

Annex to minutes of meeting  
of the Board of Directors of Halyk Bank JSC  
No.4 dated 25 September 2012

*as amended by minutes to meetings  
of the Board of Directors of Halyk Bank JSC  
No.79 dated 31 March 2014, No.98 dated 24  
April 2015, No.411 dated 31 December 2015,  
No.93 dated 25 March 2016, No.62 dated 17  
October 2017, No.89 dated 26 December 2018,  
No.40 dated 24 June 2019, No.77 dated 26  
November 2019, No.1 dated 20 March 2024*

## **Halyk Bank JSC**

### **DIVIDEND POLICY**

#### **Chapter 1. General provisions**

1. This Dividend Policy of Halyk Bank JSC (hereafter – the Dividend Policy) has been developed in accordance with the Kazakhstan legislation in force and other applicable legislation, the Charter of Halyk Bank JSC (hereafter – the Bank), Corporate Governance Code of the Bank and the Bank’s internal regulations.

*Clause 2 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.411 dated 31 December 2015, minutes No.1 dated 20 March 2024)*

2. The purpose of this Dividend Policy is to establish a transparent and shareholder-friendly mechanism and decision-making process concerning payment of dividends, determination of amounts, order and terms of payment.

*The Dividend Policy has been supplemented with Clause 2-1 as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.89 dated 26 December 2018)*

2-1. If certain provisions of the Dividend Policy conflict with changes in the legislation of the Republic of Kazakhstan, such provisions of the Dividend Policy become null and void, and until the relevant amendments are made to the Dividend Policy, all issues shall be governed by the applicable legislation of the Republic of Kazakhstan.

#### **Chapter 2. Main conditions for payment of dividends to shareholders**

*Clause 3 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.98 dated 24 April 2015)*

*Clause 3 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

3. The Board of Directors of the Bank proposes to the General Meeting of Shareholders of the Bank to decide on the payment of dividends to shareholders of the Bank, taking into account the following conditions:

- 1) availability of the Bank’s net profits to be distributed;
- 2) absence of restraints upon payment of dividends stipulated by the Kazakhstan legislation as well as other restraints according to agreements between the Bank and third parties, foreign financial institutions (covenants);
- 3) *has been deleted by resolution of the Board of Directors of Halyk Bank JSC (minutes No.40 dated 24 June 2019)*
- 4) maintaining (retaining) international credit ratings of the Bank;

- 5) audit of the Bank's financial statements for the respective period;
- 6) *has been deleted by resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*  
*Clause 3(7) of the Dividend Policy has been amended by resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*
- 7) dividends on common shares may be paid not more than twice a year in compliance with the requirements of the legislation of the Republic of Kazakhstan;
- 8) prevention of default or situation when payment can cause default with respect to the Bank's liabilities;  
*9) has been deleted by resolution of the Board of Directors of Halyk Bank JSC (minutes No.411 dated 31 December 2015)*  
*Clause 3 of the Dividend Policy has been supplemented with sub-clause (10) in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.40 dated 24 June 2019)*  
*Clause 3(10) of the Dividend Policy has been amended by resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*
- 10) observance of the projected CET1 capital adequacy ratio of the Bank, taking into account the planned dividend payment, at the level of not less than 17%;  
*Clause 3 of the Dividend Policy has been supplemented with sub-clause (11) in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*
- 11) the efficiency of the Bank's dividend policy shall be assessed using the dividend payout ratio and the amount of dividend per share, and historical dynamics of the key indicators of dividends paid.

### **Chapter 3. Determination of dividend amounts**

*Clause 4 of the Dividend Policy has been amended in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.40 dated 24 June 2019)*

*Clause 4 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

4. When determining the amount of dividend (per common share) recommended to the general shareholders' meeting, the Bank's Board of Directors shall consider the Bank's equity and proceed from the precondition that the total amount to be used annually for dividend payments on common shares will vary from 50% to 100% of the total net profit as determined by the audited consolidated financial statements of the Bank for the previous calendar year. To ensure dividend payments, the Bank shall additionally attract cash resources generated from dividend payments received by the Bank from the Bank's subsidiaries.

*The Dividend Policy has been supplemented with Clause 4-1 in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.93 dated 25 March 2016)*

*Clause 4-1 of the Dividend Policy has been amended in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.40 dated 24 June 2019)*

*Clause 4-1 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

4-1. In accordance with the strategic objectives of the Bank, the Board of Directors of the Bank is entitled to propose:

to the General Shareholders' Meeting of the Bank not to allocate a part of net income for the previous calendar year as determined by the audited consolidated financial statements of the Bank for dividend payments on common shares;

to reduce the total amount to be used annually for dividend payments on common shares to the level less than 50% of the total net income as determined by the audited consolidated financial statements of the Bank for the previous calendar year.

*Clause 5 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No. 62 dated 17 October 2017)*

5. The amount of dividends accrued on preferred shares is determined in accordance with the Prospectus of the Bank's issue of shares, the Charter of the Bank and the applicable legislation of the

Republic of Kazakhstan. The Management Board of the Bank has the right not to accrue dividends on preferred shares if the accrual of dividends on shares results in reducing regulatory ratios lower than values determined by the regulatory legal act of the authorized body.

#### **Chapter 4. Procedure for passing a resolution on payment of dividends**

6. Resolution on payment of dividends on common shares and determination of dividend amount per one common share of the Bank shall be passed by the general meeting of the Bank by a simple majority from the total number of the Bank's voting shares in accordance with Kazakhstan legislation in force.

7. Dividends on the Bank's preferred shares shall be paid in the order specified by the Kazakhstan legislation in force.

8. Depending on financial results as of the yearend, the general shareholders' meeting of the Bank may resolve unreasonable to pay dividends on the Bank's common shares.

#### **Chapter 5. Payment of dividends**

9. The Bank's Board of Directors determines the date for commencement of dividends payment on the Bank's preferred shares.

10. Dividends on the Bank's common shares are not paid until complete settlement of dividends on the Bank's preferred shares.

*Clause 11 of the Dividend Policy has been amended by resolutions of the Board of Directors of Halyk Bank JSC (minutes No. 62 dated 17 October 2017 and minutes No.89 dated 26 December 2018)*

11. Resolution on payment of dividends on the Bank's common shares shall contain the following information:

- 1) name and location of the Bank, as well as the banking and other requisites thereof;
- 2) period for which dividends shall be paid;
- 3) amount of dividend per one common share;
- 4) date of commencement of dividends payment;
- 5) order and form of dividends payment.
- 6) name of paying agent (if any).

*Clause 12 of the Dividend Policy has been amended by resolution of the Board of Directors of Halyk Bank JSC (minutes No.89 dated 26 December 2018)*

12. Within 5 (five) business days before the date of dividend payment on the Bank's preferred shares, the Bank shall ensure timely informing the shareholders of the Bank about the payment of dividends on preferred shares by publishing in the Kazakh and Russian languages on the web-resource of the Financial Reporting Depository, and at discretion of the Bank in other mass media, in accordance with the Bank's Charter, the information on preferred dividend payment and other information provided for by the Bank's Charter and (or) legislation of the Republic of Kazakhstan, as well as by using other means of notification to shareholders of the Bank on preferred dividend payment.

13. The Bank shall not pay dividends on shares which were not placed or were bought-back by the Bank.

14. Payable dividends shall be subject to taxation in the order stipulated by the tax legislation in force of the Republic of Kazakhstan.

*The Dividend Policy has been supplemented with Clause 14-1 in line with resolution of the Board of Directors of Halyk Bank JSC (minutes No.79 dated 31 March 2014)*

*Clause 14-1 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No. 62 dated 17 October 2017)*

*Clause 14-1 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No. 77 dated 26 November 2019)*

*Clause 14-1 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

14-1. Dividends are paid:

1) if information on the shareholder's current details is available at the Bank or in the system of registers of the Bank's shareholders, or the nominee holding accounting system not later than ninety calendar days:

on common shares - from the date following the date the general shareholders' meeting adopts a resolution on the payment of dividends on the Bank's common shares;

on preferred shares - after the date of compilation of the list of shareholders eligible to receive dividends;

*Clause 14-1(2) of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

2) if information on the shareholder's current details is not available at the Bank or in the system of registers of the Bank's shareholders, or the nominee holding accounting system, payment of dividends on the Bank's shares is made to the account of unclaimed amounts opened with the Central Securities Depository accounting system in accordance with such procedure and within such terms as may be established by the legislation of the Republic of Kazakhstan.

## **Chapter 6. Payment of dividends with securities**

*Clause 15 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.89 dated 26 December 2018)*

15. Upon availability of a shareholder's written consent, the Bank can pay dividends on the Bank's common shares by its own securities: by the Bank's authorized shares and (or) outstanding bonds. The resolution of the general shareholders' meeting on payment of dividends on common shares must specify possibility of dividend payment by the Bank's mentioned securities and shall be passed at the general shareholders' meeting by simple majority of the Bank's voting shares.

16. The Bank's shareholders, with the exception of a shareholder owning preferred shares of the Bank, who expressed a desire to receive dividends in securities, must submit a corresponding written application to the Bank stating its consent to receive dividends in securities of the Bank.

17. The Bank has the right to pay a part of dividends by money and a part of dividends by securities, and by various types of securities at that (both by authorized shares and outstanding bonds).

18. Quantity of securities paid as dividends is calculated based on the amount of dividends per one common share set by the general meeting (on common shares) considering taxation of proceeds from securities in accordance with the Kazakhstan tax legislation in force.

19. If the quantity of securities requested by the Bank's shareholders as dividends is more than the quantity of securities the Bank possesses at that time, then the dividends to the shareholders shall be paid by the mentioned securities on pro rata basis. A part of dividends not paid by securities shall be paid by money.

*Clause 20 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.89 dated 26 December 2018)*

20. Securities paid as dividends shall be transferred to shareholders in the order stipulated by the legislation of the Republic of Kazakhstan.

## **Chapter 7. Responsibility for non-payment of dividends to shareholders**

*Clause 21 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.89 dated 26 December 2018)*

21. According to Article 15 of Law of the Republic of Kazakhstan "On Joint Stock Companies", the Bank, JSC Central Securities Depository and (or) nominee holder shall not be liable for nonpayment of dividends to shareholders who/which failed to duly provide to JSC Central Securities Depository and (or) nominee holder their exact banking requisites or changes thereto.

22. *Deleted as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

*Clause 23 of the Dividend Policy has been amended as per resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

23. Shareholder has the right to demand payment of dividends due regardless of the timing the Bank's indebtedness has arisen. In case the dividends are not paid in due time due to the Bank's fault, the Bank's shareholder is entitled to receive the amount of the dividends due and penalties calculated based on the **base** rate of the National Bank of the Republic of Kazakhstan on the day of the fulfillment of monetary obligation or its appropriate portion.

#### **Chapter 8. Informing shareholders and investors of the Dividend Policy**

*Clause 24 of the Dividend Policy has been amended as resolution of the Board of Directors of Halyk Bank JSC (minutes No.1 dated 20 March 2024)*

24. The Bank shall place the Dividend Policy in the Russian, Kazakh and English languages, amendments thereto and the history of dividend payments for the last five years on its corporate website: [www.halykbank.kz](http://www.halykbank.kz) and [www.halykbank.com](http://www.halykbank.com).

Прошито и пронумеровано

на 5 страницах

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