, is adopted by the Sole shareholder of the Company in the following cases:

- 1) if all members of the Board of Directors of the Company are interested persons;
- 2) the impossibility of making decision by the Board of Directors on conclusion of the transaction due to lack of the number of votes necessary for decision.

84. At the discretion of the Chairman of the Board of Directors, decision making by the Board of Directors of the Company on issues submitted for its consideration, is possible through absentee voting. Thus, for absentee voting on agenda issues ballots are applied.

The decision by absentee voting is taken if available of quorum obtained in timely ballots. Decision of absentee meeting of the Board of Directors shall be in writing and signed by the Corporate Secretary of the Company, and the Chairman of the Board of Directors of the Company and contain:

- 1) full name and location of the Management Board of the Company;
- 2) date and place of written execution of decision of absentee meeting;
- 3) information about content of the Board of Directors of the Company;
- 4) indication of person (body), initiated convince of meeting;
- 5) agenda;
- 6) record about availability/absence of quorum for decision making;
- 7) voting results on each issue of agenda and final decision;
- 8) other information.

Within twenty days from the date of the decision, it is to be sent to the Corporate Secretary of the Company's Board of Directors with copies of the ballots on which the decision was made.

85. Decisions of the Board of Directors, adopted at its meeting held in the internal order, the protocol should be drawn up and signed by the person who chaired at the meeting, and Corporate Secretary of the Company during the three days after the meeting and contain:

- 1) full name and location of the Management Board of the Company;
- 2) date, time and place of meeting;

- 3) persons participated in meeting;
- 4) agenda;
- 5) issues for voting and voting results with reflection of each vote of the Board of Directors on each issue of agenda;
- 6) taken decisions;
- 7) other information on decision of the Board of Directors.

Minutes of meetings of the Board of Directors and the Board of Directors decision taken by absentee voting, and ballots with signatures stored in the Company.

Corporate Secretary of the Company at the request of member of the Board of Directors is obliged to provide him with the minutes of the meeting of the Board of Directors of the Company and the decisions taken by absentee voting for familiarization and (or) to issue an extract from the minutes and decisions certified by its signature and stamped by the appropriate seal of the Company.

86. To considerate the most important issues and make recommendations to the Board of Directors of the Company shall be set Committees of the Board of Directors on:

- 1) strategic planning;
- 2) appointment and remuneration;
- 3) audit;
- 4) social matters;
- 5) risk management;
- 6) sustainable development, including health and environment safety;
- 7) other issues, provided by the bylaws of the Company.

Consideration of the issues listed above in this clause, may be within the competence of one or more committees of the Board of Directors.

Committees of the Board of Directors shall consist of members of the Board of Directors and the experts who have the necessary skills to work in a particular committee.

Committee of the Board of Directors is headed by a member of the Board of Directors. The Chairman of the Committee of the Board of Directors of the Company referred to in this paragraph shall be a Non-executive Director of the Company.

The content of the Audit Committee of the Board of Directors includes Non-executive Directors of the Board of Directors of the Company. The members of the Audit Committee of the Board of Directors of the Company shall have in-depth knowledge and practical experience in the field of accounting and auditing, risk management, internal control. The Chairman of the Audit Committee of the Board of Directors is Non-executive Director. The basic functions of the audit committee include issues of internal and external audit, financial reporting, internal control and risk management, compliance with legislation of the RoK, bylaws and other matters at the request of the Board of Directors.

The Chairman of the Management Board may not be the Chairman of the Committee of the Board of Directors of the Company.

The procedure for the formation and operation of the committees of the Board of Directors of the Company, as well as the number of members determined by the bylaw, is approved by the Board of Directors of the Company.

87. The Board of Directors shall have the right at any time during the year require the committees of the Board of Directors to submit a report on the current activities. Terms of preparation and submission of such report shall be determined by the Board of Directors of the Company.

14. Management Board of the Company

88. Management of current activities is carried out by the Management Board of the Company. The Management Board is headed by the Chairman of the Management Board.

89. The Management Board shall be entitled to make decisions on any matters of the Company, are not referred by the legislation of RoK and (or) the Charter to the competence of the Sole shareholder and the Board of Directors of the Company, including to dispose of assets of the Company in accordance with the legislation, the Charter and decisions of the Sole shareholder and the Board of Directors.

90. Exclusive competence of the Management Board of the Company includes following:

1) approval of documents regulating internal activities of the Company (except for the documents accepted by the Sole shareholder and/or the Board of Directors of the Company in accordance with the legislation and (or) of the Charter);

2) appointment of heads in branches and representative offices of Company;

3) approval and submission to the Board of Directors of the Company's development strategy, the development plan of the Company for a five-year period;

4) making decisions on the Company entering into transactions not covered by the legislation, the Charter to the competence of other bodies of the Company and the Chairman of the Management Board;

5) determination of information about the Company or its activity constituting official, commercial or other secret protected by the legislation;

6) submission to the Board of Directors of the Company the total number of employees of the Company, the structure of the central office of the Company;

7) approval of the staffing of the Company, including its branches and representative offices, subject to the Board of Directors approved the Company's total number of employees of the Company;

8) approval of the regulations on remuneration, social support, schemes of salaries of administrative and management employees of the Company (except for members of the Management Board, employees of the Internal Audit Service, Corporate Secretary of the Company);

9) making decisions to provide the Company sponsorship and charitable assistance in accordance with the legislation and policies of sponsorship and charitable assistance to the Sole shareholder of the Company, as well as bylaws of the Company under the spending plan approved by the Board of Directors;

10) election of the Secretary of the Management Board by introduction of the Chairman of the Management Board;

11) the establishment of committees of the Board of the Company on certain aspects of the Company, decisions on the creation of which is not within the competence of other bodies;

12) monitoring and participation in the resolution of conflicts of interest and corporate conflicts on the issues within its competence;

13) monitoring the implementation of decisions of the Board of Directors of the Company, the Sole shareholder of the Company and the provision of information on the execution of their requests;

14) submission for approval by the Board of Directors of the annual report of the

Company;

15) consideration, approval and submission of proposals of the Board of Directors for the preparation of recommendations for the Company's dividend policy, the procedure of net income distribution of the Company for the financial year, the payment of dividends on ordinary shares and to determine the amount of dividend per ordinary share of the Company;

16) submission for approval by the Board of Directors of the Company's accounting policies, as well as amendments and additions thereto;

17) preparation and submission to the Board of Directors for prior approval of the annual financial reports;

18) preliminary approval of bylaws to be submitted for approval by the Board of Directors of the Company and/or the Sole shareholder where the developer is the Management Board;

19) preliminary approval of issues submitted to the Board of Directors and the Sole shareholder;

20) preliminary approval of the issue of granting consent on the possibility of the Chairman and the Management Board members to work in other organizations;

21) making decision on the conclusion of transactions in which the Company has an interest in accordance with the procedure approved by the Board of Directors;

22) approval of the (detailed) the Company's budget, within the framework of the Plan of development of the Company;

23) the development, approval and submission of the Company's development plan for approval by the Board of Directors;

24) implementation of the Plan of development of the Company;

25) other issues provided by the legislation and/or the Charter, bylaws of the Company, not related to the competence of the Sole shareholder or the Board of Directors of the Company.

91. Decisions of the Management Board of the Company are executed in the protocol, which should be signed by all present members of the Management Board and include matters put to a vote, the voting results from the reflection of the result of the vote of each member of the Board on each issue. The decisions of the Management Board shall be taken by a majority vote of the members of the Management Board present at the meeting or submitted written statements. Each member of the Management Board shall have one vote. In case of equality of votes, the decision voted for by the Chairman of the Management Board shall be taken.

92. Transfer of the right to vote by the member of the Management Board of the Company to another person, including another member of the Management Board shall not be permitted. The Management Board is obliged to execute the decisions of the Sole shareholder and the Board of Directors.

93. The Company is entitled to challenge the validity of the transaction made by its Management Board in breach of the restrictions by the Company, if it proves that at the time of the transaction the parties were aware of such restrictions.

94. Organization of the work of the Management Board, the procedure of convening and holding of its meetings, as well as other powers of the Management Board are determined by the legislation of the RoK, the Charter and other bylaws regulating the activities of the Management Board.

95. Management Board members may be representatives of the Sole shareholder of the Company and employees of the Company who are not

members of the Sole shareholder, appointed and dismissed by the Board of Directors.

Management Board members must have relevant experience, knowledge, skills, positive business and personal reputation.

96. The Chairman and members of the Management Board shall be elected for a term of not more than 3 (three) years. Terms of office of the Chairman and members of the Board coincide with the term of powers of the executive body as a whole.

97. In the event of early termination of powers of member of the Management Board, except for the Chairman of the Management Board and the Board of Directors to be elected a new member of the Management Board, the powers of the latter will expire simultaneously with the expiration of the power term of the Management Board of the Company as a whole.

98. The member of the Management Board shall have the right to work in other organizations only with the consent of the Board of Directors of the Company. The member of the Management Board is not entitled to work in organizations competing with the Company, except for organizations, shares which directly or indirectly owned by the Company.

99. The Chairman of the Board of the Company shall not hold the post of head of the executive body or person exercising functions of the sole executive body of another legal entity.

100. The members of the Management Board shall not use or permit to use the Company's assets in contradiction with the legislation and the Charter, decisions of the Sole shareholder and the Board of Directors, as well as in personal purposes and abuse in transactions with its affiliates.

Management Board members are required to take the necessary measures to prevent damage, optimizing the Company's activities by initiating the convening of the meeting of the Management Board, informing the Chairman of the Board of the Company or any other available means.

Other functions, rights and duties of the member of the Management Board are determined by the legislation, the Charter and the employment agreement signed by that person with the Company. The employment agreement on behalf of the Company and the Chairman of the Board shall be signed by the Chairman of the Board of Directors or the person authorized by the Sole shareholder. The employment agreement with the other members of the Board shall be signed by the Chairman of the Management Board.

101. The Chairman of the Management Board:

- 1) heads of the Management Board;
- 2) arranges the implementation of decisions of the Sole Shareholder of the Company, the Board of Directors and the Management Board;
- 3) without power of attorney acts on behalf of the Company in its relations with third parties, including the signing of contracts, warranties, agreements;
- 4) issues powers of attorney for the right to represent the Company in its relations with third parties, including the right for making transactions in accordance with the legislation and the Charter;
- 5) commits the transaction, decision of which is not within the competence of the Company in accordance with the legislation and the Charter;
- 6) hires, transfers and dismisses employees of the Company (except for the cases provided by legislation), applies incentives and impose disciplinary penalties, sets the

amount of salaries of the Company's employees in accordance with the scheme of salaries of the Company, determines the amount of bonuses to the Company's employees, except for employees, who are members of the Management Board, internal Audit Service, Corporate Secretary of the Company;

7) in case of its absence puts the performance of its duties to one of the members of the Management Board, while in relations with the Company's officers and employees of the Company and third parties the member of the Management Board acts on the basis of the order of laying on him the duties of the Chairman the Management Board;

8) distributes duties and scope of authority and responsibility between the Management Board members as well as between heads of departments of the Company;

9) on behalf of the Company's concludes agreement to annual audit by the audit company;

10) sets the mode of operation of the Company;

11) ensures implementation of current and future plans and work program of the Company;

12) responsible for the operation of the Company to the Board of Directors and the Sole shareholder of the Company;

13) opens bank accounts and other accounts of the Company;

14) within the competence issuance of orders;

15) convenes meetings of the Management Board;

16) approves bylaws of the Company, in the manner determined by the Management Board of the Company, including the provisions on structural subdivisions of the Company;

17) provides the Sole shareholder with:

- reports on the implementation of the development strategy of the Company;

- reports on the implementation of the development plan of the Company according to the forms and terms established by the Sole shareholder of the Company;

- reporting of financial and economic activities of the Company, its subsidiaries and affiliated companies, according to the forms and within the time specified the Sole shareholder of the Company;

18) provides settlement of corporate conflicts on all matters within its competence, in accordance with the bylaws of the Company;

19) makes decisions on all other matters relating to the current activities of the Company required to perform tasks 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.

20) signs orders on business trips of the Chairman of the Board and his deputies, including trips abroad;

21) decides on all other matters relating to the current activities of the Company, necessary for carrying out tasks not related to the exclusive competence of the Sole Shareholder and the Board of Directors, as well as to the competence of the Management Board.

102. Meetings of the Management Board of the Company are held on a regular basis. The procedure of convening and holding the meeting of the Management Board shall be determined by the regulations on the Management Board.

103. The Management Board is authorized to make decisions if meeting is attended by at least half of the members of the Management Board.

104. Decisions of the Board shall be adopted by a simple majority of those present members of the Board of the Company. In case of equality of votes, the Chairman of the Management Board shall have a decisive vote.

105. The right to bring matters to the Management Board belongs to the Chairman of the Management Board, the members of the Management Board, the Internal Audit Service of the Company.

106. The Secretary of the Management Board elected by the Management Board on a regular basis, at the request of the member of the Management Board is obliged to provide it for review the minutes of the meeting of the Management Board, certified by the signature of the Secretary of the Management Board and the stamped by the Management Board.

107. The management Board is liable for:

1) the development and application of internal control procedures and risk management in the Company;

2) the allocation of financial and human resources to carry out objectives set by the Sole shareholder and the Board of Directors of the Company;

3) ensuring that the Board of Directors of the Company with the necessary resources for the full implementation of its functions under the development plan of the Company;

4) in other cases provided by legislation, the Code of Corporate Governance and the Company's bylaws.

15. Internal Audit Service

108. In order to exercise control over financial and economic activities, assessment of internal control, risk management, execution of documents on corporate governance and counseling to improve the performance of the Company, the Company forms the Internal Audit Service. Employees of the Internal Audit Service of the Company may not be elected to the Board of Directors and the Management Board.

109. The Internal Audit Service of the Company's Board of Directors as per established procedure:

1) submits to the Board of Directors an independent objective information about the activities of the Company;

2) assesses and contributes to the improvement of risk management, internal control and corporate governance, using a systematic and consistent approach;

3) performs other functions within its competence, in accordance with the regulations on the Internal Audit Service.

110. The Internal Audit Service bears responsibility under the Board of Directors and reports to it about its work. Tasks and functions of the Internal Audit Service, its rights and responsibilities, the procedure for its activities are determined by the Regulations on Internal Audit Service of the Company approved by the Board of Directors of the Company.

Supervising the activities of the Internal Audit Service is carried out by the Audit Committee of the Board of Directors of the Company.

111. Internal Audit Service, in the established order by the Board of Directors, provides objective information about the activities of the Company, as well as the necessary clarifications and explanations in full and on a timely basis.

112. The employment relationship between the Company and employees of the Internal Audit are governed by legislation, the Charter and bylaws.

113. The Audit Committee of the Board of Directors, together with the Internal Audit Service, learns a system of measures by which the Company's employees may confidentially raise matters about possible inconsistencies in financial reporting or other matters.

114. Evaluation of the effectiveness of the Internal Audit Service of the Company is performed by the Board of Directors of the Company, taking into account the recommendations of the Internal Audit Committee of the Board of Directors.

16. Corporate Secretary of the Company

115. Enforcement authorities and officials of the Company procedures aimed at ensuring the rights and interests of the Sole Shareholder of the Company, as well as the Company's compliance with the provisions of the laws and regulations in the field of corporate governance provisions of the Charter and other bylaws of the Company is assigned to the Corporate Secretary of the Company. Corporate Secretary of the Company also contributes to the effective exchange of information between the bodies of the Company and acts as advisor to the Board of Directors and the Management Board on all matters of corporate governance.

116. Corporate Secretary oversees the preparation and conduct of meetings of the Board of Directors, ensures the formation of the materials for the meeting of the Board of Directors maintains control over providing access to them.

117. The Corporate Secretary shall ensure the members of the Board of Directors are provided the accurate and clear information.

118. The Corporate Secretary is an employee of the Company who is not a member of the Board of Directors and (or) the Management Board.

119. The Corporate Secretary bears responsibility under the Board of Directors.

120. Status, functional duties, powers and other issues of the Corporate Secretary shall be determined by the Regulations on the Corporate Secretary of the Company approved by the Board of Directors of the Company.

17. Officers of the Company

121. Officers of the Company (members of the Board of Directors, members of the Management Board):

1) perform their duties conscientiously and use methods that best reflect the interests of the Company and the Sole shareholder of the Company;

2) shall not use or permit to use Company's property in conflict with the legislation and the Charter, decisions of the Sole shareholder and the Board of Directors, as well as in personal purposes and abuse in transactions with its affiliated entities;

3) are required to ensure the integrity of the accounting and financial reporting of the Company, including the independent audit;

4) control disclosure and provision of information on the activities of the Company in accordance with the legislation, the Charter and bylaws of the Company;

5) protect the confidentiality of information about the Company, including a period of three years from the date of termination of the Company, unless otherwise provided by the Company's bylaws.

122. Officers of the Company are liable under the legislation of the RoK,

the Company and the Sole shareholder for the damage caused by their actions and (or) failure to act and for damages incurred by the Company, including, but not limited to losses incurred as a result of:

- 1) providing information, misleading or false information;
- 2) violation of the procedure of information established by the Charter and the legislation of the RoK;
- 3) proposals to the conclusion and (or) making decisions on major transactions and (or) transactions with related parties that resulted in a loss to the Company as a result of fraud and (or) inaction, including for the purpose of obtaining or their affiliated entities income (profit) as the result of such transactions with the Company.

The Sole shareholder, in cases provided by the legislation of RoK and (or) the Charter, makes decision on the conclusion of a major transaction and (or) a transaction in which there is interest, not release the officer from responsibility who proposed to conclude them, or the officer acts bad faith and (or) was inactive at the meeting of the body of the Company, where he is a member, including to obtain them or their affiliates profit (income), if as a result of their performance the Company suffered loss.

The procedure and bases for appeal of the Company in court against the officer of the Company are established by legislation of the RoK.

18. Financial reports, accounting documentation and audit

123. The financial year of the Company is the calendar year (January 1 to December 31).

124. The procedure for accounting and financial reporting of the Company is established by the legislation on accounting and financial reporting.

125. The Management Board annually provides the Sole Shareholder of the Company's with annual financial reports for the past year, the audit which was carried out in accordance with the legislation on auditing for discussion and approval. In addition to the annual financial reports, the Management Board of the Company provides the Sole shareholder of the Company with audit report.

126. The annual financial reports shall be subject to prior approval by the Board of Directors of the Company not later than 30 (thirty) days prior to the date on which it provides the Sole Shareholder of the Company.

127. The annual financial reports of the Company to be approved by the Sole shareholder of the Company.

128. Financial data on the results of operations of the Company is indicated in the national currency - tenge, and can be converted into foreign currency for information.

129. The Company shall annually publish in the mass media the annual financial reports and audit report within the timeframe established by government body in charge of regulation and supervision of the securities market (hereinafter - the authorized body), or in the manner and terms established by the National Bank of Kazakhstan as agreed with the competent authority in cases provided by the legislation.

130. The Company provides annual audit of the annual financial reports in accordance with the legislation.

131. The audit of the Company may be initiated by the Board of Directors, the Management Board by the Company or at the request of the Sole shareholder at the Company's expense, and the Sole shareholder of the Company is entitled to determine the

audit company, the relevant qualification requirements for audit company on carrying out statutory audit.

132. In the case of an audit at the request of the Sole Shareholder, the Company shall provide all necessary documentation (materials) requested by the auditor.

133. If the Management Board of the Company deviates from the Company's audit, the audit can be appointed by a court decision on the suit of any interested person.

134. Cost accounting is carried out in the currency of the RoK - tenge. Transactions in foreign currencies are converted to tenge using the market exchange rate on the date of the transaction.

19. Disclosure of information be the Company, documents of the Company

135. The Company shall bring to the attention of the Sole shareholder and investors information on the following corporate events of the Company:

1) decisions taken by the Sole shareholder of the Company and the Board of Directors on the list of issues, and information in accordance with the Company's bylaws must be communicated to the shareholders and investors;

2) issuance of shares and other securities and approval of the competent authority report on placement of securities of the Company, reports on the redemption of securities of the Company, the cancellation by the authorized body of the securities of the Company;

3) the Company's major transactions and transactions in which the Company has an interest.

Information on the transaction, as a result of which the property is acquired or alienated in the amount of ten and more percent of the company's assets should include information on the parties to the transaction, acquired or alienated assets, the terms and conditions of the transaction, the nature and scope of interests of persons involved, as well as other information on the transaction.

4) pledge (surcharge) Company's assets in the amount of five percent or more of the Company's assets;

5) receipt by the Company the loan in the amount of twenty-five percent or more of the equity capital of the Company;

6) the Company obtaining licenses to carry out any activities, suspension or termination of the Company previously obtained licenses to conduct any activities;

7) the Company's participation in the establishment of a legal entity;

8) the seizure of assets of the Company;

9) the circumstances bearing extraordinary nature, which resulted in the destruction of property of the Company, the carrying value of which was ten percent or more of the total assets of the Company;

10) the involvement of the Company and its officers to administrative responsibility;

11) excitation in the court case on the corporate dispute;

12) decisions on the forced reorganization of the Company;

13) other developments affecting the interests of the Sole shareholder of the Company and investors in accordance with the Charter, as well as the prospect of securities issuance of the Company.

Information on institution of the court case on the corporate dispute shall be

submitted to the Sole shareholder of the Company within seven working days from the date of receipt by the Company of the appropriate judicial notice (call) in a civil case of a corporate dispute.

136. The provision of information on corporate events of the Company in accordance with the legislation of the RoK and the Charter. If the Law «On Joint-Stock Companies» and other legislative acts of the RoK does not provide release dates (communicated to the Sole shareholder of the Company) of information, this information is published (communicated to the Sole shareholder of the Company) within five working days from the date of its occurrence.

The Company provides compulsory maintenance of a list of employees of the Company, have the information that constitutes a business or trade secrets.

Information about the Company's activities, as well as other public information of the Company shall be published on the corporate website, as well as on an Internet resource of financial statement depository determined in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting.

137. Documents of the Company concerning its activities, the Company shall be kept during the whole period of its activity at the location of the Management Board of the Company or at any other place, by decision of the Management Board.

Documents which are subject to keep:

- 1) the Charter, alterations and amendments to the Charter of the Company;
- 2) the decision of the Sole founder of the Company, alterations and amendments to the decision of the Sole founder of the Company;
- 3) certificate of state registration (re-registration) of the Company;
- 4) license to perform certain activities by the Company and (or) perform certain actions;
- 5) documents confirming the Company's rights to the property, which is (were) on its balance sheet;
- 6) the prospectus of the Company's securities issuance;
- 7) documents confirming the state registration of the Company's securities, cancellation of securities, as well as the approval of reports on results of placement and redemption of securities of the Company, submitted to the authorized body;
- 8) regulations on branches and representative offices;
- 9) decisions of the Sole shareholder of the Company and the relevant materials to them on the agenda;
- 10) minutes of meetings (decisions of absentee voting) of the Board of Directors and ballots (including invalid ballots), materials on the agenda of the Board of Directors of the Company;
- 11) minutes of meetings (decisions) of the Management Board;

138. Other documents, including financial reports of the Company shall be kept for the period specified in accordance with the legislation.

139. At the request of the Sole shareholder the Company is obliged to provide him with copies of the documents provided by the legislation and the Charter, no later than ten calendar days from the date of receipt of such request to the Company. Information about the Company marked as «Confidential», «For Internal Use Only», which became known to the

Sole shareholder, can not be transmitted in writing or in any other form to third parties, except in the central state bodies of RoK on issues of their competence. Disclosure marked «Confidential», «For Internal Use Only» is issued in a manner and on the terms provided by the legislation and the Company's bylaws.

140. The Company shall keep records of its affiliates on the basis of information provided by these affiliates.

141. The Company presents the list of its affiliates to state bodies exercising regulation and supervision of the securities market, in the established procedure. The Sole shareholder of the Company and officers of the Company provide the Company with information about their affiliates within 7 (seven) days from the date of its occurrence.

In the event when person previously specified by the Sole shareholder or officer of the Company as an affiliate, ceases to be, the Sole shareholder or officer of the Company shall notify the Company within five days.

Information on affiliates is available to the Company in the amount, which allows the Company to comply with the relevant requirements of the state body regulating and supervising the securities market.

20. Legal protection of the Company

142. The legal protection of the Company's property and its rights to be performed in accordance with the legislation of the RoK and bylaws of the Company.

21. Reorganization and liquidation of the Company

143. The Company's reorganization (merger, acquisition, division, separation, transformation) is carried out in accordance with the legislation of RoK.

144. The reorganization can be carried out voluntarily or forced.

145. Forced reorganization can be effected by a decision of the judiciary in cases provided by the legislation of RoK.

146. If in the case of reorganization the Company terminates its activities, the issue of its shares subject to cancellation in accordance with the legislation of RoK.

147. The decision on voluntary liquidation of the Company shall be made by the Sole shareholder of the Company, which determines the liquidation procedure by agreement with creditors and under their control in accordance with the legislation of RoK.

148. Forced liquidation of the Company is carried out by a court in cases provided by legislation of RoK.

The requirement to liquidate the Company may be submitted to the court by interested persons, unless otherwise provided by legislative acts of the RoK.

149. By the decision of the court or the Sole shareholder of the Company on liquidation, the liquidation commission is appointed.

The Liquidation Commission has the power to manage the Company during its liquidation and commit acts the list of which is defined by the legislation of RoK.

When the voluntary liquidation the liquidation committee should include representatives from the creditors of the Company, representatives of the Sole shareholder of the Company, and other persons, determined by the Sole shareholder of the

Company.

150. The procedure of liquidation of the Company and the procedure to meet the requirements of its creditors are governed by the legislation of RoK.

151. Upon liquidation of the Company, its declared, including placed, shares shall be canceled in accordance with the legislation of RoK.

152. Distribution of property of the liquidated Company is performed in accordance with the legislation of RoK.

153. The Company shall be deemed to have ceased to exist from the moment of state registration on its liquidation.

22. Final provisions

154. If one of the provisions of the Charter becomes invalid, this shall not affect the validity of the remaining provisions. The invalid provision is replaced by legally valid, with close meaning.

155. In all other cases not covered by the Charter, the Company is guided by the provisions of the legislation, Corporate Governance Code and bylaws of the Company.

156. The Charter shall become effective on the date of its state registration in the Justice of RoK.

157. The Charter was developed in 3 (three) original copies in the Kazakh and Russian languages, having equal legal force.

**The Chairman of the Management Board
of “QAZAQ AIR” Joint Stock Company
A. B. Treherne Pollock /signature/**

Please see the other side

**The Republic of Kazakhstan, Almaty. The second of November two thousand
sixteenth.**

I Karibayeva Nina Khalelovna, notary acting in and for the city of Almaty, on the basis of the state license No. 14013146 dated September 8, 2014, issued by the Committee of registration service and legal assistance of the Ministry of Justice of the Republic of Kazakhstan certify the authenticity of the signature of the Chairman of the Management Board of Joint Stock Company «QAZAQ AIR» Alexander Blair Treherne Pollock, which is made in my presence. Personality is determined, capacity proved. Capacity of Joint Stock Company «QAZAQ AIR», as well as the powers of its representative have been checked.

Registered No.3666

Paid amount as per article 30-1 Law of the RoK «On Notary»

Notary: */signature/*

*Seal affixed: /Private notary,
Karibayeva Nina Khalelovna,
the state license No.
14013146 dated September 8,
2014, issued by the Committee
of registration service and
legal assistance of the
Ministry of Justice of the
Republic of Kazakhstan /*

Bounded and numbered on 71 (seventy one) sheets. Notary

N.Kh. Karibayeva.

/signature/

*Seal affixed: / Private notary, Karibayeva Nina Khalelovna,
the state license No. 14013146 dated September 8, 2014,
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assistance of the Ministry of Justice of the Republic of
Kazakhstan/*

Registration 71 pages.

11.11.2016