

APPROVED BY
the resolution of the general shareholders' meeting of
Halyk Bank JSC
(minutes No.45 dated 23 April 2021)

as amended by resolutions of the general shareholders'
meeting of Halyk Bank JSC, minutes No.48 dated 25 May
2023 and No.50 dated 25 April 2024

METHODOLOGY FOR THE VALUATION OF SHARES IN CASE OF REPURCHASE THEREOF BY HALYK BANK JSC ON THE UNREGULATED SECURITIES MARKET

Chapter 1. General

1. This Methodology for the valuation of shares in case of repurchase thereof by Halyk Bank JSC on the unregulated securities market (the "Methodology") was developed in accordance with the legislation of the Republic of Kazakhstan and internal regulations of Halyk Bank JSC (the "Bank"), and establishes the procedure for valuation of the Bank's shares when they are redeemed by the Bank on the unregulated securities market.

2. The terms used herein shall have the following meaning:

- 1) *share* – a security issued by the Bank and certifying the rights to participate in the management of the Bank, receive a dividend thereon and a part of the Bank's property upon its liquidation, as well as other rights provided for by legislative acts of the Republic of Kazakhstan;
- 2) *Head Office* – the head office of the Bank is located in the place of the Management Board of the Bank, which coordinates the activities of separate subdivisions of the Bank;
- 3) *Event Date* – the date of the event, which is the basis for calling redemption of the Bank's shares owned by a shareholder of the Bank, as stipulated by the legislation of the Republic of Kazakhstan;
- 4) *Depository Receipt* – a derivative issue-grade security certificate for certain number of common shares of the Bank, which are the underlying asset of this depository receipt;
- 5) *Unregulated Securities Market* – the sphere of circulation of securities and other financial instruments in which transactions with securities and other financial instruments, including foreign currencies and derivative financial instruments, are made without observing the requirements established by the internal documents of the stock exchange;
- 6) *Formal Securities Market* – the sphere of circulation of securities and other financial instruments in which transactions are made in compliance with the internal documents of the stock exchange;
- 7) *Exchange* – a stock exchange or central depository that arranges trading and ensures technical support through operation and maintenance of the system of exchange of quotations between clients of the central depository in accordance with the Law of the Republic of Kazakhstan "On the Securities Market";
- 8) *Outstanding [Placed] Shares* – the shares of the Bank paid by founders and investors on the primary securities market;
- 9) *Competent Authority* – a state authority exercising state regulation, control and supervision of the financial market and financial organizations;
- 10) *Stock Exchange* – for the purposes of this Methodology, the "stock exchange" means Kazakhstan Stock Exchange JSC (the "KASE"), Astana International Exchange (the "AIX") and London Stock Exchange (the "LSE"), on which securities of the Bank were admitted to circulation on the initiative of the Bank.

3. Other concepts and abbreviations used herein but not specified in clause 2 hereof are used in the meaning enshrined in the legislation of the Republic of Kazakhstan and other states.

Clause 4 of the Methodology has been supplemented with part 2 in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No.48 dated 25 May 2023)

4. Redemption of shares by the Bank on the formal securities market is carried out in the manner established by the legislation of the Republic of Kazakhstan and the internal regulations of the KASE.

When the shares are repurchased by the Bank on the regulated and unregulated securities markets within one resolution of the Bank's authorized body, the shares shall be repurchased based on a single price or methodology for determining the repurchase price unless otherwise established by the resolution of the Board of Directors of the Bank.

5. This Methodology shall apply to events when the outstanding shares are redeemed by the Bank:

- 1) at the initiative of the Bank;
- 2) at the request of a shareholder in cases established by the legislation of the Republic of Kazakhstan;
- 3) upon application of a shareholder.

6. Redemption of outstanding shares is carried out for the purpose of their further sale, observance of the rights of shareholders (if the Bank is obliged to redeem shares owned by a shareholder in accordance with the legislation of the Republic of Kazakhstan) or for other purposes that do not contradict the legislation of the Republic of Kazakhstan and the Charter of the Bank.

Clause 7 of the Methodology has been supplemented with part two in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No.50 dated 25 April 2024)

7. Redemption of outstanding shares from shareholders – non-residents of the Republic of Kazakhstan is carried out in the manner established for shareholders – residents of the Republic of Kazakhstan.

The repurchase of its depositary receipts by the Bank is made in accordance with applicable international practice.

8. The Bank's shareholders have the right to read this Methodology.

Chapter 2. General Terms and Conditions for Redemption of Outstanding Shares by the Bank

Clause 9 Of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

9. The Bank may not redeem its outstanding shares if there are grounds provided for by the applicable legislation of the Republic of Kazakhstan prohibiting joint-stock companies **and(or) second-tier banks** from redeeming their outstanding shares.

10. The total number of shares redeemed and redeemable by the Bank shall not exceed 25% (twenty-five percent) of the total number of outstanding shares, and the cost of redemption of the outstanding shares shall not exceed 10% (ten percent) of the Bank's equity:

- 1) upon redemption of outstanding shares at the request of a shareholder - as of the date of: resolutions by the general shareholders' meeting of the Bank set in the clauses 30(1), 30(2) and 30(5) hereof;

the Exchange's decision to delist shares;

resolution to enter into a major and (or) related party transaction;

- 2) upon redemption of outstanding shares at the initiative of the Bank and upon application of a shareholder - as of the date of resolution to redeem the outstanding shares.

11. The Bank may enter into transactions for redemption of shares from shareholders who own 10 (ten) percent or more of shares, provided that the transactions do not violate prudential ratios and other indicators or criteria (ratios) of financial stability established by regulatory legal acts of a competent authority.

12. The shares redeemed by the Bank are not counted in the quorum at its general shareholders' meeting and do not participate in voting thereon. No dividends are accrued or paid on shares redeemed by the Bank.

13. In the event that the total number of outstanding shares called by its shareholders for redemption exceeds the number of shares announced by the Bank for redemption or which can be redeemed by the Bank, these shares are redeemed from shareholders in proportion to the number of shares owned and called (in the case of redemption of outstanding shares at the initiative of the Bank or upon application of a shareholder) or owned (in case of redemption of outstanding shares at the request of a shareholder) by them.

Clause 14 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

14. K-ratio formula of redeemable Bank's shares:

$K = S / Q$, where

S – the total number of shares announced by the Bank for redemption (in case of redemption of outstanding shares at the initiative of the Bank or upon application of a shareholder) or which can be redeemed by the Bank (in case of redemption of outstanding shares at the request of a shareholder);

Q – the total number of outstanding shares called for redemption.

The final number of shares that can be redeemed by the Bank from a shareholder is calculated by multiplying the number of shares owned and called (in case of redemption of outstanding shares at the initiative of the Bank or upon application of a shareholder) or owned (in case of redemption of outstanding shares at the request of a shareholder) by the shareholder by **K-ratio, with the value being rounded to eight decimal places during calculations unless otherwise established by the resolution of the Bank's Board of Directors**. If, based on the results of the above calculation, the number of shares redeemable by the Bank from a shareholder is not integer, then the number of shares redeemable by the Bank from such a shareholder is rounded down to the nearest whole share.

Chapter 3. Redemption by the Bank of outstanding shares on the unregulated securities market

§ 1. Procedure for redemption of outstanding shares at the initiative of the Bank

15. The Bank may, on its own initiative, to redeem the outstanding shares with the consent of the shareholder for the purpose of sale or for other purposes that do not contradict the legislation of the Republic of Kazakhstan and (or) the Charter. Redemption by the Bank of outstanding shares at the initiative of the Bank is made on the basis of resolution of the Board of Directors of the Bank, unless otherwise provided by legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank.

16. The Bank may not redeem the outstanding shares:

- 1) if, as a result of redemption of shares, the Bank's equity becomes less than minimum share capital established by the legislative acts of the Republic of Kazakhstan;
- 2) if at the time of redemption of shares, the Bank has signs of insolvency, in accordance with the legislation of the Republic of Kazakhstan, or if the Bank could be heading for insolvency as a result of redemption of all shares required or expected to be redeemed;
- 3) if the court or the general shareholders' meeting of the Bank resolve to wind up the Bank;

Clause 16(4) of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

- 4) to the extent provided for by the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and in other cases stipulated by the applicable legislation of the Republic of Kazakhstan.

17. Taking into account the interests of the Bank and guided by applicable legislation of the Republic of Kazakhstan, the Bank's Management Board may request the Board of Directors of the Bank to pass resolution to redeem the outstanding shares by the Bank. In this case, the request of the Bank's Management Board shall contain:

- 1) statement of reasons for redemption and the purposes of redemption of the outstanding shares;
- 2) the number and type of redeemable shares;

3) the redemption price of the outstanding shares or the methodology for determining the redemption price;

Sub-clause 4) of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 50 dated 25 April 2024)

4) the period during which applications for redemption are accepted from shareholders of the Bank, and/or the period during which the Bank redeems the outstanding shares and after which the Bank has the right to refuse to redeem them;

5) the terms of the redemption of the outstanding shares.

18. If it agrees with the request of the Management Board, the Board of Directors of the Bank may resolve to redeem the outstanding shares by the Bank.

Clause 19 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No.50 dated 25 April 2024)

19. The resolution of the Bank's Board of Directors to redeem the outstanding shares must contain information on the types, number of redeemable shares, the price or methodology for determining the redemption price, the period during which applications for redemption from the Bank's shareholders are accepted, and/or the period during which the Bank is to redeem outstanding shares and upon expiration of which the Bank may refuse to redeem them and the terms of their redemption.

20. If the number of outstanding shares to be redeemed at the initiative of the Bank exceeds 1% (one percent) of their total number, prior to the transaction (transactions) for sale and purchase of shares, the Bank is obliged to announce such redemption to its shareholders by placing the Bank's announcement of the redemption of its outstanding shares in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository, as well as, at the discretion of the Bank, in other media stipulated in the Charter of the Bank.

Clause 21 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

21. The Bank's announcement on the repurchase of its outstanding shares shall contain information pursuant to the requirements established by the legislation of the Republic of Kazakhstan.

Clause 22 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 50 dated 25 April 2024)

22. Repurchase of outstanding shares at the initiative of the Bank is carried out through the transaction for sale and purchase of shares and its registration in the manner prescribed by applicable legislation of the Republic of Kazakhstan, through execution of the Bank's share sale and purchase agreement under written application from the Bank's shareholder or its authorized/legal representative, except for redemption by the Bank of its depository receipts, where no application for repurchase is required and the procedure for repurchase whereof is determined in accordance with the applicable international practice. The application for repurchase by the Bank of shares is submitted by a shareholder or its authorized/legal representative.

The application for repurchase of shares at the initiative of the Bank containing an offer to the Bank to enter into a share purchase and sale transaction, and the material terms of the transaction, must be completed and signed by the Bank's shareholder or its authorized/legal representative based on relevant documents, and then sent to the Head Office directly or to oblast/regional branches of the Bank (stationary retail and SME sales channels). At that, the application for share repurchase at the initiative of the Bank may contain other information facilitating the conclusion of a share purchase and sale transaction, and provision whereof at the request of the Bank does not contradict the requirements of the legislation of the Republic of Kazakhstan.

A shareholder of the Bank shall enclose copies of documents required for conclusion of the agreement on purchase and sale of the Bank shares to the application for repurchase of shares. The Bank shall be entitled to request other additional documents unless it contradicts the legislation of the Republic of Kazakhstan.

§ 2. Procedure for redemption by the Bank of outstanding shares upon application of the shareholder

23. The Bank's shareholder, who is heading to sell its owned outstanding shares, has the right to apply for redemption by the Bank of the shares owned by it.

Clause 24 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 50 dated 25 April 2024)

24. The shareholder's application for repurchase by the Bank of the shares owned by it must be in written form, and contain an offer to the Bank to enter into share sale and purchase transaction, the material terms of the transaction. At that, the shareholder's application for share repurchase may contain other information facilitating the conclusion of a share purchase and sale transaction, and provision whereof at the request of the Bank does not contradict the requirements of the legislation of the Republic of Kazakhstan.

A shareholder of the Bank shall enclose copies of documents required for conclusion of the agreement on purchase and sale of the Bank shares to the application for repurchase of shares. The Bank shall be entitled to request other additional documents unless it contradicts the legislation of the Republic of Kazakhstan.

25. The shareholder's application for redemption of the shares owned by it must be sent by the shareholder to the Head Office directly or to oblast/regional branches of the Bank (stationary retail and SME sales channels).

26. Redemption by the Bank of outstanding shares upon application of the shareholder is made by resolution of the Bank's Board of Directors adopted in accordance with clauses 17-19 hereof, unless otherwise provided by legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank.

27. The Bank may not redeem the outstanding shares upon application of the shareholder in the cases stipulated by clause 16 hereof.

28. The redemption of shares by the Bank upon application of the shareholder is made under the share sale and purchase agreement between the Bank and the shareholder and registration of the share sale and purchase transaction in the manner prescribed by applicable legislation of the Republic of Kazakhstan.

29. If the number of the Bank's shares redeemable by it upon application of the shareholder exceeds 1% (one percent) of the total number of outstanding shares, the redemption will be regulated by the provisions of the legislative acts of the Republic of Kazakhstan and this Methodology in terms of redemption of outstanding shares at the initiative of Bank.

§ 3. Procedure for redemption by the Bank of outstanding shares at the request of the shareholder

Clause 30 of the Methodology has been supplemented with sub-clauses 6) and 7) in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

30. The Bank is obliged to redeem the outstanding shares at the request of the shareholder, which can be made in the following cases:

1) the resolution of the general shareholders' meeting to reorganize the Bank (if the shareholder took part in the general shareholders' meeting at which the issue of the reorganization of the Bank was considered, but voted against);

2) the resolution of the general shareholders' meeting to delist shares (if the shareholder did not take part in the general shareholders' meeting and if it did participate but voted against);

3) the Exchange's decision to delist shares;

4) disagreement with resolution to enter into major transaction and (or) resolution to enter into related party transaction, approved in the manner prescribed by the legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank;

5) the resolution of the general shareholders' meeting to amend the Charter of the Bank, limiting the rights to shares owned by this shareholder (if the shareholder did not participate in the general shareholders' meeting at which such resolution was passed, and if it did participate, but voted against);

6) *adoption by the General Shareholders' Meeting of a resolution to amend and/or supplement this Methodology in terms of valuation of shares in case of repurchase thereof (if the shareholder failed to*

participate in the General Shareholders' Meeting which passed such a resolution, or if the shareholder participated in such a meeting and voted against such a resolution).

The provision of this clause shall not apply if amendments and (or) supplements are made to the Methodology in order to bring the content thereof in compliance with the laws of the Republic of Kazakhstan;

7) other cases stipulated by the applicable legislation of the Republic of Kazakhstan.

31. The shareholder may, within 30 (thirty) days from the date of the resolutions set in clause 30 hereof, make request to the Bank for redemption of shares owned by it by sending a written application to the Bank.

32. The shareholder's application for redemption of shares owned by it must be made in writing, contain a clear and unambiguous request for redemption, the number and type of shares that are called for redemption by the shareholder, the address and contact phones of the shareholder, the decision why the shareholder requires the redemption of shares, and, if necessary, other information.

33. The shareholder's application for redemption of the shares owned by it must be sent to the Head Office. The resolution to redeem the outstanding shares by the Bank at the request of the shareholder is passed by the Board of Directors.

34. If the shareholder submits the application for redemption of shares owned by it, the Bank is obliged to redeem from the shareholder the shares owned by it within 30 (thirty) days from the date of receipt of the shareholder's application. The date of receipt by the Bank of the shareholder's application for redemption of the shares owned by it will be the date of registration of its application in the Chancellery of the Head Office.

35. The Bank has the right to refuse a shareholder to redeem shares in the absence of grounds set in clause 30 hereof, as well as in other cases established by the legislation of the Republic of Kazakhstan and prohibiting the Bank from redeeming shares placed by it, by sending to the shareholder within 5 (five) business days from the date of the Bank's authorized body's resolution to refuse to redeem shares, indicating the reasons for refusal.

36. Redemption of the outstanding shares at the request of the Bank's shareholder is carried out by the Bank by entering into the share sale and purchase transaction and its registration in the manner prescribed by applicable legislation of the Republic of Kazakhstan.

Chapter 4. Methodology for the valuation of shares in case of repurchase thereof by the Bank on the unregulated securities market

37. When determining the price of redemption of shares, the Bank's Board of Directors may resolve to redeem shares at a price determined by one of the following methods:

- 1) at the weighted average market price;
- 2) at market value;
- 3) at the Bank's equity-based price.

§ 1. Methodology for determining the share redemption price based on the weighted average market price

Clause 38 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

38. The Bank may repurchase outstanding shares at their weighted average market price, which is calculated pursuant to the procedure established herein for the period determined by the Board of Directors of the Bank.

Clause 39 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

39. To calculate the weighted average market price of a share, the Bank shall use the data on the volumes of trading in shares and/or depositary receipts, according to the parameters established by the Bank's Board of Directors.

Clause 40 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

40. The weighted average market price of shares (C) is calculated by the formula:

$$C = V / A, \text{ where}$$

V – the volume of transactions in shares and/or depositary receipts in monetary terms, corresponding to the parameters established by the Bank's Board of Directors;

A – the number of shares and/or depositary receipts in transactions corresponding to the parameters set by the Bank's Board of Directors.

§ 2. Methodology for determining the share redemption price based on the market price

Clause 41 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

41. Outstanding shares may be repurchased at the market price calculated according to KASE's internal regulations and published on the KASE website on the date of the resolution of the Bank's Board of Directors to repurchase outstanding shares (in case of repurchase of outstanding shares on the initiative of the Bank or at the request of a shareholder), or on the event date (in case of share repurchase at the request of a shareholder), or on any other date(s) determined by the Board of Directors (applicable to any case of share repurchase).

Clause 42 of the Methodology has been amended in line with the resolution of the general shareholders' meeting of Halyk Bank JSC (minutes No. 48 dated 25 May 2023)

42. If there is no market price of shares set out in clause 41 of the Methodology, outstanding shares can be repurchased at the indicative price calculated according to KASE's internal regulations and published on KASE website on the date when the Bank's Board of Directors resolves to repurchase outstanding shares (in case of repurchase of outstanding shares at the initiative of the Bank or at the request of a shareholder), or on the event date (in case of share repurchase at the request of a shareholder), or on any other date(s) determined by the Bank's Board of Directors (applicable for any case of share repurchase).

§ 3. Methodology for determining the share redemption price at the Bank's equity-based price

43. The outstanding shares can be redeemed at price set taking into account the size of the Bank's equity, as of the last reporting quarterly date, in accordance with the Bank's consolidated financial statements prepared as per the International Financial Reporting Standards, and its outlook, the requirements of the legislation of the Republic of Kazakhstan in terms of compliance with prudential ratios for second-tier banks and other factors affecting the pricing of securities. To determine the price of redemption of shares, which is fixed taking into account the size of the Bank's equity, the Board of Directors has the right to involve a person entitled to carry out valuation activities in accordance with the legislation of the Republic of Kazakhstan or other states. The service fee of such person is paid by the party, at the request or at the initiative of which the outstanding shares of the Bank are redeemed, or by the Bank, if the Board of Directors of the Bank resolves to pay for such services.

Chapter 5. Final Provisions

44. The issues not regulated hereby are regulated in accordance with applicable legislation of the Republic of Kazakhstan.

45. If certain provisions hereof come into collision with internal regulations of KASE, the legislation of the Republic of Kazakhstan as a result of changes therein, it is necessary to be guided by applicable legislation of the Republic of Kazakhstan and/or internal regulations of the KASE.

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