

**Approved by the decision of the Extraordinary General Meeting
of Stockholders of Air Astana JSC
dated 31 October 2017
(Minutes №141)**

**REGULATIONS OF THE TREASURY COMMITTEE
OF THE BOARD OF DIRECTORS OF
AIR ASTANA JSC**

ALMATY, 2017

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1. GENERAL PROVISIONS

- 1.1 These regulations of the Treasury Committee of the Board of Directors (the “**Regulations**”) of Air Astana JSC (the “**Company**”) have been developed in accordance with the legislation of the Republic of Kazakhstan, Charter of the Company, Corporate Governance Code of the Company and best international practices in the field of corporate governance.
- 1.2 The Regulations define the status and competence of the Treasury Committee of the Board of Directors of the Company (the “**Committee**”), its rights and obligations, composition, functions, order of formation, work and interaction with the Company’s bodies.
- 1.3 The Committee shall assist the Board of Directors of the Company to provide oversight over, and improve the effectiveness of, risk management issues associated with the treasury functions of the Company.
- 1.4 The Committee shall report to the Board of Directors of the Company and act within the authorities granted by the Board of Directors of the Company and in accordance with the Regulations.
- 1.5 The Committee shall act in the interests of the Company and support the Board of Directors of the Company:
 - 1.5.1 to review the controls over the treasury activities of the Company, ensuring the effectiveness and improvement of treasury policies and procedures;
 - 1.5.2 to monitor the treasury activities of the Company and alert the Board of Directors of the Company to associated risks and opportunities; and
 - 1.5.3 in relation to all other treasury matters in accordance with the Regulations and upon the instructions of the Board of Directors of the Company.
- 1.6 Recommendations of the Committee regarding issues falling within the competence of the General Meeting of Stockholders of the Company according to the Charter, that have been approved by the Board of Directors, shall be addressed to the General Meeting of Stockholders for consideration.

2. COMPETENCE OF THE COMMITTEE

- 2.1. The Committee shall assist the Board of Directors of the Company to provide oversight over, and improve the effectiveness of, risk management issues associated with the treasury functions of the Company by making recommendations to the Board of Directors of the Company in relation to:
 - 2.1.1 any borrowings, or banking facilities which enable the Company to have any borrowings, in an amount of more than one million (1,000,000) US Dollars (or equivalent amount in other currencies);
 - 2.1.2 any proposals for issuing bonds or derivative securities of the Company;
 - 2.1.3 the entry by the Company into a transaction or a series of related transactions for the creation or change of pledges, mortgage, liens, charges or other encumbrances with respect to the assets of the Company for a total amount of more than one million (1,000,000) US Dollars (or equivalent amount in other currencies);
 - 2.1.4 the entry by the Company into any loan, credit or facility agreement under which the Company is the lending party;
 - 2.1.5 the entry by the Company into any sales finance, project finance or finance leasing transactions;

- 2.1.6 the giving by the Company of any guarantee or suretyship, or otherwise committing the Company in respect of the due payment of money or in respect of the performance of any obligations under any contract, arrangement or obligation of any other person or body for a total amount of more than one million (1,000,000) US Dollars (or equivalent amount in other currencies);
- 2.1.7 the acquiring of or subscription for any debt instruments, mortgages or securities (or any interest therein) of any trust or any third party, by the Company;
- 2.1.8 any facilities for the issuance of standby letters of credit and bank guarantees (“SBLCs”) to be entered into between the Company and its banks, and the issuance of SBLCs;
- 2.1.9 any internal policies and procedures of the Company on treasury management, including policies and procedures covering the management of foreign currency risk, cash, counterparty credit risk, commodity price risk, interest rate risk and the issuance of SBLCs;
- 2.1.10 any decision of the President of the Company or any other person authorized by him concerning the opening of accounts with banks and other lending and financial organisations; and
- 2.1.11 the Company’s treasury activities or any document intended to regulate such activities which, among others, is the subject of approval authority of the Board of Directors.

3. RIGHTS AND OBLIGATIONS OF THE COMMITTEE

- 3.1 Any member of the Committee shall have the right to:
 - 3.1.1 request documents, reports, explanations and other information with relation to the Committee’s competences as described in Section 2 above from the Executive Body, Corporate Secretary and other employees of the Company. The Company shall be obliged to provide the Committee with all necessary materials and resources at its own expense;
 - 3.1.2 invite the members of the Board of Directors and Committees of the Board of Directors, Head of the Executive Body and other persons to attend its meetings; and
 - 3.1.3 use the services of external experts and consultants within the amounts provided by the Budget of the Company for current year.
- 3.2 The Committee shall be obliged to:
 - 3.2.1 on the issue of treasury control and risk management:
 - a) analyze monthly treasury reports prepared by the Company on the status of compliance with treasury policies; and
 - b) conduct meetings with the management of the Company on a regular basis, at least once in a six-month period, to consider treasury risks and opportunities, and the Company’s respective plans for treasury management;
 - 3.2.2 on the issue of reporting on activity:
 - a) report to the Board of Directors on its activity on a regular basis, at least once a year;
 - b) prepare information on the results of the work of the Committee for presentation in the report for the annual meeting of Stockholders; and
 - c) report any breaches of the policies mentioned in clause 2.1.9 of these Regulations to the Board of Directors as soon as is reasonably practicable after the Committee becomes aware of any such breach.

3.2.3 on other issues:

- a) at the instruction of the Board of Directors, perform any other duties falling within the competence of the Committee.

4. COMPOSITION OF THE COMMITTEE

- 4.1 The composition and term of office of the Committee, the election of its Chairman and members and the dismissal of its Chairman and members (or alternate members appointed in accordance with clause 6.4 of these Regulations) prior to expiration of their terms shall be subject to the preliminary approval of the Board of Directors with further approval by the General Meeting of Stockholders of the Company.
- 4.2 The Committee shall consist of three Directors, including the Chairman of the Committee being an Independent Director and one Director being nominated by each of the Stockholders of the Company. The members of the Committee shall be elected by the majority of votes of the members of the Board of Directors of the Company with further approval by the General Meeting of Stockholders of the Company.
- 4.3 The Committee shall appoint a Secretary who shall provide organizational and informational support to the Committee.

5. CHAIRMAN OF THE COMMITTEE

- 5.1 The Chairman of the Committee shall organize the activity of the Committee, namely:
 - 5.1.1 convene and preside over the meetings of the Committee;
 - 5.1.2 approve the agenda of the meetings of the Committee, including the contents of the issues to be submitted for consideration by the Committee;
 - 5.1.3 organize discussions of the issues at the meetings of the Committee as well as consider the opinions of the persons invited to the meetings; and
 - 5.1.4 develop the plan of ordinary meetings for the current year in view of the plan of the meetings of the Board of Directors of the Company.

6. MEETINGS OF THE COMMITTEE

- 6.1 The Committee shall:
 - 6.1.1 conduct regular meetings at least once a quarter and extraordinary meetings as the need arises;
 - 6.1.2 strive to ensure the attendance of the members of the Committee at the meetings in person where possible; and
 - 6.1.3 conduct its activities in accordance with the plan of work prepared by the committee each year for the following year, and approved by the Chairman of the Committee.
- 6.2 The Secretary of the Committee shall ensure arranging and holding the meetings of the Committee, collection and systematization of the materials for the meetings, timely sending to the members of the Committee and invited persons notifications on holding the meetings of the Committee, the agenda of the meetings, materials on the agenda of the meetings, taking minutes of the meetings, drawing up proposed decisions and recommendations of the Committee and subsequent keeping of all relevant materials. Notifications on holding the meetings of the Committee and associated materials shall be sent out to the persons participating in the meeting at least 10 (ten) calendar days prior to the planned

- date of the meeting of the Committee. Each member of the Committee shall be entitled to waive the requirement of 10-day notice by submitting a written waiver to the Chairman of the Committee or by presence at the meeting with the purpose other than objection to the improper notification. The Secretary of the Committee shall ensure receipt of required information by all members of the Committee.
- 6.3 There will be a quorum if all three members of the Committee participate in the meeting of the Committee. Meetings of the Committee can be held by way of videoconference, conference-call and using other means of communication.
- 6.4 A member of the Committee shall be entitled to appoint the other Director, appointed to the Board by the same Stockholder, as an alternate to attend a meeting if the member cannot attend. The alternate will be entitled to the same rights as the member of the Committee.
- 6.5 The decision to convene a meeting of the Committee and the date, time, place, agenda and invitees of such meeting shall be made by the Chairman in accordance with the plan of holding the ordinary meetings of the Committee.
- 6.6 An extraordinary meeting of the Committee can be convened:
- 6.6.1 by its Chairman;
- 6.6.2 at the request of any member of the Committee; or
- 6.6.3 upon written request of the General Meeting of Stockholders and the Executive Body of the Company.
- 6.7 The decisions of the Committee shall be made by way of a vote. Each member of the Committee shall have one vote.
- 6.8 Decisions of the Committee shall be adopted if all three members of the Committee vote positively for the adoption of the decision. In case of lack of consensus, each member of the Committee shall provide his/her opinion to the Board of Directors of the Company.
- 6.9 The Committee may invite any party from the following non-exhaustive list to attend its meetings:
- 6.9.1 the Treasurer of the Company;
- 6.9.2 the Group Treasurer of BAE Systems plc, or their nominee;
- 6.9.3 The Director Risk Management and Internal Control of Samruk Kazyna JSC, or their nominee;
- 6.9.4 the Chief Executive Officer/President and other needed representatives of the Company, including VP Finance and/or Chief Accountant.
- 6.10 Following the results of each of the meetings of the Committee the minutes shall be drawn up by the Secretary of the Committee within 5 (five) days from the date of the meeting of the Committee. Minutes shall be signed by the members and the Secretary of the Committee in two original counterparts, one of which shall be provided to the Board of Directors of the Company with attachment of prepared materials and recommendations. The Secretary of the Committee shall keep minutes of meetings of the Committee.
- 6.11 Where recommendations are made by the Committee to the Board of Directors such recommendations shall be documented and delivered to the Board of Directors before the next scheduled meeting of the Board of Directors or within 5 (five) days whichever is sooner. Where such recommendations have

been the subject of advice from experts invited to attend the Committee, such advice will be documented and appended to the recommendation delivered to the Board of Directors.

- 6.12 Each member of the Committee shall have the right to express his/her opinion to be recorded in the minutes of the meeting of the Committee. If a decision related to certain issues can not be made due to the interest of certain members of the Committee, such case shall be reflected in the minutes of the meeting of the Committee.

7. CONCLUSION

- 7.1. The present Regulations shall come into force on the date of approval thereof by the General Meeting of Stockholders of the Company.
- 7.2. The present Regulations can be amended and changed upon the decision of the General Meeting of Stockholders of the Company.
- 7.3. Should, as a result of amendments to the legislation of the Republic of Kazakhstan, certain clauses of the present Regulations contradict the current legislation of the Republic of Kazakhstan, such clauses shall cease to be in force.