

**Information for shareholders' consideration  
at the Annual General Shareholders' Meeting  
of JSC Halyk Bank by absentee voting to be held on 22 April 2022**

**Item 1 on the agenda: "On approval of the agenda of the Annual General  
Shareholders' Meeting of JSC Halyk Bank"**

**Agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank  
proposed for approval by absentee voting and published in the mass media on 3  
March 2022 and in the newspapers "EGEMEN QAZAQSTAN" and  
"Kazakhstanskaya Pravda" on 3 March 2022:**

1. On approval of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank.
2. On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2021.
3. On selection of audit firm for the audit of participants of banking conglomerate during 2022-2024.
4. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2021. On adoption of a resolution on payment of dividends on JSC Halyk Bank's common shares. On approval of the amount of dividend per common share of JSC Halyk Bank.
5. On consideration of the 2021 Performance Report of the Board of Directors of JSC Halyk Bank.
6. On approval of the amendments to the Corporate Governance Code of JSC Halyk Bank.
7. On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration for the members of the Board of Directors and Management Board of JSC Halyk Bank.
8. On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.
9. On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members.

**Item 2 on the agenda: “On approval of JSC Halyk Bank’s annual financial statements for the year ended 31 December 2021”**

Dear Shareholders,

In accordance with Articles 35 and 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the annual financial statements of the company shall be approved at the Annual General Shareholders’ Meeting. Hereby we present to you the core results of JSC Halyk Bank’s (the “Bank”) activities in 2021:

For the year ended 31 December 2021 Halyk Group had good results, namely:

- ❖ Halyk Group’s assets grew by 16.4% from KZT 10,388 billion to KZT 12,091 billion.

- ❖ Loans to customers (net) increased over the year by 32.1% or by KZT 1,426 billion and at the end of the year amounted to KZT 5,872 billion which in turn is 48.6% of all assets of Halyk Group.

- ❖ The equity capital of the Bank increased by 5.4% from KZT 1,493 billion to KZT 1,574 billion.

- ❖ The net profit of Halyk Group increased by 31.1% from KZT 353 billion to KZT 462 billion.

The major events of 2021 which are reflected in the financial statements of Halyk Group include the following:

**On 28 January 2021**, the Bank redeemed its USD 500 million Eurobond issue bearing 7.25% coupon rate due 2021. The repayment was made from the Bank’s own funds.

**On 1 March 2021**, the Bank fully repaid its outstanding debt of USD 248 million under the USD 750 million Eurobond programme bearing 5.5% coupon rate due 2022.

**In December 2021**, the Bank repurchased its outstanding common shares and global depositary receipts. The Bank repurchased 845,775,545 common shares at a price of KZT 182.10 per share, including 147,006,040 shares in the form of 3,675,151 global depositary receipts, at a price of USD 16.78 per share, for a total amount of KZT 154 billion. The purpose of the repurchase of the securities is to optimize the capital structure of the Group.

Dear Shareholders! Based on the foregoing, we ask you to approve annual financial statements of JSC Halyk Bank for the year ended 31 December 2021, taking into account the Independent Auditors’ Report.

The annual financial statements of JSC Halyk Bank and Independent Auditors’ Report for the year ended 31 December 2021 are available at the corporate website of JSC Halyk Bank: (<https://halykbank.com/financial-results>) and at the location of the Management Board of JSC Halyk Bank.

**Item 3 on the agenda: “On selection of audit firm for the audit of participants of banking conglomerate during 2022-2024”**

Dear Shareholders,

In accordance with article 57 of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”, the audit of the annual financial statements of JSC Halyk Bank shall be carried out by an audit firm authorized to conduct audit under the law on auditing, which also must comply with the requirements of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”.

According to sub-clause 6) of clause 1 of Article 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, as well as Article 26 of the Charter of JSC Halyk Bank, determination of an audit firm to conduct audit of JSC Halyk Bank falls within the exclusive competence of the General Shareholders' Meeting.

Based on the results of auditor’s selection procedures, Deloitte LLP was selected as the audit firm to provide audit services to JSC Halyk Bank, for the years ended 31 December 2022-2024.

Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to the General Shareholders’ Meeting to determine the audit firm Deloitte LLP as the audit firm for the audit of the financial statements of JSC Halyk Bank for the years ended 31 December 2022-2024.

**Item 4 on the agenda: “On approval of the procedure of distribution of JSC Halyk Bank’s net income for 2021. On adoption of a resolution on payment of dividends on JSC Halyk Bank’s common shares. On approval of the amount of dividend per common share of JSC Halyk Bank”**

Dear Shareholders,

Taking into account the change in external economic conditions due to the escalation of the geopolitical situation, deterioration of global risk sentiment and increased volatility in global financial markets, which involved significant pressure on the financial market of Kazakhstan, national currency and the inflation rate and in accordance with articles 23, 35, 36, 44 and 49 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, articles 23, 25, 26 and 27 of the Charter of JSC Halyk Bank, the Board of Directors of JSC Halyk Bank submits to consideration of the Annual General Shareholders’ Meeting of JSC Halyk Bank by absentee voting the proposal on approval of the following procedure of distribution of net income of JSC Halyk Bank received as a result of the 2021 financial and operating performance of JSC Halyk Bank:

dividends on common shares of JSC Halyk Bank shall not be accrued and paid;  
net income of JSC Halyk Bank for 2021 shall not be distributed and shall be allocated to retained earnings.

Preservation of the capital in the current conditions will enable JSC Halyk Bank to go through any possible stressful scenarios with more confidence.

Taking into account the interests of the shareholders of JSC Halyk Bank, the payment of dividends from JSC Halyk Bank’s retained earnings of previous years may be considered later this year. In this case, the financial performance of JSC Halyk Bank for 2021 will serve as a guideline for determining the amount of the distribution. Such a decision shall be preconditioned by the reduction of uncertainty in the global economy and stabilization of the geopolitical situation.

## **Item 5 on the agenda: “On consideration of the 2021 Performance Report of the Board of Directors of JSC Halyk Bank”**

Dear Shareholders,

In accordance with the Corporate Governance Code of JSC Halyk Bank, performance of JSC Halyk Bank Board of Directors is subject to assessment by the Annual General Shareholders' Meeting.

At the same time, the Board of Directors must give a formal and rigorous assessment of its own performance, as well as the performance of its committees and members of the Board of Directors.

During the reporting year, the activity of the Board of Directors has been focused on implementation of the Halyk Group Development Strategy for 2019-2021, and was performed in strict compliance with the standards of corporate governance.

To discuss the most complex and strategically important issues of the Bank's activities, in-person meetings of the Board of Directors were held with the participation of foreign independent directors. In cases permitted by the legislation of the Republic of Kazakhstan, resolutions of the Board of Directors on operational issues were passed by absentee voting.

In total, in 2021, the Board of Directors of JSC Halyk Bank held 5 in-person meetings with 46 issues considered and 64 meetings by absentee voting with 613 issues considered. The statistics of participation of members of the Board of Directors in meetings is as follows:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	5/46	60/560
A.G. Dunayev	5/46	64/612*
M.T. Yessenbayev	5/46	55/527
F. Kuijlaars	5/46	48/492
K. Ruehl	4/40	45/458
P. Romanowski	5/46	64/610**
U.B. Shayakhmetova	5/46	60/576***
<b>Total:</b>	5/46	64/613

\* Mr. A.G. Dunayev did not take part in the consideration of and voting on certain items in accordance with RK legislation restrictions.

\*\* Mr. P. Romanowski did not take part in the consideration of and voting on certain items in accordance with RK legislation restrictions.

\*\*\* Ms. U.B. Shayakhmetova did not take part in the consideration of and voting on certain items in accordance with RK legislation restrictions.

### **The Bank's Board of Directors on a regular basis considered:**

1) semiannually:

reports of the Management Board of JSC Halyk Bank and subsidiaries on the implementation of the Development Strategy of the Halyk Group for 2019-2021;

JSC Halyk Bank and Halyk Group Performance and Budget implementation Reports for 2020 and 1H 2021;

Progress Report and Current Issues of all distressed assets management companies forming part of the Halyk Group;

2) quarterly reports of JSC Halyk Bank's Management Board on performance and budget implementation of the Halyk Group, upon the results of which the Board of Directors made appropriate amendments;

3) information on the current status of the 20 largest borrowers of JSC Halyk Bank, including loans and contingent liabilities;

4) risk management matters, namely, loan portfolio quality analysis, related party transactions analysis in order to prevent issuing loans to such parties on preferential terms;

5) internal audit matters;

6) other management information provided in accordance with the requirements of the legislation of the Republic of Kazakhstan.

The results of the JSC Halyk Bank's loan portfolio stress-testing were considered with different scenarios of world economy development, determination of effect on loan portfolio and capital of the Bank.

The Board of Directors was convinced that even in case of the worst scenario, the Bank's positions will remain strong enough.

The Chief Risk Officer, Chief Compliance Controller reported on the efficiency of compliance risk management at JSC Halyk Bank and its certain subsidiaries and the work done in the field of anti-money laundering and combatting financing of terrorism.

**As an important area of the Board of Directors' work in 2021 was the consideration of the following issues:**

1) Halyk Group Development Strategy for 2022-2024 was developed and approved, which determined the priorities and objectives on development of the Bank and its subsidiaries for the next strategic cycle.

2) The Bank's Sustainability Report for 2020 was prepared and published, which is the document that discloses the main aspects of the Bank's activities in the field of environmental, social responsibility and corporate governance. The Bank has made a voluntary commitment to transparently communicate key information about its sustainability performance through the publication of this report.

3) In accordance with the requirements of the Bank's Corporate Governance Code, an assessment (self-assessment) of the performance of the members of the Bank's Board of Directors for 2020 was carried out, the results of which were submitted for consideration of the general shareholders' meeting of the Bank on 23 April 2021.

4) A new version of the Rules for preparation of documents related to convening and holding meetings of the Bank's Board of Directors has been developed and approved, which ensured improvement of quality and reduction of the volume of materials for members of the Board of Directors (the volume of hard copy materials of the Board of Directors has reduced by at least 30%). This fact had a positive impact on the Bank's implementation of resource-saving plans under the objectives of

sustainable development (ESG).

5) In order to implement the principles of sustainable development (ESG) into the Bank's activities and processes, the Bank has developed and approved: Sustainability Policy, Environmental Policy, Freedom of Association, Collective Bargaining, Diversity and Inclusion Policy and etc.

6) In 2021, the members of the Human Resources and Remuneration Committee and the Social Issues Committee were rotated. Currently, the Human Resources and Remuneration Committee is composed solely of independent members of the Bank's Board of Directors.

Within the consideration of reports on implementation of Halyk Group Development Strategy for 2019-2021, the Board of Directors made sure that the Development Strategy was successfully implemented, due to which the companies of Halyk Group strengthened their positions in the market.

In general, the goals set by the Board of Directors for Halyk Group, aimed at keeping by the Bank No. 1 position in Kazakhstan, enhancing the clients service and banking products development, have been achieved, while subsidiaries are implementing a set of measures aimed at strengthening their leading positions in the relevant fields of activity.

The Board of Directors also assures proper control of the Management Board's activities, Internal Audit Unit and other bodies of JSC Halyk Bank through the following Committees under the Board of Directors:

- Audit;
- Risk;
- HR and Remuneration;
- Strategic Planning;
- Social Issues.

**In 2021, 13 in-person meetings and 70 absentee meetings of the Committees under the Board of Directors of JSC Halyk Bank were held.**

#### **1. Statistics of participation in meetings of the Audit Committee:**

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
K. Ruehl	3/7	41/41
A.S. Pavlov	3/7	39/39*
A.G. Dunayev	3/7	41/41
<b>Total:</b>	3/7	41/41

\* Mr. A.S. Pavlov did not take in the consideration of and voting on certain items of the Audit Committee due to being on annual leave.

## 2. Statistics of participation in the meetings of the Risk Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	4 / 9	17 / 22
A.G. Dunayev	4 / 9	17 / 22
P. Romanowski	4 / 9	17 / 22
U.B. Shayakhmetova	4 / 9	16 / 21
A.M. Makhanov*	4 / 9	17 / 22
<b>Total:</b>		

\*Expert member (with no voting right)

## 3. Statistics of participation in meetings of the HR and Remuneration Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
F. Kuijlaars	2/2	11/18
A.S. Pavlov	2/2	11/18
U.B. Shayakhmetova*	1/1	7/12
A.G. Dunayev**	1/1	4/6
<b>Total:</b>	<b>2/2</b>	<b>11/18</b>

\* U.B. Shayakhmetova performed the functions of a member of the HR and Remuneration Committee from 1 January 2021 to 14 September 2021.

\*\* A.G. Dunayev has been performing the functions of a member of the HR and Remuneration Committee since 14 September 2021.

## 4. Statistics of participation in meetings of the Strategic Planning Committee:

Member of the Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.G. Dunayev	3/7	1/1
A.S. Pavlov	3/7	1/1
M.T. Yessenbayev	3/7	1/1
P. Romanowski	3/7	1/1
U.B. Shayakhmetova	3/7	1/1
M.U. Koshenov*	3/7	1/1
M.N. Kablashev**	3/7	1/1
A.S. Smagulov*	3/7	1/1
<b>Total:</b>	<b>3/7</b>	<b>1/1</b>

\* Expert member (with no voting right)

\*\* The powers of M.N. Kablashev as a member of the Committee were terminated on 11 October 2021.



## 5. Statistics of participation in meetings of the Social Issues Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.G. Dunayev	1/2	-
F. Kuijlaars	1/2	-
K. Ruehl	1/2	-
U.B. Shayakhmetova*	1/2	-
D.Zh. Sartayev**	1/2	-
<b>Total:</b>	1/2	-

\* U.B. Shayakhmetova has been performing the functions of a member of the Social Issues Committee since 14 September 2021.

\*\* Expert member (with no voting right).

### During 2021, the Committees performed the following:

- To ensure the completeness and accuracy of the financial statements, **the Audit Committee** reviewed the external auditor's interim (quarterly) reports on this matter, letters to the management of the Bank and subsidiaries, and approved and submitted the 2020 annual financial statements for the consideration of the Board of Directors. As part of this work, the Committee also discussed crucial accounting judgments, policies and procedures with the external auditor and the Bank's financial unit.

The Audit Committee actively interacted with the Internal Audit Department to consider the following issues: the internal audit budget and work plan; information on results of audits, management reports on internal audit matters, Human Resources issues of the Internal Audit Department, drafts of internal regulatory documents of the Bank governing activities of the Internal Audit Department.

- **The HR and Remuneration Committee** considered: the report on assessment (self-assessment) of the performance of the members of the Bank's Board of Directors, recommendations on candidates to the positions of the Bank's Management Board members and members of the Boards of Directors of the Bank's subsidiaries, on amending the organizational structure of the Bank, and issues on improving the Bank's corporate governance system.

- **The Strategic Planning Committee** considered:

- ❖ the results of the implementation of the Development Strategy of the Halyk Group for 2019-2021 as of 2020 and 1H 2021, and the performance and budget implementation of JSC Halyk Bank and Halyk Group for 2020 and 1H 2021;
- ❖ drafts of the Halyk Group Development Strategy for 2022-2024 and the budget of JSC Halyk Bank for 2022.

- **The Risk Committee** considered the results of stress testing of the Bank under the general economic scenario (through scenario analysis) for 2022, and reviews of existing risk management practices in JSC Halyk Bank and certain subsidiaries

- **the Social Issues Committee** considered:

- ❖ JSC Halyk Bank and PF Halyk Charity Fund sponsorship and charity report for 2021,
- ❖ JSC Halyk Bank and PF Halyk Charity Fund main sponsorship and charity events plan for 2022.

**In addition, please review the results of assessment of the Bank's Board of Directors members' performance for 2021 conducted in accordance with the Rules of assessment of the Bank's Board of Directors members' performance approved by resolution of the Bank's Board of Directors (minutes to the in-person meeting of the Bank's Board of Directors No.1 dated 19 June 2020):**

*1. Results of the assessment of the style and culture of the work of the Board of Directors:*

❖ The Board of Directors adheres to the classic management model in its activities, proceeds from the need to comply with the requirements of applicable law, risks and interests of shareholders. The psychological atmosphere and work style of the Board of Directors promotes constructive and efficient work. The majority of members of the Board of Directors expressed the opinion that it is necessary to resume in-person meetings with members of the Board of Directors, the Management Board and other key employees of the Bank to exchange information and develop new ideas for the Bank's sustainable development, if possible;

❖ The Board of Directors supports initiatives for the development of corporate governance, ESG, ecosystem and implementation of new tools to improve its performance. During 2021, the Board of Directors adopted a number of policies aimed at implementing the principles of sustainable development (ESG) into the corporate governance system, and also considered the proposals of the independent director of the Bank on development of the Bank's corporate governance system;

❖ The Board of Directors has necessary competencies in the areas of finance, financial reporting, internal control, banking, risk management and corporate governance. The most demanded competencies of the Board of Directors are: digital transformation; innovation development; risk management; finance, internal control and audit; Human resources and talent development; experience in strategic management;

❖ There are no explicit or latent conflicts among the members of the Board of Directors that affect the efficiency of its activities, all members of the Board of Directors are focused on the effective work of the Board of Directors as a collegial management body;

❖ The relationship between the Board of Directors and the Management Board of the Bank contributes to the successful operation of the Bank in the best interests of the shareholders.

*2. Results of the assessment of the composition and structure of the Board of Directors:*

❖ The composition of the Board of Directors is optimal and balanced (from the point of view of knowledge and experience of its members) to perform the functions assigned to it, including to control the implementation of the Bank's Development

Strategy. The Board of Directors intends to develop competencies in information technology, cyber security, artificial intelligence, ESG, Big Data and innovation in the banking business. It is recommended to attract an expert(s) in information technology, digital products, cyber security and ESG to the Board of Directors to ensure efficient implementation of the Halyk Group Development Strategy for 2022-2024. It is recommended to use both internal resources (HR Department, network of executives) and external resources represented by professional HR agencies to search for candidates to the position of a member of the Board of Directors in an efficient way.

❖ The system of improving the competencies and qualifications of members of the Board of Directors in the Bank is optimal. Taking into account the development of technologies and new approaches to banking business, we are monitoring such changes both in Kazakhstan and in other countries of the Bank's presence, and, if necessary, additional training will be organized for members of the Board of Directors. In 2021, information sessions (seminars, trainings) were held for the Board of Directors and the Management Board in banking, finance, macroeconomics and strategic management.

❖ The system for selecting members of the Board of Directors in the Bank is quite effective and ensures the involvement of real professionals. The Bank has formed a register of candidates who have the right to apply for the positions of independent directors of the Bank and its subsidiaries. The Bank is recommended to consider the possibility of transforming the system of selection of candidates to the Board of Directors, the Management Board and other key employees of the Bank, and making appropriate amendments to the Personnel Policy, and also to develop a new system of motivation taking into account the long-term objectives set in the Halyk Group Development Strategy for 2022-2024. In order to implement the principles of sustainable development (ESG) into the Bank's activities, it is recommended to consider the possibility of increasing the gender structure of the Board of Directors of the Bank and its subsidiaries of female representatives.

### 3. Results of the assessment of the procedure for planning and organizing of the work of the Board of Directors:

❖ All newly elected members of the Board of Directors receive information about the work of the Bank and the Board of Directors necessary for accelerated adaptation in the form of an Introductory Course (Board Book), which contains: key milestones in the history of the Bank's development, the development strategy of the Halyk Group, the organizational structure of the Bank, as well as the procedures of the Board of Directors/Management Board and the duties of the members of the Board of Directors. Also, all newly elected and current members of the Board of Directors can get access to training materials on corporate governance and sustainable development (ESG).

❖ The competence of the Board of Directors determined by the Bank's Charter corresponds to the current strategic objectives and requires minor adjustments in terms of providing members of the Board of Directors with the opportunity to participate in the development and discussion of issues on new directions of the Bank's development, implementation of digital services and products, ESG, development of

ecosystem and retail business, as well as development of measures aimed at improving the quality of services for clients.

❖ The number, frequency and duration of meetings of the Board of Directors, including the ratio of in-person and absentee meetings, corresponds to the needs of the Bank. Members of the Board of Directors intend to continue to work in a hybrid mode (2-3 in-person meetings in the face-to-face format, 2-3 absentee meetings in the videoconference format), provided there are no external obstacles and restrictions caused by the COVID-19 pandemic and the worsening of the military and political situation in the world.

❖ The Board of Directors and the Management Board are recommended to increase the number of communications in the form of working meetings (for example, at the meetings of committees under the Board of Directors) to hold in-depth sessions on implementation of business objectives and strategy of the Bank.

#### 4. Results of assessing the efficiency of corporate procedures and workflow:

❖ The existing corporate procedures allow the Board of Directors promptly respond to external and internal threats (pandemic, terrorist attacks, military conflicts, sanctions, etc.) and, if necessary, take measures to ensure the continuity of the Bank's operations.

❖ The process of arranging the preparation and holding of meetings of the Board of Directors is regulated in detail by the internal regulations of the Bank and describes the algorithms of work and logistics in a regular mode (without restrictions).

❖ Taking into account the experience of working in the COVID-19 pandemic, changes were made in corporate procedures in order to adapt them to the conditions in which the Bank operates (remote work format, use of software for video meetings and workshops, restrictions on movement within the city/country, lack of opportunities for printing and physical signing of documents, etc.).

❖ The Bank has started to improve the electronic workflow system and automate the work of collegial bodies to reduce paperwork and improve corporate procedures related to the preparation and holding of meetings of the Board of Directors, and also plans to implement functionality for signing documents using EDS (electronic digital signature).

❖ Internal documents and policies of the Bank, the development and/or approval of which is within the competence of the Board of Directors, comply with best practices and take into account the specifics of the Bank's activities. The Board of Directors regularly analyzes the Bank's internal regulatory documents (consideration and approval whereof is within the competence of the Board of Directors) and considers proposals of the Management Board in order to bring them in line with the current legislation of the Republic of Kazakhstan, reduce bureaucratic norms and simplify corporate governance processes.

#### 5. Results of the assessment of the functional areas of the Board of Directors work:

❖ In 2021, the Board of Directors approved a new Halyk Group Development Strategy for 2022-2024, an integral part of which was the intensive development of ESG direction. In this regard, the scope of functional duties of the Board of Directors

was expanded in terms of: determining approaches to integration of sustainable development factors into the Bank's strategy; implementation of relevant ESG procedures and practices into the work of the Board of Directors; determining responsibilities of the Board of Directors committees in sustainable development issues; approval of top-level internal documents of the Bank (policies) regulating ESG issues; control over implementation of the ESG agenda.

❖ Materials submitted for meetings of the Board of Directors are complete, of high quality and contain the necessary and sufficient information on the agenda items for a member of the Board of Directors to make a reasoned decision. The procedures for preparing materials for meetings of the Board of Directors of the Bank are standardized and enshrined in the relevant IRD of the Bank, which is reviewed on a regular basis and adapted to changes in the processes of preparing and holding meetings of the Board of Directors of the Bank.

❖ To strengthen control over the implementation of the Strategy and development plans (programs) of the Bank, the Board of Directors at the site of the Strategic Planning Committee and within the framework of informal meetings of members of the Board of Directors and the Management Board arranges discussions on business, the Bank's Strategy, market trends in the short and long term, analysis of competitors in Kazakhstan and the countries of presence of the Halyk Group.

❖ The Board of Directors determines and approves the key performance indicators of the Bank's top officials, regularly considers the implementation of key performance indicators by the Management Board of the Bank within the implementation of budgeted indicators and strategic objectives for the reporting period at least once every six months.

All members of the Board of Directors effectively participated in the activities of JSC Halyk Bank, objectively and conscientiously fulfilling their duties in the best interests of JSC Halyk Bank and its shareholders.

Therefore, it appears that during the reporting period, the work of the Board of Directors of JSC Halyk Bank was carried out within the framework of the implementation of the Halyk Group Development Strategy for 2019-2021, and the performance of the functions entrusted to them by the members of the Board of Directors was efficient.

Based on the above mentioned, it is proposed to take note of the Performance Report of the Bank's Board of Directors for 2021 and acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

**Item 6 on the agenda: “On approval of the amendments to the Corporate Governance Code of JSC Halyk Bank”.**

Dear Shareholders,

In accordance with Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26 of the Bank's Charter, consideration and adoption of resolution on approval of amendments to the Corporate Governance Code of JSC Halyk Bank fall within the exclusive competence of the General Shareholders' Meeting.

The materials provided herein contain draft amendments to Corporate Governance Code of JSC Halyk Bank in the Kazakh and Russian languages.

JSC Halyk Bank Corporate Governance Code in effect is available on JSC Halyk Bank corporate website.

In accordance with the Development Strategy of Halyk Group for 2022-2024 (the “Strategy”), the primary goal of the Bank’s ESG and sustainable development activities is to strive for leadership in ESG systemic changes at the national and international levels to build a prosperous economy, which is efficient for society and preserves the environment, based on the interest, cooperation and development of our employees, customers, shareholders, investors, partners, and the state.

Driven by the Bank’s Strategy, the Bank’s Sustainable Development Policy, sustainability standards and international principles in responsible financing, the Bank is guided by seven principles in its ESG and sustainable development activities:

1. The Bank is guided by the priority of creating long-term economic value for all stakeholders;
2. The Bank ensures that human rights, the principles of inclusion, diversity, and fair and equal treatment for all are observed in its operations;
3. The Bank is environmentally conscious;
4. The Bank develops responsible financing practices and effectively manages ESG risks;
5. The Bank is responsible for its impacts, complies with all applicable laws and fulfills its obligations;
6. The Bank observes the ethical business approaches and implements best corporate governance practices;
7. The Bank improves disclosure and transparency.

In order to implement the above principles of sustainable development in the corporate governance system, it is proposed to consider introducing the amendments to the Corporate Governance Code. It is further proposed to formalize at the level of the Corporate Governance Code the powers and responsibilities of the Board of Directors and the Management Board of the Bank for taking measures aimed at implementing the principles of sustainable development and ESG in the Bank’s operations.

Dear Shareholders, based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the amendments to the Corporate Governance Code of JSC Halyk Bank as stated below.

**AMENDMENTS  
TO CORPORATE GOVERNANCE CODE OF  
JSC HALYK BANK**

The Corporate Governance Code of JSC Halyk Bank as approved by the resolution of the General Shareholders' Meeting of JSC Halyk Bank (Minutes No. 22 dated 20 December 2006):

Clause 4 shall be amended to read as follows:

“4. The concepts below shall have the following meanings throughout the Code:

Director	member of the Bank's Board of Directors;
Corporate governance	a system of relationships between the Bank's Management Board, Board of Directors, shareholders, executives and auditors, as well as relationships between authorized collegial bodies of the Bank. The corporate governance system allows to organize the distribution of powers and responsibilities, as well as to build a process of corporate decision-making;
Disclosure Rules	Disclosure Rules of Kazakhstan and/or international stock exchanges on which the Bank's securities are admitted to trading in accordance with a resolution of the Bank;
Listing Rules	Listing Rules published by Kazakhstan and/or international stock exchanges on which the Bank's securities are admitted to trading in accordance with a resolution of the Bank;
Model Code	The Code of Corporate Governance approved by the Kazakhstan Council of Issuers on 21 February 2005;
Authorized collegial body of the Bank	The Board of Directors, Committee under the Board of Directors, the Management Board, Committee under the Management Board;
Sustainable development	organizational principle of achieving the goals of the Bank's operations, whereby the needs of the Bank and its stakeholders are met without compromising the ability of

future generations to meet their own needs;

**ESG** (*Environmental, Social, Governance*) consideration of environmental, social and governance factors alongside financial factors in the investment decision-making process.

”;

the first paragraph of Clause 6 shall be amended to read as follows:

**“6. Provision of shareholders with a real opportunity to exercise their rights to participate in the governance of the Bank.”;**

the first paragraph of Clause 7 shall be amended to read as follows:

**“7. Provision of the Bank’s shareholders with a real opportunity to participate in distribution of net profits of the Bank (receiving of dividends).”.**

the first paragraph of Clause 8 shall be amended to read as follows:

**“8. Ensuring timely and full presentation to the Bank’s shareholders of reliable information regarding the financial position, economic indicators, and results of performance and the management structure of the Bank to enable the Bank’s shareholders and investors to take informed decisions.”;**

the first paragraph of Clause 9 shall be amended to read as follows:

**“9. Ensuring equal treatment of all categories of shareholders of the Bank.”;**

the first paragraph of Clause 10 shall be amended to read as follows:

**“10. Ensuring maximum transparency of the activities of the Bank's officials.”;**

the first paragraph of Clause 11 shall be amended to read as follows:

**“11. Ensuring fulfillment by the Board of Directors of the Bank of strategic management of the company and effective supervision over performance of the executive body of the company, and accountability of Directors to its shareholders.”;**

the first paragraph of Clause 12 shall be amended to read as follows:

**“12. Provision of the Management Board with an opportunity to carry out effective management of the Bank’s current activities in good faith, and establishment of accountability of the Management Board to the Board of Directors and shareholders of the Bank.”;**

the first paragraph of Clause 13 shall be amended to read as follows:

**“13. Establishment of ethic norms for the Bank’s shareholders.”;**

the first paragraph of Clause 14 shall be amended to read as follows:

**“14. Ensuring functioning and objective assessment of an effective internal control system of the Bank.”;**

supplement with paragraphs 14-1 to 14-7 to read as follows:

**“14-1. The Bank is guided by the priority of creating long-term economic value for all stakeholders:** the Bank promotes the economy where finances contribute to business development, and business development contributes to the social and environmental well-being. The Bank improves its own efficiency and fulfills its economic obligations to the shareholders and the state, supports sustainable development of its customers’ businesses and the economy of the Republic of Kazakhstan as a whole, promotes the development of and include large, medium, small



and micro businesses in the supply chain. The Bank contributes to the development of the regions of operation, by creating jobs and participating in the infrastructure modernization, and contributes to solving social and environmental issues.

**14-2. The Bank ensures that human rights, the principles of inclusion, diversity, and fair and equal treatment for all are observed in its operations:** the Bank observes and protects human rights in its own activities and the supply chain, and imposes appropriate requirements on counterparties, customers, and business partners. The Bank supports inclusion, develops a barrier-free environment, and increases the accessibility of socially important financial and non-financial products and services to vulnerable groups. The Bank provides opportunities and creates conditions to realize the potential of all employees based on common values, cultural diversity, gender, racial, and other equality. At the national level, the Bank participates in the development of standards and best practices in the areas of inclusion and observance and protection of human rights.

**14-3. The Bank is environmentally conscious:** the Bank prevents, minimizes or compensates for its own negative impact on the climate and other environmental components by improving its environmental and climate risk management practices, implementing measures to increase the efficiency of materials, energy and water consumption, and the lean waste management. The Bank participates in the development of a green and cyclical economy and finances projects to reduce its environmental impact and implement the best available technologies.

**14-4. The Bank develops responsible financing practices and effectively manages ESG risks:** The Bank implements an integrated business model aimed at ensuring positive social and environmental impact while maintaining strong financial performance. The Bank enhances its long-term sustainability and competitiveness through ESG transformation, development of responsible financing practices, and comprehensive and systematic ESG risk management.

**14-5. The Bank is responsible for its impacts, complies with all applicable laws and fulfills its obligations:** the Bank acts strictly in accordance with the legislation of the Republic of Kazakhstan, international law and the regulatory environment, participates in establishing the regulatory framework to promote responsible financing and sustainable development.

**14-6. The Bank observes the ethical business approaches and implements best corporate governance practices:** The Bank is committed to maintaining and disseminating fair, open and honest business practices, including ethical marketing and sales practices. The Bank primarily focuses on cyber security and protection of customers' personal data, combating corruption and preventing financial crimes. The Bank develops and implements the unified corporate governance standards taking into account ESG factors and based on advanced approaches.

**14-7. The Bank improves disclosure and transparency:** the Bank strives to disclose clear, accurate and reliable information about its operations in terms of its social, economic, and environmental impact in its annual sustainable development report, and generates reporting in the area of ESG and sustainable development based on international standards. The Bank actively engages with stakeholders by providing

information in a variety of formats via channels that are accessible and tailored to stakeholders' preferences.”;

Clause 27 shall be amended to read as follows:

“27. Shareholders of the Bank may get acquainted with the list of persons entitled to participate in the general meeting to the extent and in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Shareholders are entitled to study the information about those who initiate items to be included in the agenda.”;

supplement with sub-clause 69-1 to read as follows:

“69-1. The Board of Directors determines approaches to the integration of sustainable development factors in the Bank’s strategy, formalizes and facilitates implementation of the relevant procedures and practices in the operation of the Board of Directors, determines the responsibilities of the committees under the Board of Directors on sustainable development in the relevant functional areas, mechanisms for determining and monitoring of the Bank's subject-matter key performance indicators, approves the Bank’s high-level internal documents (policies) regulating ESG issues. The Board of Directors of the Bank exercises control over the implementation of the ESG agenda.”;

supplement with sub-clause 107-2 to read as follows:

“107-2. The Management Board of the Bank develops and approves the ESG and Sustainable Development Action Plan, and exercises operational control over its implementation by the Bank's structural subdivisions.”;

Clause 173 shall be amended to read as follows:

“173. The Internal Audit Service is a subdivision of the Bank that performs a risk-based, independent and objective assessment of the effectiveness of risk management, internal control and corporate governance systems of the Bank and its subsidiaries, and provides recommendations for their improvement.”.

**Item 7 on the agenda: “On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration for the members of the Board of Directors and Management Board of JSC Halyk Bank”**

Dear Shareholders,

In accordance with Article 35 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, Chairman of the Board of Directors of the Company informs the shareholders on the amount and structure of remuneration of the members of Board of Directors and Management Board of the Company at the Annual General Shareholders’ Meeting.

In pursuance of the requirements of the aforementioned Law, we hereby inform you on the amount and structure of remuneration of the members of Board of Directors and Management Board of the Bank in 2021.

Remuneration (payment of remuneration) to the members of Board of Directors and Management Board of the Bank will be paid on the basis of the labor contracts (agreements), concluded in accordance with the requirements of sub-clause 5) clause 1 Article 36, sub-clause 9) clause 2 Article 53 and Article 59 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and based on resolutions of the Bank’s authorized bodies.

We remind you that terms of remuneration of the members of Board of Directors of JSC Halyk Bank were determined by the resolution of Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2006, and terms of compensation for expenses incurred in the performance of their duties by the members of Board of Directors of JSC Halyk Bank were determined by the resolution of Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2012.

**Remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank in 2021 was as follows:**

(KZT)

Members of Board of Directors and Management Board of the Bank	Total revenues
	3,543,751,185.63

**In 2021, the mandatory deductions from the above revenues of the members of Board of Directors and Management Board of JSC Halyk Bank were as follows:**

(KZT)

Members of Board of Directors and Management Board of the Bank	Individual income tax	Mandatory pension contributions	Compulsory Social Health Insurance contributions	Total mandatory deductions
	351,886,675.37	24,725,762.44	1,003,152	377,615,589.81

Dear shareholders! Please take note of the presented information of amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank.

**Item 8 on the agenda: “On consideration of information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof”.**

Dear Shareholders,

Pursuant to the requirements of Article 35 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, we hereby bring to your notice the information on JSC Halyk Bank shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

The Annual General Shareholders’ Meeting of JSC Halyk Bank (Minutes No. 45 dated 23 April 2021) resolved at the end of 2020 to pay dividends, at the rate of KZT 18.00 per common share, which is 60% of the total consolidated net income for 2020. The payment of dividends on common shares was made by JSC Halyk Bank to actual banking details available at JSC Halyk Bank or in the security holders register system of shareholders, in the amount of KZT 211,573 million, including by transferring unclaimed dividends in the amount of KZT 538 million to the account of JSC Central Securities Depository for accounting for unclaimed funds.

In 2021, sixteen formal appeals were received from shareholders of JSC Halyk Bank and considered, to which the following responses are given:

in response to one shareholder’s appeal concerning a statement on withholding of income tax upon payment of dividends on common shares of JSC Halyk Bank for 2020, relevant information was prepared and provided for submission to the tax authorities when completing tax returns;

in response to two appeals regarding the payments on state special compensation treasury bonds of the Ministry of Finance of the Republic of Kazakhstan, assignment of the right of claim thereunder and providing information on privatization investment coupons, answers and explanations were provided;

to six appeals from shareholders of JSC Halyk Bank regarding the provision of information on availability/unavailability of security holders’ details in the security holders register system of JSC Central Securities Depository JSC, responses were provided;

seven appeals have been considered from individual shareholders of JSC Halyk Bank concerning payment of dividends for JSC Halyk Bank’s common shares holding period, and the procedure for updating by shareholders of JSC Halyk Bank of information in the security holders register system of JSC Central Securities Depository, to which full and complete responses were provided.

In accordance with Articles 35 and 44 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Board of Directors of JSC Halyk Bank proposes to the General Shareholders’ Meeting to take note of the information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

**Item 9 on the agenda: “On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members”**

Dear Shareholders,

In accordance with Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the determination of the number of members and the term of powers of the Ballot Committee and election of its members thereto falls within the exclusive competence of the General Shareholders' Meeting

The term of powers of the current members of the Ballot Committee of JSC Halyk Bank, determined by the resolution of the Annual General Shareholders' Meeting of JSC Halyk Bank (Minutes No. 42 dated 18 April 2019) is 3 (three) years, which expires at the time of re-election of the members to the Bank's Ballot Committee at the Annual General Shareholders' Meeting.

Therefore, at the time of the Annual General Shareholders' Meeting of JSC Halyk Bank to be held on 22 April 2022, the term of powers of the Ballot Committee expires.

In this regard, the Board of Directors of JSC Halyk Bank requests the Annual General Shareholders' Meeting of JSC Halyk Bank as follows:

1) to approve the number of members of the Ballot Committee of JSC Halyk Bank - 6 (six) persons;

2) to determine the term of powers of the Ballot Committee of JSC Halyk Bank - 3 (three) years, which expires at the time of re-election of the members of the Ballot Committee of JSC Halyk Bank at the Annual General Shareholders' Meeting;

3) to elect the members of the Ballot Committee of JSC Halyk Bank, as follows:

Ilmira Arslanovna Razumova	-	Head of the Equity Capital Division of the Group Capital Management Department (Chair of the Ballot Committee);
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Members of the Ballot Committee:

Viktor Sergeyevich Skryl	-	Chief Financial Officer;
Yelena Aleksandrovna Khmyz	-	Chief Manager of the Group Capital Management Department;
Gabbas Malgadzhiyevich Ilyussinov	-	Senior Manager of the Group Capital Management Department;
Gulziya Seidakhmetovna Madazimova	-	Senior Manager of the Group Capital Management Department;
Lazzat Altayevna Undirbekova		Senior Manager of the Group Capital Management Department.