

#

RULES ON GENERAL TERMS AND CONDITIONS FOR CONDUCTING BANKING OPERATIONS OF "AL HILAL" ISLAMIC BANK" JSC

1. INTRODUCTION

- 1.1. "Al Hilal" Islamic Bank" JSC (hereinafter referred to as the "Bank") has been carrying out its banking activities since March 2010 and has been offering its services in accordance with applicable laws of the Republic of Kazakhstan on the basis of the license issued by the National Bank of the Republic of Kazakhstan for carrying out banking and other operations and performing of activities in the securities market.
- 1.2. These Rules for conducting banking operations (hereinafter – the "Rules") have been developed on the basis and in accordance with the Banking Law and other legislative acts of the Republic of Kazakhstan, Bank's charter and other internal documents of the Bank in accordance with the Sharia as interpreted by the Bank's Board.
- 1.3. According to the Banking Law and for the purpose to comply with Sharia all banking activities are supervised by the Board which is an independent body directly appointed by the Bank's Sole Shareholder.
- 1.4. The Bank carries out banking activities in accordance with these Rules approved by the Board of Directors.
- 1.5. The Rules contain the following information and procedures on:
 - 1) limit amounts and terms of the Islamic deposits and Islamic Financing Products;
 - 2) requirements for the security received by the Bank;
 - 3) limit values of rates and tariffs for conducting banking operations;
 - 4) limit terms for decision making on the provision of banking services;
 - 5) the procedure for considering customer complaints arising in the process of providing banking services;
 - 6) the rights and obligations of the Bank and its customers, the conditions for carrying out the banking operations by the Bank and the risks associated with them;
 - 7) provisions on the order of working with Customers;
 - 8) other conditions.
- 1.6. The Rules are public information and may not be a commercial or banking secret. The Bank places these Rules on its website and makes them available for review upon their first customer's request.
- 1.7. The Rules establish general standard terms and conditions of processing operations by the Bank, except for operations undertaken in the interbank market. Specific conditions of processing operations by the Bank on various types of banking operations and banking products are set by internal Bank documents as well as by specific agreements concluded with Customers.
- 1.8. Before provision of any bank services with respect to each potential and current Customer, the Bank performs required preliminary "Know Your Customer" procedures, as well as other necessary due diligence, established by Bank's internal documents, as well as by requirements of the applicable legislation of the Republic of Kazakhstan on anti-money laundering of illegal proceeds and financing of terrorism.

2. DEFINITIONS

- 2.1. The following words and expressions in these Rules shall be understood as follows:
 - "**Account (s)**" - account (s) opened by the Bank to the Customer in accordance with the bank account agreement;
 - "**Agreement on issuance of the card**" - Agreement to release debit cards and provision of electronic banking services and the Agreement on issue of debit card and provision of electronic banking services and where applicable Agreement on revolving financing facility under a Credit card;

#

#

#

"Bank" - "Al Hilal" Islamic Bank" JSC or any of its branches.

"Bank Account Agreement" - an agreement for opening of a bank account with the Bank, concluded between the Customer and the Bank in the form established by the Bank.

"Banking Day" - any day on which the Bank is open for business in the RK.

"Bank Secrecy" - information about customers and correspondents of banks, their operations and relationships with banks related to the receipt of banking services, including without limitation: information on the availability, owners and numbers of bank accounts and correspondents of banks, balances and cash flows on these banks accounts and accounts of the bank itself, restrictions on the listed accounts (decisions and (or) orders of government agencies on the suspension of expenditure transactions, arrests, pledges), transactions of customers and correspondents and the bank (except of general conditions on carrying out banking operations), as well as the availability, ownership, nature and value of the property of customers stored in premises of the bank, information on the receipt by Customers of financing (except as specified in this article), conducting transactions on payments and (or) money transfers, including those executed without opening a bank account;

"Board" - the Islamic finance principles Board of the Bank;

"Card" - a payment card, including additional cards issued under the Agreement on issuance of the card, entitling its holder to carry out withdrawals, payments and (or) money transfers (depending to the card product type) within the amount of money available in the Customer account (including through the Financial Portal);

"Cardholder" - an individual who has the right to use the Card in accordance with the Agreement on issuance of the card;

"Customer" - an individual or legal entity who is a consumer of banking services or intending to use banking services.

"Electronic payment services" - Electronic banking services related to the payment and (or) money transfers, foreign exchange operations with the use of bank accounts and the implementation of other types of banking operations not related to information banking services provided through remote access systems.

"Financial Portal" - software package used by the Bank and the Customer intended for providing the Bank with electronic banking services to the Customer / Cardholder through computer networks, Internet, telephone and / or mobile networks, including mobile banking;

"Foreign Currency" - any currency approved by the Bank, other than "Tenge" or "KZT".

"Information and banking services" - the Bank services on provision to the Customer or a third party by the order and with the consent of the Customer information on balances and (or) the movement of money in his bank account, payments and (or) money transfers carried out under this account, and other information at the request of the Customer or under a contract concluded between the Customer and the Bank;

"Instruction of the Customer" - the Customer's instructions given to the Bank for the performance of operations on the Account.

"Islamic Deposit" - the money to be invested by the Customer with the Bank under the terms of the investment deposit.

"Banking law" - the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan".

"PIN-code" - (personal identification number) is a secret code assigned to the Card and intended for identification of the Cardholder;

"Product of Islamic financing" - provision of financing to the Bank's Customers on the terms stipulated in Articles 52-8 to 52-12 of the Banking Law.

"Sharia" - set of norms and principles of Islam that contain prescriptions from Quran and sunnah of the prophet Muhammad (let the God have mercy on him), ijma,

#

#

#

"*consensus*" among Islamic *scholars and* qiyas or similar conclusions, as well as other evidence of Islamic law that can be identified or concluded by the Board of the Bank;

"**Tenge**" or "**KZT**" - the legal currency of the Republic of Kazakhstan.

"**Wakala**" – an investment deposit, according to which muwakkil acting legally as a trustee, is willing to assign wakil to be his agent for investment funds belonging to muwakkil in operation, acceptable according to Shariah, through the Wakala pool or general pool as deemed appropriate by the Bank represented as wakil.

"**Mudaraba**" –type of Islamic deposits in form of partnership in profit in which one party provides capital ("Rab-al-Maal") and the other party provides its expertise and skill in relation to the investment of such capital ("Mudarib"). Profit, if any, is shared between the parties as per an agreed ratio while loss, if any, is borne solely by the Rab-al-Maal (as the case may be) and Mudarib will lose his effort.

3. GENERAL PROVISIONS OF OPENING AND MANAGING BANK ACCOUNTS, ATTRACTING DEPOSITS

3.1. Bank accounts

Opening and maintaining of bank accounts of legal entities and individuals is made according to legislation of the Republic of Kazakhstan and Bank account agreement.

In order to open an account, the Customer provides a package of documents to the Bank established by the legislation of the Republic of Kazakhstan and Bank's internal documents.

In cases directly stipulated by the legislation of the Republic of Kazakhstan, the Bank notifies the tax authorities of the opening and closing of the Customer's Account.

Bank accounts depending to the Customer's choice can be opened in a Tenge and in another foreign currency, if it is established by the internal documents of the Bank.

The number of accounts to be opened by the Customer with the Bank is not limited.

The Bank undertakes and guarantees to pay all amounts of the balance of the Account in full in the manner and on terms and conditions established by the legislation of the Republic of Kazakhstan and the Bank Account Agreement. The Bank is entitled to invest all amounts placed on the Account at the discretion of the Bank and does not pay any profit for amounts placed on the Account.

The Bank accepts money from third parties to the Customer's account in order established by internal documents of the Bank and legislation of the Republic of Kazakhstan. Crediting of funds from third parties to the Customer's Account of a legal entity in foreign currency is accepted by the Bank in accordance with the currency legislation of the Republic of Kazakhstan.

3.2. Deposits:

3.2.1. Mudaraba. The Customer, being the "owner of the funds" or ("Rab-al-Maal"), authorizes the Bank ("Mudarib") to invest the Customer's funds in unrestricted order in accordance with the Shariah through the established general fund or any other fund selected by the Bank in accordance with Shariah in a manner that the Bank deems necessary at its discretion. When investing the Customer's funds, the Customer authorizes the Bank to mix the Customer's funds with the Bank's own funds, balances on current and other accounts, other accounts that the Bank has the right to invest.

For the purpose of investment and Mudaraba's deposits, the Bank accepts money from the Customer in cash, by bank transfer or in any other manner acceptable to the Bank. The Bank, acting as Mudarib, is obliged to accept from the Customer a sum of money (Islamic deposit) in currency and for the period stipulated in the contract. The Bank undertakes to manage Mudaraba deposit in the interests of the Customer and make all reasonable efforts to return Mudaraba deposit to the Customer and to pay the Customer a Mudaraba deposit income. The Bank

#

#

undertakes to manage Mudaraba deposit in the manner and under the conditions established by the agreement.

For the avoidance of any doubt: the Bank is not obligated to return the Deposit or to pay the profit on the Deposit to the Customer.

The basic conditions of Mudaraba are set out in the relevant agreement.

3.2.2. Wakala. In accordance with the structure of Wakala, the Customer, who is a Muwakil, authorizes the Bank, which is Wakil, to manage the Customer's funds by investing in the transactions corresponding to the Sharia through the Wakala Fund. For the management of the funds of Muwakil Wakil, a commission is paid (Wakil incentive).

Muwakkil, being a principal, is responsible for all risks associated with Wakil's actions in connection with the Investment Transaction, with the exception of the risks associated with the unfair execution or faulty inaction of Wakil or his violation of the terms and conditions of the agreement in which Wakil becomes responsible for covering risks.

Before the conclusion of the agreement, Wakil and Muwakil agree on the alleged profits of Muwakil Wakil. If the amount of profit received as a result of Wakil's investment of Muwakil's funds exceeds the estimated profit of Muwakil, the remainder of the profits is due to Wakil as the Wakil Incentive.

But if the real profit will be lower than the expected profit of Muwakil, then the Customer will be paid only real profit on the terms of the contract.

3.3. Limits of amounts and terms of deposits:

For individuals:

Account type	KZT	USD	EUR	AED	Term
Minimum amount for current accounts	0	0	0	0	unlimited
Minimum amount for Mudaraba	0	0	0	0	unlimited
Minimum amount for Wakala	0	0	0	0	unlimited

For legal entities:

Account type	KZT	USD	EUR	AED	Term
Minimum amount for current accounts /correspondent accounts	0	0	0	0	unlimited
Minimum amount for Mudaraba	0	0	0	0	unlimited
Minimum amount for Wakala	0	0	0	0	unlimited

The maximum amount for individuals and corporate Customers: without limitations.

4. PAYMENT CARDS:

Payment cards are the Cards that allows to the holder to make payments and (or) transfer money within the amount of money on the Customer's account.

Issue of a payment card is carried out in the manner and on the terms established by the relevant agreement.

#

#

4.1. The Bank offers the following types of cards:

4.1.1. Debit card – a payment card that allows its holder to make payments and (or) transfer of money within the amount of money in the Customer's bank account.

Bank on the basis of the Customer's application opens a Customer account with the same term and on the same conditions as stipulated by the Bank account agreement, the Customer has taken during the opening of accounts, issue cards and provide PIN code to the Customer in accordance with the Bank's internal documents, the Agreement on the issuance card, Sharia and legislation of the Republic of Kazakhstan.

By issuing the Card, the Bank provides the Customer with the opportunity to remotely use the following types of services:

- (a) Information and banking services;
- (b) Electronic payment services;
- (c) Other types of services that are not prohibited by the Shariah and legislation of the Republic of Kazakhstan.

The list of banking services and how they are provided by the Bank to the Customer are not exhaustive and can be supplemented / changed by the Bank at its own discretion unilaterally as the Financial Portal develops and technical capabilities. The Bank notifies its Customers about it by placing an appropriate information message on the Internet resource of the Bank and the Financial Portal.

For the use of a debit card, the Bank charges a commission according to the Bank's Fees.

4.1.2. Credit Card is a payment card that allows its holder to make payments and (or) transfer of money within the revolving credit line on the Islamic Credit Card provided by the Bank on the terms of the agreement on the provision of a revolving credit line on a payment card concluded between the Bank and the Customer. The Bank finances retail customers in cash on terms of urgency, repayment and non-payment (Qard Hassan). The Customer can use the amount of financing, as well as carry out other card transactions, by means of the Islamic Credit Card, for which the Bank charges a commission in accordance with the Bank's Fees. Refund of the amount of financing, as well as fulfillment by the Customer of its obligations, is carried out in accordance with the terms agreed upon at the time of issue of the Credit Card.

The structure of the product is that the borrower assumes obligations and responsibility for the return of the amount of Qard Hassan.

4.2. The procedure for closing the Account and payment card.

Closing of the account and the payment card is carried out:

- on a written application of the Customer in the form prescribed by the Bank when the Customer applies to the Bank's branches;
- on the electronic application of the Customer in accordance with the application form established by the Bank in the Financial portal system (in case of technical possibilities);
- in the cases established by the legislation of the Republic of Kazakhstan and the Agreement on issuance of the card;

4.2.1. Account and payment Card are closed from the moment of receipt of the application from the Customer.

4.3. Payment transactions prohibited on the card in accordance with the rules and principles of Sharia:

- (a) Entertaining and entertainment facilities (night clubs, bars, pubs, cinemas)
- (b) Specialized stores selling tobacco and alcohol products
- (c) Gambling establishments and gambling (casino, bookmaker offices, lotteries)
- (d) Pawnshops and microcredit financial organizations
- (e) Religious goods shops

#

#

#

- (f) Weapon Stores
- (g) Other operations stipulated by the agreement.

4.4. Limit amounts and terms of the Credit Card:

Financing amount	from 50.000 KZT to 3.000.000 KZT
Term of financing	from 12 to 60 months, with possibility to prolongation for the same period

4.5. Limit values of tariffs (fees) for maintenance of the debit and credit cards

Issue of the Card	From 0 KZT to 100 000 KZT
Annual maintenance of the Card	From 0 KZT to 200 000 KZT
Monthly card maintenance fee	From 0 KZT to 20 000 KZT
Cash withdrawal (not applicable to credit card)	From 0% to 3,5%
Crediting cash	From 0% to 2%
Transfer transactions (not applicable to credit card)	From 0% to 3%
Payment transactions	From 0 % to 2%
Penalty/fine	From 0% to 10%
Cash back	From 0% to 5%
Provision of information by SMS	From 0 KZT to 500 KZT
Freezing card	From 0 KZT to 8500 KZT
Unfreezing card	From 0 KZT to 500 KZT
Reset of counters for incorrect PIN input	From 0 KZT to 500 KZT
Statement of account (including archive one)	From 0 KZT to 1000 KZT
Checking balance and getting a mini statement	From 0 KZT to 100 KZT
Other transactions related to the Cards	From 0 KZT to 20 000 KZT From 0% to 3 %

4.6. More detailed conditions for payment cards are described in the relevant Agreements.

5. PRODUCTS OF ISLAMIC FINANCING

5.1. The Bank offers its customers the following types of Islamic financing products in accordance with the Sharia:

For legal entities:

Murabaha in the form of:

- 1) Corporate Murabaha;
- 2) Commodity Murabaha;

Ijarah in the form of:

- 1) Financial leasing in two forms|:
 - 1) lease of identical assets;
 - 2) forward lease for specified asset;

For individuals:

- Home Murabaha;
- Home Murabaha Switch Over;
- Home Murabaha Equity Release.

All secured products can be issued through Murabaha or Commodity Murabaha.

The Bank offers the above products on the basis of the decision of the relevant body of the Bank (Credit Committee and / or Board of Directors). This decision is usually made within 6 months

#

#

from the date of the Customer's application on the financing, unless otherwise is stipulated by the Bank's internal documents.

5.2. Islamic finance products to legal entities:

Murabaha - is selling of Shari'a compliant commodities/goods as per the purchase price with a defined and agreed mark-up. The mark-up may be a percentage of the purchase price or a lump sum. Murabaha is one of the trust-based contracts that depend on transparency as to declaring the actual purchase or cost price. Currently the Bank is offering two products under Murabaha: 1) Commodity Murabaha, 2) Corporate (Goods) Murabaha.

5.2.1. Corporate Murabaha - is a commercial transaction of sales where the Bank expressly mentions the cost of the asset, and sells it to the Customer by adding profit or markup thereon. The Murabaha profit can be determined by mutual consent, either in lump sum or through an agreed rate of profit to be charged over the cost. Payment of the sales price by the Customer is normally deferred to a future date. Goods involved in the transaction will have to be Shari'a compliant goods. The facility is offered to meet the requirement of the Customers as follows:

- 1) Single Purpose Murabaha Facility;
- 2) Murabaha Facility Limit – Multiple Murabaha Transaction within the Limit;
- 3) Murabaha Import Facility/ LC Murabaha.

In accordance with the banking legislation of the Republic of Kazakhstan the scheme of Goods Murabaha represents *"financing of trade activity as trade intermediary by way of provision of a commercial credit to the purchaser of goods"*.

Structure of the Customer's financing transaction by providing a commercial financing without the condition of subsequent sale of goods to a third party.

The transaction includes three (3) parties: the Bank, the Customer and the Seller of the goods. In order to provide the Customer's financing limit, the Bank will purchase the goods from the Seller and will sell the goods to the Customer at a deferred price (cost of goods plus Murabaha's profit) for payment on deferred payment terms. To the relations between the bank and the producer (manufacturer) of the goods, the rules on the contract, supply, contracting, provision of services or other rules on the corresponding obligation provided for by the civil legislation of the Republic of Kazakhstan and Shariah.

5.2.2. Commodity Murabaha is the financing solution offered by the Bank to its customers, within the framework of the Murabaha concept. The goods used in this structure must comply with Sharia law. Financing is offered to meet the requirements of customers in the following:

- 1) Limit of Renewable Commodity Murabaha (to maintain working capital).
- 2) Limit of Non-renewable Commodity Murabaha for project financing (for capital expenditures, etc.)
- 3) Non-renewable Commodity Murabaha (Single Deal).

In accordance with the banking legislation of the Republic of Kazakhstan, the Commodity Murabaha scheme is *"the financing of trade activities as a trade intermediary by providing a commercial loan, subject to the sale of the goods to a third party."*

The structure of the transaction of the Customer financing by providing a commercial financing on the terms of the subsequent sale of the goods to a third party

The transaction includes four (4) parties: the Bank, the Customer, the Seller of the goods and the Buyer of the goods. In order to provide a limit for financing, the Bank will purchase goods from

#

#

the Seller through immediate delivery and immediate payment and will sell the goods to the Customer by means of immediate delivery at a deferred price (cost of goods plus Murabaha's profit) for payment on deferred payment terms. The Customer will subsequently sell the same goods to the Buyer of the goods at original cost through the Bank (acting as a courier to deliver the customer's offer to the Buyer of the goods) on the terms of immediate delivery and immediate payment.

5.2.3. Ijara

Ijara is leasing the asset to the lessee, and the Bank, as the Lessor, will benefit from the use of the asset over a certain period in the amount of a certain amount of rent. According to Ijara, the Bank must be the owner of the property / usufruct of the asset before leasing the asset. Therefore, the acquisition of the asset / usufruct of the asset must be in the ownership of the Bank. In case of import of an asset, the Bank may appoint a third party or the most prospective Lessee as an agent, by entering into an agency agreement for the management of the purchase of the asset, inspection, importation and registration on behalf of the Bank. In either case, the Bank must ensure that the potential Customer notifies the Leasing intention before proceeding with the purchase of the asset. The conditions of Ijara cannot provide for the right to buy out the leased property. The ownership of the leased property can be transferred to the Customer (the lessee) on the basis of a separate agreement.

5.2.4. Financial leasing

In the case of Finance Leasing, the bank purchases the asset or its usufruct for leasing purpose to the customer. The rental amount to be paid by the Lessee includes both the Fixed (the Cost of Asset), the Variable (Bank's Profit) Elements and Supplementary element, if any. At the end of the lease period, the Bank will transfer the ownership of the Asset to Lessee. The financial leasing shall comply with the law requirements of the Republic of Kazakhstan to the agreement on finance leasing.

The Bank provides financial leasing in two forms:

- 1) leasing of existing or identical asset; and
- 2) forward lease of asset to be manufactured or produced in future and to be lease based on specification and description where the rental payment will be started by the customer upon delivery of the asset to the customer and its ability to use the asset.

5.2.5. Limit amounts and terms for Islamic financial products for legal entities:

The range of targeted financing is up to 100,000,000 USD or the equivalent in tenge. The maximum term of financing is up to 7 (seven) years, depending on the industry and the characteristics of the project.

The range of the Bank's profit margin is up to 20% per annum.

Terms of payment: monthly, quarterly, semiannually or at the end of the term of financing.

The Bank may set other limit amounts and terms depending on the product.

5.3. Products of Islamic Finance for individuals

The Bank offers the following retail banking products:

- Home Murabaha;
- Home Murabaha Switch Over;
- Home Murabaha Equity Release.

These types of financing are provided by the Bank in the following forms:

- 1) Commodity Murabaha;
- 2) Corporate Murabaha.

#

#

#

The commodity under the product is the immovable property of the Customer. In accordance with the banking legislation of the Republic of Kazakhstan, the Commodity Murabaha scheme is *"the financing of individuals as a reseller through the provision of a commercial loan."* The transaction structure of the Commodity Murabaha corresponds to the description specified in item 5.2.1., and the Corporate Murabaha corresponds to the description specified in item 5.2.2 of these General Conditions.

5.3.1. Limit amounts and terms for Islamic finance products for individuals:

The range of targeted financing is up to 2.000.000 (two millions) US dollars or the equivalent in tenge.

The minimum rate of the Bank's profit - 5% per annum in tenge; 5% per annum in USD.

The minimum down payment: for Home Murabaha is 10%, for both transfer of debt under housing financing through Murabaha and Home Murabaha Equity Release is 0%.

The maximum term of financing is up to 20 (twenty) years.

Terms of payment: monthly.

The Bank may set other limit amounts and terms depending on the product.

6. REQUIREMENTS TO COLLATERAL RECEIVED BY THE BANK

6.2. General requirements to the collateral received by the Bank are provided by the collateral policy of the Bank.

6.3. Subjects of pledge shall comply with the following requirements:

- 1) A subject of pledge shall meet the requirements of the Civil Code of the Republic of Kazakhstan, principles and rules of Sharia and the requirement of the Bank.
- 2) A pledgor shall have right to a subject of pledge established according to legislation RK (property right, right of economic management), confirmed with the original constitutive documents transferred to the Bank for a period of validity of the Pledge Agreement.
- 3) A subject of pledge (property and rights) shall be free from encumbrances and rights of third parties except for the cases when the Banks agrees with such encumbrances.
- 4) Buildings and constructions may be pledged subject to complete construction, technical inventory and registration thereof in the authorized state structures. An exception is objects under construction, which simultaneously are subjects of pledge and financing of the Bank.
- 5) The objects of real estate offered as pledge shall have exact legal address (location) indicating the street, building number, etc. In no above-stated identification signs are available, it is necessary to indicate a cadastral number of the object of real estate. Cadastral number shall be specified in constitutive documents registered in the Authorized state body.

7. OTHER OPERATIONS

7.1. In addition to those operations specified above the Bank in accordance with license, laws of the Republic of Kazakhstan and internal Bank documents may carry out other operations:

- Cash transactions: acceptance and withdrawal of cash, including their exchange, recount, sorting and binding.
- Transfer transactions: fulfilling instructions of legal entities and individuals on payments and money transfers;
- Foreign currency exchange operation;
- Issuing (opening) and confirming letters of credit and fulfilling liabilities under them;
- Issuing bank guarantees, which provide execution in monetary terms;
- currency control of export/import transactions;
- Remote banking services.

#

#

- As well as other operations permitted in accordance with the legislation of the Republic of Kazakhstan.

7.2. Specific terms of holding Bank operations specified in this section shall be determined by internal Bank Rules as well as by specific agreements concluded with customers.

8. RATES AND TARIFFS FOR BANKING OPERATIONS

8.1. For carrying out operations the Bank shall charge commissions and tariffs from customer in accordance with current Bank rates, which are set by the Bank itself and approved by the Board of Directors and Islamic Finance Principles Board of the Bank.

8.2. Detailed information on the Commissions and Tariffs is placed by the Bank on the website of the Bank or offices of the Bank.

8.3. All postal, telegraphic, telex, telephone and other costs are charged additionally at actual cost, unless otherwise provided by tariffs. Bank's expenses to third party banks (correspondent banks) for fulfillment of customers' orders on conduction of bank operations in foreign currency shall be reimbursed at actual cost of such expenses, unless otherwise is provided by Bank's Tariffs.

8.4. If the value of Bank services to fulfill customer's order is not determined by rates or customer's instructions requires the Bank to accept nonstandard obligation or to carry out additional work that is not provided by standard procedures, the Bank determines the size of commission based on its costs to fulfill customer's order.

8.5. The limit values of tariffs (commissions) to conduct banking transactions

Type of operations	Minimum	Maximum
Acceptance of interest free deposits on demand for individuals and legal entities	N/a	N/a
Opening and maintaining bank accounts of individuals and legal entities	0	KZT 50 000.00
Acceptance of investment deposits from individuals and legal persons	0	1% of deposit amount (for Wakala fee) As agreed by the Parties (for Wakil incentive) Mudarib share from Mudaraba Profit from 0% till 100%
Financing individuals and legal entities as an intermediary by providing a commercial financing: - without the condition to resell the goods to a third party; - under the terms of the subsequent sale of the goods to a third party	0	5 % of financing amount
Investment activities in terms of lease (rent)	0	5% of financing amount

#

#

Cash operations: acceptance and withdrawal of cash, including the change, exchange, counting, sorting, packing and storage	0	KZT 400.000,00 (if indicated in KZT) USD 2.000 (if indicated in foreign currency) 3% of amount (if indicated in percent)
Opening and maintaining correspondent accounts of banks and organizations carrying out certain types of banking operations	0	KZT 50 000.00
Transfer operations: execution of instructions of legal entities and individuals on payment and money transfers	0	KZT 10 000.00 (if indicated in KZT) USD 1200 (if indicated in foreign currency) EURO 1200 (if indicated in foreign currency) 3% of amount (if indicated in percent)
Opening (issue) and confirmation of the letter of credit and fulfillment of obligations under it (if commission is calculated as %)	0	10% of LC amount
Opening (issue) and confirmation of the letter of credit and fulfillment of obligations under it (if commission is calculated per month)		0.84 % per month (calculated according to Tariffs for trade finance services- Letters of Credit (LCs))
Issuance of letter of guarantees and other obligations for third parties, providing execution in monetary form (if commission is calculated as %)	0	10% of LG amount
Issuance of letter of guarantees and other obligations for third parties, providing execution in monetary form (if commission is calculated for each incremental of amount or part there-off)		KZT600,000 per quarter (calculated for every incremental of amount or part there-off according to Tariffs for trade finance services- Guarantees (LGs))
Remote banking services	0	KZT 15 000.00

Specific rates within the established limits, approved by the Board of Directors or the body authorized by the Board of Directors of the Bank.

#

#

9. PROCEDURE FOR CONSIDERATION OF CUSTOMERS APPLICATIONS ARISING DURING PROVISION OF BANKING SERVICES

9.1. If there are any questions and/or suggestions regarding provision of banking services and for more information on banking activity, services, and terms and conditions operations that are not included to the Rules, Customers can contact the Bank or any other branch or call (Customer Service Officers (CSOs) of the Bank using the following communication channels:

Corporate website address	www.alhilalbank.kz
E-mail	ahb@alhilalbank.kz
Legal address of the head office of the Bank	Republic of Kazakhstan
Call center	Almaty, 050040 77/7, Al Farabi Avenue, 13 a, 14 th floor 2330 - free call from a mobile phone Tel: +7 (727) 2330000
Addresses of branches and representative offices in Kazakhstan	
Branch in Astana	Astana, 010000 Republic of Kazakhstan 11, Saraishyk Street Tel: +7(7172) 602212,602214,602215
Branch in Almaty	Republic of Kazakhstan Almaty, 050040 77/7, Al Farabi Avenue, 1a Tel: +7 (727) 230 44 99
Branch in Shymkent	Shymkent, 160021 Republic of Kazakhstan 48«B» Madeli Kozha Street (Kunaev Str. corner) Tel: +7 (7252) 300 404

If there are claims and / or complaints to the provision of the Bank or its employees and banking services, customers on the following contacts:

e-mail feedback@alhilalbank.kz

9.2. The Bank considers the following requests of the Customers:

- written requests received by express, regular mail, e-mail and Bank's web site;
- oral requests received by telephone and during direct visits of Bank customer.

- 9.3.** Written requests of customers are registered in the register of written requests containing details in accordance with the Bank's internal documents.
- 9.4.** The customer is issued a document confirming reception of his written request in hard copy or a relevant note on request's copy is made. Rejection to take written request is not allowed.
- 9.5.** Requests received through the Bank's web site are registered in the manner provided by internal Bank documents.
- 9.6.** Customers' requests received by telephone are recorded. Record of telephone conversation with the customer is made with his/her consent after notifying him/her about this in the beginning of conversation.
- 9.7.** Requests received by the Bank orally (by telephone or during personal customer's visit of Bank office) shall be considered immediately and if possible the response to oral customer's request

#

#

#

shall be provided immediately. If oral request cannot be resolved immediately, it is presented by the customer in writing and the work will be done on it as with the written request. The customer is informed of necessary procedures to get a response and timing of consideration of such request.

- 9.8. Written customers' requests are considered by the Bank according to the following documents of the Bank.
- 9.9. When considering request in case of paucity of information the Bank requests for additional documents and information from the customer, and the period of request consideration shall be suspended until provision of necessary documents and information to the Bank.
- 9.10. The Bank provides an objective, comprehensive and timely review of requests of the customers, informs the customers on the outcome of requests' review and taken action.
- 9.11. Response to written request of the Customer shall be signed by the authorized person of the Bank.
- 9.12. Functions of analysis and control over request's consideration are assigned to the division of the Bank, as determined in accordance with Bank's internal documents.

10. RIGHTS AND OBLIGATIONS OF THE BANK AND ITS CUSTOMERS, THEIR RESPONSIBILITY

- 10.1. The Bank and its Customers have rights, duties and responsibilities in accordance with the legislation of the Republic of Kazakhstan, the Shariah and agreements concluded between the Bank and the Customer.
- 10.2. The Bank undertakes to comply with the Banking Secrecy in accordance with the requirements of the legislation of the Republic of Kazakhstan.
- 10.3. Taking into account the requirements of the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of incomes received from crime and financing of terrorism, the Bank has the right to establish certain requirements, prohibitions and restrictions on the Account, transactions carried out by the Customer, including, but not limited to:
 - suspend operations;
 - refuse to accept payment instructions in the following cases: a) failure to provide the Customer with the required documents in order to study the sources of income, identification of participants in the payment (transfer); b) the susceptibility of the transaction to the risks of money laundering and terrorist financing; c) discrepancy of payment (transfer) to the requirements of corresponding banks.
- 10.4. All operations on the Account in foreign currency are made in accordance with the currency legislation of the Republic of Kazakhstan, internal documents of the Bank, as well as agreements concluded with the Customer. When carrying out transactions in foreign currency, the Bank as an agent for foreign exchange control has the right to request from the Customer the provision of documents relating to the currency transaction, and also periodically require the Customer to provide certain documents and / or provide explanations in writing upon first request. In case of violation of the currency legislation by the Customer, the Bank notifies the currency control bodies.
- 10.5. The Bank in good faith and with due diligence fulfills its obligations in accordance with these Rules and banking practice and has the right to use any communication channels, settlements or payment systems, using the services of correspondent banks and / or other organizations of its choice.
- 10.6. The Bank is not liable for breach of obligations on payments and transfers if such payment or transfer cannot be made due to circumstances outside control of the Bank, including but not limited to errors, failures, deferrals in transfer or in violation of the transfer operation, strikes, power outages or equipment errors, or clearing center, where the corresponding correspondent bank account was opened or some other system.
- 10.7. The Bank is entitled to offset any funds credited to any Customer Account.

#

#

#

- 10.8. The Bank has the right to cancel or suspend any transaction, refuse to accept payment documents if its conduct, in the opinion of the Bank, violates or may lead to violation of the legislation of the Republic of Kazakhstan, contracts with correspondent banks, laws of other applicable jurisdictions, violates or may lead to a violation of the Bank's requirements/norms of Sharia.
- 10.9. The Bank has the right to impose restrictions on the Customer's accounts, as well as execute third party requirements and recoveries in accordance to the legislation of the Republic of Kazakhstan.
- 10.10. The Bank may at any time unilaterally refuse to provide banking services, refuse to accept payment documents, close bank accounts, terminate the relationship, in case of violation by the Customer of the legislation of the Republic of Kazakhstan, Sharia, in bankruptcy or liquidation of the Customer, criminal prosecution of the Customer or bringing him to criminal prosecution, international prosecution of the Customer, if in respect of the Customer and / or the counterparty of the Customer, the beneficiary's bank and / or any third party banking operations, there are any sanctions or restrictions imposed by the parent company of the Bank and / or foreign / international / national organizations (including FATF, OFAC, UN, etc.) if the Bank suspects that the Customer is participating in a terrorist activity and / or legalization (money laundering) activities and / or carries out any other activity that entails or may lead to criminal prosecution of the Customer and / or occurrence of other conditions that the Bank believes may have negative consequences for the Bank. In the event of these events, all obligations of the Customer to the Bank are subject to immediate execution. At the same time, the Bank will not bear any responsibility for the Customer's losses caused by the delay or suspension of the execution of the Customer's payment instructions.
- 10.11. The Customer has the right to close the Account on the basis of the Customer's written application only after the Customer has fully repaid any and all amounts due to the Bank, unless otherwise agreed with the Bank.
- 10.12. The Bank has the right to close the account in cases of termination or refusal to perform a bank account agreement or agreement on investment deposit in the manner established by the legislation of the Republic of Kazakhstan.
- 10.13. In accordance with the Bank's policy, if the Account does not reflect the Transactions initiated by the Customer within six confirmed consecutive calendar months or more, the Account will be deemed inactive. The Bank reserves the right to close any Account that remains inactive for one calendar year. In this case, the Bank shall notify the Customer of its intention to close the Account within the terms established by the legislation of the Republic of Kazakhstan. Such notification will be sent to the Customer at the last known postal address of the Customer indicated in the documents submitted by the Customer for opening the Account and the Bank will consider the notification delivered to the addressee five (5) days after the sending unless otherwise stipulated by the Bank Account Agreement.
- 10.14. Before the Account is closed, the money remaining on the Customer's Account after the Bank's deduction of the commission, penalties, fees and other expenses incurred for maintaining the Account will be given to the Customer or, upon his instructions, transferred to another Account in accordance with the Banking Agreement, then the Account will be closed. If there is a debit balance on the Customer's account, the Customer shall immediately pay to the Bank the amount due from the Customer after receiving a notification from the Bank about the closure of the account.

11. REGULATION ON WORK ORDER WITH CUSTOMERS

11.1 Procedures and terms of consideration of applications for banking services (submission of applications, if necessary):

- 11.1.1 The Bank establishes the following deadlines for reviewing applications and making decisions about providing banking services for every kind of banking services, if necessary filling in a

#

#

form and subject to the provision of a full package of documents by the Customer according to the legislation of the Republic of Kazakhstan and the Bank's internal procedures:

- Opening of current account - the decision taken by the Bank within 1 business day after the Bank receives all necessary documents;
- Opening of the Bank's deposit by the customer - the decision taken by the Bank within 1 business day after the Bank receives all necessary documents;
- Provision of guarantees / letters of credit at the request of the Customer and the Bank - a decision taken by the Bank for a period of up to 6 months from the date of submission by the Customer of all the necessary documents;
- According to other banking services, the decision is made by the Bank for a period up to 2 weeks for legal persons and up to 1 week for individuals, depending on the nature of the service requested and the time of receipt of the internal evidence of the authorized bodies of the Bank or in terms determined by the legislation of the Republic of Kazakhstan.

11.1.2 The Bank may set a long time for the review of applications and the decision on the provision of banking services than those established by paragraph 11.1. of this Regulation in the following cases:

- When the Bank needs more time to review documents and information obtained from the Customer confirmation of the information or the approval of a third party or other officials and other concerned parties;
- When a Customer requests the provision of non-standard banking services that require more time for consideration of documents, internal coordination and approval by the authorized bodies of the Bank;
- Preparation of the necessary documents prior to any of the above cases.

11.1.3 When providing banking services, the Bank acts as follow:

11.1.3.1 Before concluding of the Agreement on the provision of banking services the Bank shall provide to the Customer:

- information on rates and fees, timing of the decision on an application for banking services (submission of the application, if necessary);
- information on the conditions of banking services and the list of documents required for a contract to provide banking services;
- information about the responsibilities and potential risks of the customer in the event of a default under the agreement on the provision of banking services;
- Consultations on matters arising from the Customer;
- Customer's request -Standard contract on the provision of banking services.

11.1.3.2. Should consider the Customer's application for the provision of banking services (provided that the application is necessary) within the period, specified in these regulations;

11.1.3.3. Before signing of the contract for the provision of banking services the Bank provides to the Customer time to familiarize themselves with the terms of the contract;

11.1.3.4. Inform the Customer of his right to appeal when disputes arise upon receiving banking service to the Bank, the banking ombudsman (home financing), the authorized body or the court. For these purposes, the Customer is given information about the location, mail, email and internet resources of the Bank, the banking ombudsman and the authorized body.

11.2. The procedure for cooperation in the provision of banking services:

11.2.1. It provides privacy of the information provided by the Customer;

11.2.2. After signing the contract for the provision of banking services to the Customer receives from the Bank's advice on all matters, considers the Customer's requirements.

11.3. The procedure for granting certain types of banking services and work with uncollectable accounts.

#

#

- 11.3.1. Bank before the conclusion of the financing agreement, in addition to the information and documents provided by subparagraph 11.1.3 of this Regulation shall provide the Customer orally the following information on the products of Islamic finance:
- 1) the period of funding;
 - 2) limiting the amount and currency of financing;
 - 3) an exhaustive list, and the size of commissions, tariffs and other costs associated with obtaining and servicing (payment of) the product of Islamic finance in favor of the Bank;
 - 4) cases of possible unilateral change in terms of the financing contract concluded with the Customer - legal entity under the Law on Banks;
 - 5) responsibility and risk of the customer in the event of default under the contract financing;
 - 6) responsibility mortgagor, guarantor, surety or other person who is a party to the contract on ensuring the product of Islamic finance.
- 11.3.2. The Bank for up to three working days from the date of the adoption of the financing decision notify the Customer of the issuance or refusal of funding, indicating the reasons for refusal.
- 11.3.3. Financing agreement contains mandatory terms of financing agreement, established in accordance with the legislation of the Republic of Kazakhstan.
- 11.3.4. If the agreement provides financing, the Bank shall notify the Customer within the time and in the manner provided for by contract funding, late performance obligations and the need to make payments under the contract. According to the agreement between the parties in the contract provides for the financing terms and methods of notification of the date of the next payment under the contract.
- 11.3.5. The Bank carries out debt collection in the manner and on the grounds established by the Law on Banks and financing agreement.
- 11.3.6. For the purposes of debt collection under the contract of financing and within the limits of Shariah, the Bank shall notify the Customer of the need to make payments under a finance and the consequences of default by the Customer of its obligations.

12. ZAKAT

The Customer shall be solely responsible for paying the Zakat due on his funds. And the Bank may accept to be as agent of the Customer to calculate the due Zakat and pay the same on behalf of the Customer.

13. WAIVER OF RIGHTS TO CLAIM

After appropriate notification to the Customer the Bank may, at its discretion, waive compliance with any of these terms and conditions, but such waiver shall be without prejudice to the Bank's rights, including its right to enforce these terms and conditions at a subsequent time.

14. CUSTOMER INFORMATION

The Bank's books, records and accounts shall be conclusive and binding. Any certificate, printout or statement of account issued by the Bank shall be final and conclusive evidences against the Customer of the correctness thereof in any legal proceedings or otherwise.

15. BANKING SECRECY WAIVER

- 15.1. The Customer hereby agrees and consents that the Bank, its officers, employees, shareholder(s) and agents shall have the right to disclose any and all information about the Customer or relating to the Customer (including any information on the Account) which constitutes banking secrets in accordance with the banking legislation of the Republic of Kazakhstan:
- (a) a Sole shareholder of the Bank and subsidiaries of a sole shareholder of the Bank, auditors, legal and other professional consultants Bank consultants;

#

#

#

- (b) to third parties in connection with the assignment or transfer (including alleged) rights and liabilities, collection agencies in connection with the process of debt collection under the Agreement;
- (c) banks and nonbanks in connection with the seizure of money by direct debit / acceptance-free withdrawals (including alleged) the Bank or for the benefit of funds from the accounts of the Bank of Cardholder;
- (d) any government agency of a foreign state, is authorized to oversee and regulate the Bank and its shareholder (s) in order to comply with the Bank and its shareholder (s) required by applicable law and regulations.

15.2. Customer acknowledges and agrees that, after the signing of the contract for provision of services to the Bank, the Bank may retain, transfer, processing and storing of bank secrecy and records in electronic form on magnetic media or by using other methods (including the database processing outside the Republic Kazakhstan), and further agrees that messages, telex facsimile, magnetic media, tapes, computer printouts and photocopies, which can be set by the Bank as an extract from his files, books, records or accounts that are indisputable proof of the reliability of its contents.

15.3. Customer acknowledges and agrees that the Bank may use the services of third parties and that any such third party may have access to the books and records of the Bank, and to information relating to the Customer and his account received upon signing of the contract of bank account.

15.4. The Customer agrees unconditionally to provide the information, requested by the Bank, its officers, employees or agents, and undertakes to provide any information, the Bank, its employees or agents may, in their discretion, deem necessary to:

- shareholders, affiliates of the Bank, any of its affiliates, subsidiary companies, affiliates and any other jurisdiction, and divisions of the Bank;
- service providers, including those to whom the Bank has entrusted certain functions that can be distributed both within the Republic of Kazakhstan and abroad, subject to the necessary conditions of confidentiality of the Bank;
- any actual or potential holders of the rights or obligations of the Bank;
- any guarantor, mortgagor or ensuring the safety of the Customer to a third party;
- in response to any request from a third party serving the purpose guarantee;
- any lawyers, accountants or other professional advisers acting on behalf of the Bank and / or agents and independent contractors;
- any regulatory, tax, or other government agency in any jurisdiction;
- other persons opinion of the Bank, to provide information which will be beneficial for the Bank.

15.5. The Customer shall not assert any claim and waives the right to file any claim on the Bank in the event of any loss, damage or injury suffered as a result of the disclosure of information.

16. NOTICES

All notices and other communication posted by registered post to the Customer at the address stated in the Account Opening Application Form shall be deemed to have been duly received by the Customer seven (7) days after the date of posting with notification of the same. The Bank shall not be liable for any delay or loss of mail. Notification of any change of address of the Customer shall not be binding on the Bank until the Bank's records have been amended.

17. LEGAL METHODS OF WORK

The bank has the right to take any action deemed necessary until the freezing of any funds in the account, if the bank deems that the funds were received by illegal methods resulting in the illegal transaction. Bank's decision in this respect must be final. The Bank may also report any money laundering, illegal or suspicious transactions to the authorities in the Republic of Kazakhstan and other countries.

#

#

#

The Bank, in the framework of the laws and the regulations, make every effort to combat money laundering and, at its discretion, from time to time may request additional information or data from the Customer and / or accounts and to provide the same to the competent authorities involved in the operations. The Bank does not bear any responsibility in case of delay in the execution of transactions, the customers fail to provide required information in a timely manner.

18. APPLICABLE LAWS AND JURISDICTION

- 18.1.** These Rules should be regulated and enforced in accordance with the legislation of the Republic of Kazakhstan to a degree not contradicting the Shariah and the Customer hereby unconditionally submits to the jurisdiction of the Kazakhstani courts for consideration and determination of any proceeding and settlement of the dispute that may arise in connection with these Rules.
- 18.2.** The Customer unconditionally refuses any objections that he may have now or will arise later regarding the choice of courts for legal proceedings and hearings, the filing of any claim, complaint or petition for settlement of any disputes that may arise in connection with the acceptance of the conditions of these Rules and agrees not to make any claims to recognize such courts as unsuitable and inappropriate.
- 18.3.** Submission to the jurisdiction of the courts of the Republic of Kazakhstan shall not limit the right of the Bank to bring proceedings against the Customer in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.
- 18.4.** The Parties recognize and agree that the receipt and payment of interest is not permitted under Shariah and accordingly agree that if any claims for amounts due under this Rules are made in a court of law and that court, by applying the laws and regulations of its legal system, imposes an obligation to pay interest on the amounts being claimed, the Parties irrevocably and unconditionally expressly waive and reject any entitlement to recover such interest.

#