

**Information for shareholders' consideration
at the Annual General Shareholders' Meeting
of JSC Halyk Bank to be held on 18 April 2019**

**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 and published in the mass media –
"EGEMEN QAZAQSTAN" and "Kazakhstanskaya Pravda" newspapers
on 5 March 2019:**

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 2018.
3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2018. 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.
4. On selection of audit firm for the audit of participants of banking conglomerate during 2019-2021.
5. On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market.
6. On approval of amendments to the Charter of JSC Halyk Bank.
7. On approval of amendments to the Corporate Governance Code of JSC Halyk Bank.
8. On approval of amendments to the Regulations on the Board of Directors of JSC Halyk Bank.
9. On early termination of powers of the member of the Board of Directors of JSC Halyk Bank.
10. On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers.
11. On consideration of the 2018 Performance Report of the Board of Directors of JSC Halyk Bank.
12. 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.
13. On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.
14. 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 2018”

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 should be approved at the Annual General Shareholders' Meeting. Hereby we present to you the core results of JSC Halyk Bank's activities in 2018:

Halyk Group for the year ended 31 December 2018 has good results, namely:

Halyk Group's assets increased by 1.14% (101.2 billion tenge) from 8 trillion 858 billion tenge up to 8 trillion 959 billion tenge.

Loans to customers (net) increased since the beginning of 2018 by 7.07 % or by 230 billion tenge and at the year-end totaled 3 trillion 481 billion tenge, which in its turn is 38.8% of all assets of Halyk Group.

JSC Halyk Bank's equity increased by 14.04% (131.2 billion tenge) from 934 billion tenge up to 1 trillion 66 billion tenge.

Halyk Group's profit increased by 46.65% (80.88 billion tenge) from 173.3 billion tenge up to 254.23 billion tenge.

Major corporate events for 2018 having impact on financial performance of Halyk Group:

On 24 April 2018, JSC Halyk Bank completed transaction on sale of 60% of JSC SB Altyn Bank's shares to the group of Chinese investors. As of 30 September 2018, Halyk Group holds 40% of JSC Altyn Bank's shares, which are accounted as investments in associate. Profit on disposal of JSC Altyn Bank comprised 6.5 billion tenge. As of 31 December 2018, the carrying value of Halyk Group's stake in JSC Altyn Bank is 20.4 billion tenge.

On 22 May 2018, Halyk Group announced on completing the reorganization procedure through JSC NBK-Bank's merger into CB Moskommertsbank (JSC).

The Transfer Certificate was signed on 28 July 2018. The Transfer Certificate is a document legally confirming transfer of all assets, rights and obligations of JSC Kazkommertsbank to JSC Halyk Bank. Within the framework of actions aimed at voluntary reorganization of JSC Halyk Bank and JSC Kazkommertsbank through JSC Kazkommertsbank's merger into JSC Halyk Bank, 758,687,723 of JSC Halyk Bank's common shares were placed among shareholders of JSC Kazkommertsbank in exchange for common shares of JSC Kazkommertsbank, in accordance with approved Common Share Exchange Ratio.

29 August 2018 – completion of reorganization of JSC Halyk Bank's subsidiaries operating at general insurance market through JSC IC Kazkommerts-Policy's merger into JSC Kazakhinstrakh (since January 2019 – JSC IC Halyk).

The Transfer Certificate within the reorganization process between JSC Halyk-Life and JSC Kazkommerts-Life was signed on 1 November 2018, whereby JSC Halyk-Life has become a full successor of all rights and obligations of JSC Kazkommerts-Life.

Besides corporate events, since 1 January 2018 Halyk Group has implemented IFRS 9 “Financial Instruments”, which replaces guidance as per IFRS (IAS) 39 “Financial Instruments: Recognition and Measurement.”.

Key changes in Halyk Group's equity:

- ✓ Change in share capital of JSC Halyk Bank by KZT65 billion due to legal merger of JSC Kazkommertsbank thereto,
- ✓ Retained earnings and reserves of Halyk Group for 2018 increased by 19.7% (154.7 billion tenge) from 785.7 billion tenge up to 940.4 billion tenge.

The annual financial statements of the Bank for the year ended 31 December 2018 were preliminary approved by resolution of the Bank's Board of Directors dated 15 March 2019. The independent audit firm – Deloitte LLC confirmed reliability and accuracy of the annual financial statements of the Bank for the year ended 31 December 2018, as well as compliance with the requirements of international financial reporting standards and legislation of the Republic of Kazakhstan.

The Independent Auditors' Report by Deloitte LLC is available in the handouts distributed to you during registration of shareholders.

Dear Shareholders! Based on the foregoing, we ask you to approve annual financial statements of JSC Halyk Bank for 2018, 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 2018 are available at the corporate website of JSC Halyk Bank at: (<https://halykbank.kz/investoram>) and at the location of the Management Board of JSC Halyk Bank.

Item 3 on the agenda: “On approval of the distribution of JSC Halyk Bank’s net income for 2018. 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!

In accordance with Articles 35, 36 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25, 26 and 27 of the Charter of JSC Halyk Bank, the Board of Directors of JSC Halyk Bank submits for consideration of the Annual General Shareholders' Meeting of JSC Halyk Bank the proposals on approval of the following distribution of net income of JSC Halyk Bank received by the results of the 2018 financial and operating performance of JSC Halyk Bank:

part of net income to be allocated for payment of dividends on common shares of JSC Halyk Bank (NIN KZ1C33870011/ISIN KZ000A0LE0S4):

name: JSC Halyk Bank;

location of JSC Halyk Bank: 40, Al-Farabi Ave., Medeu district, A26M3K5, Almaty, Republic of Kazakhstan;

bank and other details of JSC Halyk Bank: National Bank of Kazakhstan; BIC – NBRKKZKX, correspondent account – KZ87125KZT1001300313, BIN – 940140000385, Beneficiary Code – 14;

the dividend payment period: 2018;

the dividend amount per common share: 10.78 tenge;

the dividend payment start date: 3 June 2019;

the timing and form of dividend payments:

the record date of the list of shareholders eligible to receive dividends, as of 00:00 a.m. 22 April 2019;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2018, which is remained after payment of dividends on common shares of JSC Halyk Bank, shall not be distributed and shall be allocated to retained earnings.

Item 4 on the agenda: “On selection of audit firm for the audit of participants of banking conglomerate during 2019-2021”

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 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.”

In accordance with sub-clause 6) clause 1 Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies”, as well as Article 26 of 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 2019-2021.

Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to 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 2019- 2021.

Item 5 on the agenda: “On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market”

Dear Shareholders!

In accordance with Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26 of the Charter of JSC Halyk Bank, approval of amendments to Methodology of determining the value of shares at their redemption by the Company on the over-the-counter market falls within the competence of the General Shareholders' Meeting.

The handouts distributed to you during registration of shareholders contain draft amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market, approved by resolution of the General Shareholders' Meeting of JSC Halyk Bank (minutes No.28 dated 23 April 2010, as amended and revised by resolutions of the General Shareholders' Meeting of JSC Halyk Bank No.30 dated 19 April 2012, No.34 dated 25 April 2014 and No.37 dated 22 April 2016) (the Methodology) in Kazakh and Russian for your information.

The Law of the Republic of Kazakhstan of No.166-VI ZRK dated 2 July 2018 "On Amendments to certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market" introduced a number of changes effective from 1 January 2019, including in the Law of the Republic of Kazakhstan “On the Securities Market” (the Law on the Securities Market) and the Law of the Republic of Kazakhstan “On Joint Stock Companies.”

In order to ensure compliance of the terms of the Methodology with requirements of the legislation of the Republic of Kazakhstan, the following amendments are proposed:

1) in terms of the definition of the organizer of trades, according to which from 1 July 2019 in addition to the stock exchange the organizer of trades shall also mean central depository (exchange of quotations between customer of the central depository);

2) due to the change in the concept “organizer of trades”, editorial changes were made to the concepts “formal and over-the-counter securities markets”;

3) some other editorial corrections of a clarifying nature in order to bring the Methodology's revision in line with changes in legislation and current practice of business processes.

The Methodology is supplemented by the clause that if as a result of changes in the legislation of the Republic of Kazakhstan, internal rules of JSC Kazakhstan Stock Exchange, certain provisions of the Methodology will come into conflict therewith, it is necessary to be guided by the applicable legislation of the Republic of Kazakhstan and/or the internal rules of JSC Kazakhstan Stock Exchange. Considering that amendments to the Methodology are possible only if they are approved by the general shareholders' meeting, which seems to be a lengthy process, we believe that this condition will allow, in case of frequently changing legal requirements, to maintain parity between the internal document of the Bank and requirements of legislation of the Republic of Kazakhstan.

Dear Shareholders! The Board of Directors proposes to the General Shareholders' Meeting to approve the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market, attached to the Information for shareholders' consideration at the Annual General Shareholders' Meeting of JSC Halyk Bank.

**AMENDMENTS
to the Methodology for determining the value of shares at their redemption
by JSC Halyk Bank on the over-the-counter securities market,
approved by resolution of the Annual General Shareholders' Meeting
of JSC Halyk Bank
(minutes No.28 dated 23 April 2010) (hereinafter – the “Methodology”)**

Sub-clauses 4) – 6) of Clause 2 of the Methodology shall be revised to read as follows:

“4) *over-the-counter 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 carried out without complying with the requirements established by the internal documents of the stock exchange;

5) *formal securities market* – the sphere of circulation of equity securities and other financial instruments with which transactions are carried out in accordance with internal documents of the stock exchange;

6) *organizer of trades* – the stock exchange or the central depository when it implements the organizational and technical support of trades by operating and maintaining the exchange system quotations between customers of the central depository in accordance with the Law of the Republic of Kazakhstan “On the Securities Market”;

Add clause 7-1 to the Methodology as follows:

“7-1. If as a result of changes in the legislation of the Republic of Kazakhstan, internal rules of JSC Kazakhstan Stock Exchange, certain provisions of the Methodology will come into conflict therewith, it is necessary to be guided by the applicable legislation of the Republic of Kazakhstan and/or the internal rules of JSC Kazakhstan Stock Exchange”;

in clause 11 of the Methodology, replace the word “Number” to words “Total number of redeemed and”;

in clause 17 of the Methodology, replace words “through mass media determined” to words “by placing announcement of the Bank on redemption of its outstanding shares in Kazakh and Russian languages on the Internet resource of financial reporting depository, as well as at discretion of the Bank in other mass media determined”;

in clauses 26, 38 and 48 of the Methodology, delete words “daily on the first working day of the week”;

First, second, third and fourth paragraphs of these amendments to the Methodology shall become effective from 1 July 2019.

Item 6 on the agenda: “On approval of amendments to the Charter 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 JSC Halyk Bank's Charter, consideration and approval of amendments to JSC Halyk Bank's Charter falls within the exclusive competence of the General Shareholders' Meeting.

The handouts you have received upon registration of shareholders include draft amendments to JSC Halyk Bank's Charter in the Kazakh and Russian languages. You will be provided with a copy of the approved amendments to JSC Halyk Bank's Charter in the Kazakh and Russian languages upon request.

The Charter of JSC Halyk Bank is available at the location of JSC Halyk Bank Management Board and on the corporate website of JSC Halyk Bank. However, in order to pass resolution on the item, you may read the Charter of JSC Halyk Bank now, by obtaining your copy of JSC Halyk Bank's Charter from the Ballot Committee members.

Amendments to the Charter of JSC Halyk Bank approved by the resolution of the General Shareholders' Meeting of JSC Halyk Bank No. 22 dated 20 December 2006 are made so that to make it consistent with the changes made in the Law of the Republic of Kazakhstan “On Joint Stock Companies” and the Law of the Republic of Kazakhstan “On the Securities Market” in May and July 2018.

In particular, the following amendments to the Charter of JSC Halyk Bank are suggested:

- the rights of shareholders, who, alone or jointly with other shareholders, own 5% or more of the voting shares, are added;
- the Integrated Registrar is replaced with the Central Securities Depository;
- the issue of the company entering into a major transaction, with a result that the company acquires or alienates (might acquire or alienate) the property with the value of fifty percent and more of the total carrying value of the company's assets will now refer to the competence of the General Shareholders' Meeting;
- introduction of a new procedure of how the company brings information about its activities to the attention of shareholders, according to which information is published on the Internet resource of the Financial Reporting Depository;
- change of the list and procedure of disclosure by the issuer of information on the securities market during the period of circulation of securities, etc.

Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Charter of JSC Halyk Bank as it is drafted, and authorize the Corporate Secretary Igor Mikhailovich Lyashenko to sign the amendments to the Charter of JSC Halyk Bank.

**Amendments to the Charter
of Joint Stock Company
Halyk Savings Bank of Kazakhstan**

Approved
by resolution of the Annual General
Shareholders' Meeting of JSC Halyk Bank
(minutes No. __ dated “__” April 2019)

Almaty, 2019

In the Charter of the Joint Stock Company ‘Halyk Savings Bank of Kazakhstan’ approved by the resolution of the General Shareholders’ Meeting of JSC Halyk Bank (Minutes No. 22 dated 20 December 2006):

Clause 2 of Article 4 shall be deleted;

Articles 6 and 7 shall be deleted;

Clauses 3 and 4 of Article 14 shall be deleted;

in part two of Clause 6 of Article 16, the wording “in the mass media” shall be replaced by the wording “in the Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository defined in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting (hereinafter referred to as the “Financial Reporting Depository”);

in Article 18:

in Sub-Clause 4) of Clause 1 and in Sub-Clause 5) of Clause 2, the word “registrar” shall be replaced by the wording “central depository”;

to add Sub-Clause 7-2) as follows:

“7-2) when holding independently or jointly with other shareholders five and more percent of voting shares of the Bank, to obtain information on the amount of the annual remuneration of an individual member of the Board of Directors and (or) the Management Board of the Bank, subject to the simultaneous conditions as follows:

the court has determined that such member of the Board of Directors and (or) the Management Board of the Bank has deliberately misled the shareholders of the Bank for the purpose of obtaining profit (income) by such member(s) or such member’s affiliates;

if it is proved that unethical practices and (or) lack of action of such member of the Board of Directors and (or) the Management Board of the Bank have resulted in losses for the Bank;”;

in Sub-Clause 3) of Clause 1 of Article 19:

the word “ten” shall be followed by the word “business”;

the wording “registrar and” shall be replaced by the wording “central depository and (or)”;

clause 3 of Article 20 shall be amended to read as follows:

“3. A person, who, alone or jointly with its affiliates, intends to acquire on the secondary securities market thirty percent or more of the voting shares of the Bank or another number of voting shares of the Bank, with the result that this person, alone or jointly with its affiliates, will own thirty percent or more of voting shares of the Bank, must send a relevant notification to the Bank thirty business days prior to the expected date of acquisition of voting shares of the Bank. The notification must contain information on the number of acquired voting shares of the Bank and the proposed purchase price.”

Article 21-1 shall be amended to read as follows:

“Article 21-1. Exchange of the Bank’s outstanding shares of one type for the Bank’s shares of another type

1. The Bank may exchange the Bank’s outstanding shares of one type for the Bank’s shares of another type.

2. The conditions, terms and procedure for the exchange of the Bank's outstanding shares of one type for the Bank's shares of another type are determined by the General Shareholders' Meeting of the Bank.”;

in Article 23:

in Clause 1, the wordings “(unless a different periodicity is determined by the prospectus of share issue)”, “and the prospectus of share issue” shall be deleted;

Clause 2 shall be deleted;

in Clause 1 of Article 26:

Sub-Clause 4-3): the word “conditions” shall be added by the word “terms”;

Sub-Clause 12 shall be amended as follows:

“12) determination of the form of the Bank's notification to the shareholders on the convening of the General Shareholders' Meeting”;

Sub-Clause 15-1) shall be amended as follows:

“15-1) adoption of resolution on the Bank's entering into a major transaction which stipulates that the Bank acquires or alienates (might acquire or alienate) the property with the value of fifty percent and more of the total carrying value of the Bank's assets as of the date of adopting the resolution on entering into the transaction resulting in the acquisition or alienation (probable acquisition or alienation) of fifty percent and more from the total carrying value of the Bank's assets.”;

Clause 2 of Article 27 shall be amended to read as follows:

“2. The information on holding of the General Shareholders' Meeting of the Bank shall be published in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository and may be further published, on the Bank's initiative, in the mass media – the Republican newspapers "Egemen Qazaqstan", "Kazakhstanskaya Pravda", in time stipulated by the legislation of the Republic of Kazakhstan.

The Bank has a right and, to the extent specifically stipulated by the Law or by agreements executed by the Bank is obliged, to further advise shareholders on holding of the General Shareholders' Meeting by other means complying with the listing requirements of any stock exchange, on which securities of the Bank are listed, on the Bank's initiative, in accordance with resolution of the Bank, including by using other mass media, by mailing information to the shareholders, through the Internet, by publishing a notice on the corporate website, by placing information in branches of the Bank.”;

In Article 28:

in Clause 1, the word “registrar” shall be replaced with the wording “central depository”;

Clause 12 shall be amended to read as follows:

“12. The General Shareholders' Meeting elects the chair and secretary of the General Shareholders' Meeting.”;

Clause 17 shall be amended to read as follows:

“17. The minutes of the General Shareholders' Meeting held in person is signed by the chair and secretary of the General Shareholders' Meeting, members of the Ballot Committee”;

In Article 29:

Clause 2 shall be amended to read as follows:

“2. Absentee voting ballot at the General Shareholders’ Meeting of the Bank must be sent to the persons included in the list of shareholders by publishing it on the Internet resource of the financial reporting depository together with the notice of the General Shareholders’ Meeting within the time limit set by the legislation of the Republic of Kazakhstan.”;

Sub-Clause 4) of Clause 3 shall be amended to read as follows:

“4) the closing date of General Shareholders’ Meeting”;

Clauses 4 and 5 shall be amended to read as follows:

“4. Absentee voting ballot shall be signed by shareholder - individual (representative of shareholder - individual) with an indication of ID details of the person.

Absentee voting ballot of shareholder - legal entity must be signed by its head (representative of shareholder - legal entity)

Absentee voting ballot without the signature of shareholder - individual or the head of shareholder - legal entity or representative of shareholder - individual or representative of shareholder - legal entity shall be deemed invalid.

If the absentee voting ballot is signed by the representative of the shareholder, a copy of the power of attorney or other document confirming the authority of the representative of the shareholder shall be attached to the absentee voting ballot.

5. When voting only the absentee voting ballots , which have been received by the Bank at the time of registration of participants in the General Shareholders’ Meeting (in mixed voting) or no later than the final date for submitting absentee voting ballots can be used.”;

Clause 7 shall be amended to read as follows:

“7. Minutes to the General Shareholders’ Meeting by absent voting shall be signed by members of the Ballot Committee.

The results of absent voting are brought to the notice of the Bank’s shareholders by publishing them in the Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository and in the manner specified by this Charter within fifteen calendar days after the closing date of the General Shareholders’ Meeting.”;

In Article 30:

add the wording “, if the notification does not indicate the date of early termination of office of a member of the Board of Directors” to the part first of Clause 5 after the wording “on receipt of the notification by the Board of Directors”;

replace the word “signatures” by the word “votes” in the part two of Clause 17;

Clause 21 shall be amended to read as follows:

“21. The minutes of in-person and absentee meetings of the Board of Directors are stored in the archive of the Bank and are provided by the secretary of the Board of Directors upon request of a member of the Board of Directors for review and (or) by issuing an extract from the minutes of in-person and (or) absentee meetings of the Board of Directors certified by the signature of the Secretary of the Board of Directors.”

add the wording “and Clause 3-1 of Article 73 of the Law” to Sub-Clause 21) of Clause 2 Article 31;

In Clause 3 Article 38:

part one shall be amended to read as follows:

“3. The Bank is obliged to publish annually consolidated financial statements and

auditor's report on the Internet resource of the Financial Reporting Depository, in the manner and on time established by the authorized body.”;

In part two, the words “by the Law” shall be added by the wording “and the Securities Market Law of the Republic of Kazakhstan”;

Article 40 shall be amended to read as follows:

“Article 40. The procedure for providing shareholders of the Bank with information on its activities

1. During the period of circulation of equity securities, the Bank is obliged to disclose information in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository and the Internet resource of the stock exchange, the official list of which includes the Bank's securities on its initiative, in the manner and time established by the Law of the Republic of Kazakhstan “On the Securities Market” and the regulatory legal act of the authorized body, including:

- 1) information on corporate events of the Bank;
- 2) information on the total amount of remuneration of the members of the Management Board of the Bank at the year-end;
- 3) information on affiliates of the Bank;
- 4) composition of shareholders owning ten percent or more of the voting shares of the Bank;
- 5) the list of organizations in which the Bank owns ten percent or more of shares (participation, interest) of each such organization;
- 6) annual financial statements of the Bank and auditor's reports of the Bank;
- 7) prospectus of equity securities issue of the Bank subject to the changes and (or) amendments made thereto;
- 8) report on the results of the placement of shares/return of allotment.

2. The Bank is obliged to make disclosure on the Internet resource of the Financial Reporting Depository and the stock exchange, the official list of which includes the Bank's securities on its initiative, as follows:

- 1) information on the cancellation by the authorized body of the equity securities issue and (or) on the redemption of equity securities of the Bank;
- 2) quarterly financial statements.

3. The Bank is obliged to additionally provide the disclosure on the Internet resource of the stock exchange, in the official list of which the Bank's securities are included on its initiative, other information determined by the internal documents of the stock exchange.

4. Information on corporate events is determined in accordance with the legislation of the Republic of Kazakhstan.

5. In the event that the legislation of the Republic of Kazakhstan does not provide other terms of publication (bringing to the notice of security holders) of information on corporate events, this information shall be disclosed by the Bank within three business days after the date of its occurrence.

6. The procedure for the Bank to disclose information, the requirements for the content of information subject to disclosure by the Bank, as well as the timing for disclosing information by the Bank on the Internet resource of the Financial Reporting Depository shall be established by a regulatory legal act of the authorized body.

7. The procedure for the Bank to disclose information, the requirements for the content of the information subject to disclosure, as well as the timing for disclosing information on the Internet resource of the stock exchange shall be established by internal documents of the stock exchange, the official list of which includes the Bank's securities on its initiative.”;

In Article 41:

Sub-Clause 13) of Clause 1 shall be amended to read as follows:

“13) minutes to meetings (resolutions of the meetings held by absent voting) of the Board of Directors and ballots (including ballots recognized invalid), materials on issues of the agenda of the Board of Directors affecting the rights of shareholders and in accordance with the Law, the present Charter and the prospectus of the issue of securities of the Bank;”;

replace the wording “independent registrar” by the wording “central depository” in Clause 6 of Article 41;

replace the wording “as set out in Article 40-1 of the Charter” by the wording “as set out in Article 27-2 of the Charter” in Clause 2 of Article 42.

The person authorized by the General Shareholders' Meeting of JSC Halyk Bank to sign amendments to the Charter of Joint Stock Company Halyk Savings Bank of Kazakhstan

Item 7 on the agenda: “On approval of amendments to the Corporate Governance Code of JSC Halyk Bank”

Dear Shareholders!

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

The handouts you have received upon registration of shareholders include draft amendments to the Corporate Governance Code of JSC Halyk Bank made in Kazakh and Russian languages. You will be provided with a copy of the approved amendments to the Corporate Governance Code of JSC Halyk Bank in the Kazakh and Russian languages upon request.

Copies of the current Corporate Governance Code of JSC Halyk Bank have been provided to you earlier; also, the Corporate Governance Code of JSC Halyk Bank is available at the location of the Management Board of JSC Halyk Bank and on the corporate website of JSC Halyk Bank. However, in order to adopt resolution on the item, you may read the Corporate Governance Code of JSC Halyk Bank now by obtaining your copy of the Corporate Governance Code of JSC Halyk Bank from the Ballot Committee members.

Similarly to the Charter of JSC Halyk Bank, the Corporate Governance Code of JSC Halyk Bank is amended to be consistent with the amendments made to the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of improving regulation in entrepreneurial activity” dated 24 March 2018, the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market” dated 2 July 2018 and the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of currency regulation and currency control, risk-based supervision over the activities of financial organizations, protection of rights of consumers of financial services and improvement of the activity of the National Bank of Kazakhstan” dated 2 July 2018.

In accordance with the amendments to the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the exclusive competence of the General Shareholders' Meeting (hereinafter the “GSM”) was expanded. So, the following issues are now referred to the GSM exclusive competence:

To pass resolutions on entering into major transactions and the transactions, in which the Bank has an interest (by simple majority of votes of the total number of voting shares of the company). Accordingly, the resolution on this issue will be excluded from the competence of the Board of Directors;

To pass resolutions on entering into major transactions, with a result that the company not only alienates, but also acquires (might not only alienate, but also to acquire) the property with the value of fifty percent and more of the total carrying value of the company's assets on the date of passing resolution on entering into such transaction.

As it is known, the GSM's resolutions on other issues, which do not require a qualified majority of the total number of voting shares of the company, are made by a simple

majority of votes of the total number of voting shares of the company participating in the voting. However, it was previously envisaged that an exception to the requirement for a simple majority of votes could be established by the Law of the Republic of Kazakhstan “On Joint Stock Companies”. Now such an exception can also be established by the charter of the company.

Also, it was established that the shareholders, who, independently or jointly with other shareholders, own five and more percent of voting shares of the Bank, may obtain information on the amount of the annual remuneration of an individual member of the Board of Directors and (or) the Management Board of the Bank, but subject to the simultaneous conditions as follows:

the court has determined that such member of the Board of Directors and (or) the Management Board of the Bank has deliberately misled the shareholders of the Bank for the purpose of obtaining profit (income) by such member(s) or such member’s affiliates;

it is proved that wrongdoings and (or) inaction of such member of the Board of Directors and (or) the Management Board of the Bank have resulted in losses for the company.

exclusion of the requirement to affix a seal on the following company documents:

the absent voting ballots of company shareholders that are sole proprietors;

extracts from minutes and resolutions of the Board of Directors;

transfer certificate upon merger or integration.

Additionally, amendments were made to the provisions of the legislation of the Republic of Kazakhstan governing the disclosure obligations of the company:

The changes affected the rules relating to the media, which publish information on the company’s activities. Thus, information on the company's activities is published on the Internet resource of the Financial Reporting Depository (hereinafter the “FRD”). At the same time, the company's charter will identify additional sources of information that can be used to publish such information along with the FRD Internet resource.

Since information on the company's activities must be published on the FRD Internet resource, the exclusive competence of the General Shareholders’ Meeting will no longer include the need, when passing relevant resolutions, to determine the media in which these resolutions should be published.

A clarification has been made that the information on a major transaction must be published within 3 business days after the day of adopting the resolution on entering into such transaction. In addition, the information must be published on the FRD Internet resource in all cases.

The annual financial statements should also be published on the FRD Internet resource.

Amendments were made to the legislation of the Republic of Kazakhstan related to the maintenance of the register of shareholders:

The maintenance of the shareholders’ register system will now be carried out by the Central Securities Depository. Accordingly, the shareholders may receive the statements from the central securities depository, to which the functions of the registrar have been transferred.

Similarly as the central securities depository, the shareholders must notify of changes of information necessary for maintaining the register of shareholders. In addition, a clarification was made regarding the deadline for submitting such information: the central securities depository and the nominal holder must be notified of changes in information within 10 business days.

Amendments were made to Article 20 of the Law of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan”, which regulates the requirements for bank managers.

Some changes and additions are associated with the introduction of the institution of “supervisory response measures”, and some are of clarifying nature.

Thus, the bank’s obligation is to notify the National Bank of Kazakhstan within 10 business days from the date of the resolution of the relevant authority of the bank about all changes in the management composition, including their appointment (election), transfer to another position, termination of the employment contract and (or a) termination of powers, bringing the executive to disciplinary responsibility for the corruption offense, as well as changes in the name of an executive officer (as indicated in the ID) with copies of supporting documents. In case of bringing an executive officer to criminal responsibility, the bank notifies the authorized body within 10 business days from the day when this information became known to the bank.

Amendments and were made to Article 40 of the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan”:

In particular, the list of preferential terms and parties related to the bank (hereinafter the “related parties”) is detailed (besides, the National Bank of Kazakhstan has the right to define additional criteria for preferential terms and signs of special relationship to the bank based on its adopted regulatory legal act).

Thus, such parties also include the chairs and permanent members of the committees under the bank’s board of directors and a bank’s body, whose authority is to make decisions on disposing of assets, changing the pledged item and terminating the pledge (save the debtor’s repayment of secured obligations to the bank or the pledge recovery by the bank), decisions on issuance of bank loans and bank guarantees in amounts higher than those established by the regulatory legal act of the National Bank of Kazakhstan, as well as their spouses and close relatives.

The National Bank of Kazakhstan has the right to recognize any person as a related party on the basis of reasoned judgment. In this case, such party is recognized as a related party from the date the bank receives the relevant supervisory regulation measure.

An independent director is no longer recognized as a related party. The National Bank of Kazakhstan, on the basis of its adopted regulatory legal act, may recognize any person as a non-related party.

Amendments were made to Article 102 of the Law of the Republic of Kazakhstan on the Securities Market, according to which it was established that during the period of circulation of issued securities, the issuer must disclose the following information on securities market on the FRD Internet resource:

- 1) corporate events of the issuer;
- 2) total amount of annual remuneration of the members of the Management Board of the Bank;
- 3) the Bank's affiliates;
- 4) composition of shareholders owning ten percent or more of the Bank's voting shares;
- 5) a list of organizations, in which the issuer owns ten percent or more of shares (interest, units) of each such organization;
- 6) the annual financial statements and audit reports of the issuer (the disclosure of audit reports is carried out by issuers who are subject to mandatory audit in accordance with the Law of the Republic of Kazakhstan "On Auditing");
- 7) issue prospectus of the Bank's issued securities as amended and supplemented;
- 8) report on the placement of shares.

Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Corporate Governance Code of JSC Halyk Bank as it is drafted.

**AMENDMENTS TO THE CORPORATE GOVERNANCE CODE
OF JOINT STOCK COMPANY
HALYK SAVINGS BANK OF KAZAKHSTAN**

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

In Sub-clause 1) of Clause 6:

the word “registrar” shall be replaced by the wording “central depository”;

Clause 17 shall be amended to read as follows:

“17. The Annual General Shareholders' Meeting shall be convened by the Board of Directors of the Bank. The Extraordinary General Shareholders' Meeting shall be convened on the initiative of the Board of Directors and/or a major shareholder of the Bank, who, according to the legislation of the Republic Kazakhstan, is a shareholder or several shareholders, acting on the basis of the agreement entered into among them, who (in aggregate) own/s ten percent or more of voting shares of the Bank as well as in other cases determined by the legislative acts of the Republic of Kazakhstan.”;

Clause 18 shall be added by part three as follows:

“The Board of Directors of the Bank is not entitled to change the wording of the agenda items and change the proposed procedure for holding an extraordinary general shareholders' meeting convened at the request of a major shareholder.”;

Clause 19 shall be amended to read as follows:

“19. The list of shareholders entitled to participate and vote in general shareholders' meeting shall be made by the central depository on the basis of the data of the system of registers of shareholders of the Bank. The date of the list of shareholders shall be not earlier than the date of resolution of the Board of Directors on the convocation of the General Shareholders' Meeting.”;

Clauses 21, 22, 23, 24 and 25 shall be amended to read as follows:

“21. The agenda of the General Shareholders' Meeting shall be formed by the Board of Directors of the Bank and must contain an exhaustive list of specifically formulated issues submitted for consideration. The agenda shall be approved by the General Shareholders' Meeting by majority of votes out of total number of voting shares of the Bank present at the meeting.

The agenda items of the General Shareholders' Meeting shall be defined precisely and exclude any chance of various interpretations. The General Meeting shall not consider issues not included in the agenda, and shall not adopt any resolution thereon.

22. The agenda of in-person General Shareholders' Meeting may be:

1) supplemented as proposed by shareholders holding on their own or in aggregate with other shareholders five percent and more of voting shares of the Bank, or by the Board of Directors, provided that the shareholders of the Bank are informed of such

supplements no later than fifteen days before the date of the General Shareholders' Meeting;

2) amended and (or) supplemented provided that the majority of the shareholders (or their representatives) participating in the General Shareholders' Meeting and holding in aggregate no less than ninety five percent and more of voting shares of the Bank votes for such amendments and (or) supplements.

23. The agenda of General Shareholders' Meeting may not be amended and (or) supplemented when the General Meeting of Shareholders of the Bank adopts resolutions by absent and (or) mixed voting.

24. The Board of Directors shall notify shareholders of the Bank of the forthcoming General Shareholders' Meeting no less than 30 calendar days prior to the date of the meeting by publishing a notice in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository defined in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting (hereinafter referred to as the "Financial Reporting Depository"), and may be further published, on the Bank's initiative, in the mass media "Egemen Qazaqstan", "Kazakhstanskaya Pravda," on corporate website of the Bank, and in the branches of the Bank, in time stipulated by the legislation of the Republic of Kazakhstan. The notice on convening and holding of the General Meeting shall contain sufficient information for acquaintance of shareholders of the Bank with the items presented for consideration of the General Shareholders' Meeting (agenda of the General Shareholders' Meeting), and also date, time and venue of the General Shareholders' Meeting, opening/closing time of participant registration, and the procedure of perusing with materials of the General Shareholders' Meeting.

25. The Bank shall further ensure the publication of information on the General Shareholders' Meeting on the Internet resource of the stock exchange, the official list of which includes the Bank's securities, on its initiative, in time established by applicable law for giving notifications to the Bank's shareholders.”;

Clause 28 shall be amended to read as follows:

“28. The minority shareholder has the right to apply to the central depository with request to unite with other shareholders of the Bank for adopting resolutions on the items specified in the agenda of the General Shareholders' Meeting.

The application procedure for a minority shareholder and the dissemination of information by the central depository to other shareholders shall be established by a set of rules of the central depository.”;

The first part of Clause 38 shall be amended to read as follows:

“38. Shareholders included in the system of registers of shareholders of the Bank, presented by the central depository and made on date of fixing of the list of the shareholders entitled to participate in the General Shareholders' Meeting of the Bank, according to the legislation of the Republic of Kazakhstan, may participate and vote in the General Shareholders' Meeting of the Bank.”;

The first part of Clause 39 shall be amended to read as follows:

“39. The General Shareholders' Meeting shall be eligible to consider and pass resolutions on the agenda, if at the moment of closing participant registration (on the date of submitting all ballots or on the date of expiration of the period, on which the ballots are submitted for the general shareholders' meeting by absent voting),

shareholders or their representatives, included in the list of shareholders for participation in the meeting, eligible to participate and vote in it, and owning in aggregate fifty and more percent of voting shares of the Bank, have been registered.”; Clause 40 shall be amended to read as follows:

“40. Before consideration of the agenda items, the General Shareholders’ Meeting shall elect the Chair and the secretary of the General Shareholders’ Meeting, and the list of members of the Ballot Committee authorized to count voices on the General Shareholders’ Meeting of the Bank is pronounced.”;

Clauses 51, 52 and 53 shall be amended to read as follows:

«51. The General Shareholders’ Meeting shall pass resolutions by open or secret ballot (by voting ballots).

Resolutions of in-person General Shareholders’ Meeting of the Bank may be adopted by absent voting. Absent voting may be carried out together with in-person voting of shareholders of the Bank, who are present on the General Shareholders’ Meeting (mixed voting), or without holding the General Shareholders’ Meeting of the Bank.

52. In case of absent or mixed voting at the General Shareholders’ Meeting, the Bank shall publish on the Internet resource of the Financial Reporting Depository a voting ballot and a notification of the convocation of a General Shareholders’ Meeting no later than 30 calendar days before the date of the General Shareholders’ Meeting.

In case of absent voting, the following requirements shall be observed:

- 1) resolutions on the agenda items shall be adopted on the basis of typical ballot forms;
- 2) the voting ballot shall include the following information:
 - full name of the Bank and location of the Management Board of the Bank;
 - information on the initiator of the convocation of the General Shareholders’ Meeting;
 - final date for submission of absentee ballots;
 - closing date of the General Shareholders’ Meeting;
 - agenda of the General Shareholders’ Meeting;
 - wording of items put for voting;
 - voting options on each item put for voting, expressed by words “for”, “against” and “abstain”;
 - explanation of the voting procedure (filling of the ballot) on each item of the agenda;
- 3) in case of voting in respect of appointment of Directors of the Bank, the ballot shall contain names of nominees, and blank spaces for the number of votes in favor of certain nominees.

53. In case of absent and/or mixed voting, a ballot not bearing a signature of voting shareholder, who is individual, or his/her head, or head of shareholder, which is a legal entity, or its representative, shall be deemed void.

Only the ballots received by the Bank by the registration of participants of the general meeting (mixed voting) or by the final date of ballot presentation during the General Shareholders’ Meeting of the Bank by absent voting, may be used for voting.

If during the General Shareholders’ Meeting by absent voting, the duly filled ballots were received from all shareholders before the appointed date of votes counting, then an earlier date for counting the votes is allowed, which is reflected in the minutes on the voting results.

Resolutions passed in the form of absent voting, shall be valid provided there shall be quorum necessary for holding the General Shareholders’ Meeting.”;

Clause 57 shall be deleted;

Clause 59 shall be amended to read as follows:

“59. The minutes to in-person General Shareholders’ Meeting shall be signed by the Chair and the secretary of the meeting, and the members of the Ballot Committee. The minutes to the General Shareholders’ Meeting by absent voting shall be signed by the members of the Ballot Committee.

The results of voting of the General Shareholders’ Meeting, or results of absent voting shall be communicated to the Bank shareholders by means of publication in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository and in the manner determined by the Charter, within fifteen calendar days after the closure of the General Shareholders’ Meeting.

The minutes to the General Shareholders’ Meeting together with the minutes on the results of voting shall be safe kept in the Bank and shall be presented to shareholders for examination at any time. The minutes to the General Shareholders’ Meeting shall be attached together with the minutes on the voting results, powers of attorney authorizing to participate and vote in the General Shareholders’ Meeting. These documents should be kept by the Management Board of the Bank and provided to the shareholders for review at any time. A copy of the minutes to the meeting shall be given to the shareholder upon request in the manner determined by the Bank’s Charter and this Code.”;

In Clause 64, the word ‘order’ shall be deleted;

In Clause 67:

The first part shall be amended to read as follows:

“67. The Board of Directors passes resolution on entering into major transactions and the transactions, in which the Bank has an interest, except for major transactions that are subject to approval by the General Shareholders’ Meeting of the Bank, in accordance with Sub-clause 17-1) of Clause 1 of Article 36 and Clause 3-1 of Article 73 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”. Transaction with the related party of the Bank may be carried out taking into account the requirements of the legislation of the Republic of Kazakhstan only by resolution of the Board of Directors, except for the cases stipulated by the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan.”;

To add part five as follows:

“Transactions with related party of the Bank shall be executed in the manner prescribed by the legislation of the Republic of Kazakhstan regulating banking activities.”;

To add the second part as follows:

“The early termination of powers of the member of the Board of Directors on his/her initiative can be done on the basis of a written notification to the Board of Directors. The powers of such member of the Board of Directors are terminated from the date of receipt of the abovementioned notification from the Board of Directors unless the date of early termination of powers of the member of the Board of Directors is indicated in the notice.”;

Sub-clauses 4) and 5) of Clause 77 shall be amended to read as follows:

“4) he/she is a former head, member of the governing body, head, member of the executive body, chief accountant of a financial institution, major participant –

individual person, head of the major participant (bank holding company) - a legal entity of a financial organization during the period of no more than one year before the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation, and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan.

This requirement shall apply within five years after the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation, and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan;

5) he/she has been withdrawn a consent to the appointment (election) to the position of the executive officer in this and (or) any other financial organization. The above stated requirement shall apply within the last twelve consequent months after the authorized body takes a decision to withdraw its consent to appointment (election) to the position of executive officer.

A person who committed a corruption offense or was attached a disciplinary liability for a corruption offense within three years before the date of appointment (election) cannot be appointed (elected) as an executive officer of the Bank.”;

In Clause 90, the wording “and sealed” shall be deleted;

The first part in Clause 91 shall be amended to read as follows:

“91. The Chairman of the Board of Directors shall be responsible for heading the Board of Directors, ensuring its effectiveness in all aspects of its functions. The Chairman of the Board of Directors shall also be responsible for ensuring that the Directors receive accurate and clear information in a timely manner. The Chairman of the Board of Directors shall also ensure effective communication with shareholders and shall facilitate the effective participation of Independent Directors and ensure constructive relations among the Independent Directors, the Directors and the Management Board of the Bank.”;

Sub-clause 4) of Clause 109 shall be amended to read as follows:

“4) he/she is a former head, member of the governing body, head, member of the executive body, chief accountant of a financial institution, major participant – individual person, head of the major participant (bank holding company) - a legal entity of a financial organization during the period of no more than one year before the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation, and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan.

This requirement shall apply within five years after the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation, and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan.”;

Clause 136 shall be amended to read as follows:

“136. In accordance with the legislation of the Republic of Kazakhstan, a person, who, either alone or jointly with his/her affiliates, intends to acquire on the secondary securities market thirty percent or more of the voting shares of the Bank or another number of voting shares of the Bank, as a result of which acquisition such person, either alone or jointly with his/her affiliates, will own thirty percent or more of the voting shares of the Bank, must give the Bank a thirty days’ advance notice before the proposed date of acquisition of the Bank’s voting shares. The notice must contain information on the number and the proposed purchase price of the voting shares of the Bank to be acquired.”;

To add Clause 136-1 as follows:

“136-1. A person, who, either alone or jointly with his/her affiliates, acquired on the secondary securities market thirty percent or more of the voting shares of the Bank or another number of voting shares of the Bank, as a result of which acquisition such person, either alone or jointly with his/her affiliates, will own thirty percent or more of the voting shares of the Bank, must send the Bank an offer for the remaining shareholders to sell their shares of the Bank within fifteen days after the date of acquisition of the Bank’s voting shares.

The offer to other shareholders to sell their shares of the Bank must contain information about the person and his/her affiliates, who, in aggregate, own thirty percent or more of the Bank’s voting shares, including names, place of residence (location), number of the Bank’s voting shares owned by them, and the proposed purchase price of shares, determined in accordance with the requirements of the legislation of the Republic of Kazakhstan.”;

Clauses 137, 138, 139, 140, 141 and 142 shall be amended to read as follows:

“137. The Bank, within three business days after the date of receipt of the offer to sell shares specified in clause 136 of the Code, ensures its publication in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository.

138. The remaining shareholders are eligible to accept the offer of the person specified in the first part of Clause 136-1 of the Code to sell their Bank’s shares within thirty business days after the date of publication of the sale offer.

A shareholder, who has accepted the offer of the person specified in the first part of Clause 136-1 of the Code, must alienate the Bank’s shares being in his/her ownership in favor of the person specified in the first part of Clause 136-1 of the Code within thirty business days after the date of filing the written consent to the sale of the Bank’s shares being in his/her ownership.

The person specified in the first part of Clause 136-1 of the Code must pay for these shares within thirty business days after the date of receipt of a shareholder’s written consent to sell the Bank’s shares being in his/her ownership.

139. The Bank is not entitled to prevent shareholders from selling the Bank's shares to the person specified in the first part of Clause 136-1 of the Code. The Bank has the right to make an offer to a person, who wishes to sell shares of the Bank to the person specified in the first part of Clause 136-1 of the Code, to sell such shares to the Bank or third parties at a price higher than the price offered by the person specified in the first part of Clause 136-1 of the Code. The Bank's offer to purchase the Bank's shares must contain information on the number of shares, price and details of buyers, where the shares are acquired by third parties.

140. In the event of non-compliance with the obligations established by Clause 2 of Chapter 6 of the Code, a person who, either alone or jointly with his/her affiliates, acquired thirty percent or more of the Bank's voting shares or another number of voting shares of the Bank in the secondary securities market, as a result of which acquisition such person, either alone or jointly with his/her affiliates, will own thirty percent or more of the voting shares of the Bank, such person(s):

- 1) must alienate to their unaffiliated parties a part of the Bank's voting shares being in his/her (their) ownership exceeding twenty nine percent of the Bank's voting shares;
- 2) may not take any action aimed at influencing the management or policy of the Bank, and (or) vote by the Bank's voting shares being in his/her (their) ownership until alienation to their unaffiliated parties of the part of the Bank's voting shares being in his/her (their) ownership exceeding twenty nine percent of the Bank's voting shares.

141. A shareholder of the Bank, who has filed a written consent to sell the Bank's shares in response to the offer of the person specified in the first part of Clause 136-1 of the Code to sell the shares of the Bank being in his/her ownership has the right to appeal to the court against refusal of the person publishing such offer to purchase the Bank's shares.

142. The requirements of this Clause 2 of Chapter 6 of the Code do not apply to the case established by Clause 2-1 of Chapter 6 of the Code.”;

To add Chapter 6 by Clause 2-1 as follows:

“§ 2-1. Redemption of the Bank's voting shares by a person who, alone or jointly with his/her affiliates, acquired ninety five percent or more of the Bank's voting shares on the secondary securities market.

142-1. A person, who, either alone or jointly with his/her affiliates, acquired on the secondary securities market ninety five percent or more of the voting shares of the Bank or another number of the Bank's voting shares totaling in aggregate no less than ten percent of the Bank's voting shares, and as a result of such acquisition such person, either alone or jointly with his/her affiliates, will own thirty percent or more of the voting shares of the Bank, must, within sixty business days after the date of acquisition, demand from the remaining shareholders of the Bank to sell him/her the Bank's voting shares being in their ownership.

The demand to other shareholders to sell their shares of the Bank must contain information about the demanding person(s), including names, place of residence (location), number of the Bank's voting shares being in his/her (their) ownership, and the proposed purchase price of shares determined in accordance with the requirements of the legislation of the Republic of Kazakhstan.

142-2. The Bank shall, within three business days of receipt of the demand specified in Clause 142-1 of the Code, ensure that its publication on the Internet resource of the Financial Reporting Depository.

142-3. At the request of the person specified in the first part of Clause 142-1 of the Code, the remaining shareholders are required to sell their voting shares of the Bank within sixty calendar days of the demand publication on the Internet resource of the Financial Reporting Depository.

Shareholders may not enter into other civil transactions with voting shares of the Bank during the period specified in the first part of this clause.

142-4. The selling price of their voting shares by the Bank's shareholders at the request of the person specified in the first part of Clause 142-1 of the Code, shall be determined as the market value prevailing in the organized securities market on the date of the demand presentation.

142-5. The person specified in the first part of Clause 142-1 of the Code must pay for the Bank's voting shares redeemable from other shareholders at the proposed purchase price determined in accordance with Clause 142-4 of the Code.

The funds intended for payment of the Bank's voting shares redeemable by the person specified in the first part of Clause 142-1 of the Code from other shareholders shall be transferred to the bank accounts of such shareholders, who have current details in the register of shareholders of the Bank.

If there is no information about the current details of the shareholder in the register of shareholders, the funds intended for payment of the acquired Bank's voting shares shall be transferred to an account opened with the central depository for accounting of unclaimed money in the manner specified by the legal regulatory act of the authorized body¹.

142-6. The registration of a transaction on the sale by shareholders of their voting shares of the Bank upon demand of the person specified in the first part of Clause 142-1 of the Code is carried out in the register of shareholders and (or) in the nominal holding accounting system on the basis of the order of such person.

Upon demand of the person specified in the first part of Clause 142-1 of the Code, the voting shares of the Bank, on which the encumbrance is imposed, shall be written off from the personal account of the shareholder opened in the nominal holding accounting system or the system of registers of shareholders, and paid within one month of release of the encumbrance.

The costs associated with the registration and payment of transactions shall be borne by the person purchasing the voting shares of the Bank.

142-7. The right to receive unpaid dividends on the Bank's voting shares on the date of registration of the transaction on the acquisition of the Bank's voting shares by the person specified in the first part of Clause 142-1 of the Code is reserved for shareholders, who have sold the Bank's voting shares upon demand of such person.

Dividends on Bank's voting shares shall be paid to shareholders, who have sold the Bank's voting shares upon demand of the person specified in the first part of Clause 142-1 of the Code, in the manner prescribed by the legislation of the Republic of Kazakhstan.”;

¹ Third paragraph of Clause 142-5 of the Code shall be effective from 1 July 2019.

The third part of Clause 145 shall be deleted;

Clause 157 shall be amended to read as follows:

“157. In accordance with the requirements of the legislation of the Republic of Kazakhstan and for the purposes of maintenance of informational openness, the Bank shall publish in a mandatory manner on the Internet resource of the Financial Reporting Depository and the Internet resource of the stock exchange, the official list of which includes the issued securities of the Bank on its initiative, the following:

- 1) information on corporate events of the Bank, determined in accordance with the legislation of the Republic of Kazakhstan;
- 2) information on the total amount of annual remuneration of the members of the Management Board of the Bank;
- 3) information on the Bank’s affiliates;
- 4) composition of shareholders owning ten percent or more of the Bank’s voting shares;
- 5) a list of organizations, in which the Bank owns ten percent or more of shares (interest, units) of each such organization;
- 6) the annual financial statements and audit reports of the Bank;
- 7) issue prospectus of the Bank’s issued securities as amended and supplemented;
- 8) report on the placement of shares;
- 9) information on the cancellation by the authorized body of the issue of issued securities and (or) on the redemption of the issued securities of the Bank;
- 10) quarterly financial statements.

The Bank must publish on the Internet resource of the stock exchange, the official list of which includes the Bank’s issued securities on its initiative, the other additional information determined by the internal documents of the stock exchange.”;

Clause 158 shall be amended to read as follows:

“158. Where the legislation of the Republic of Kazakhstan does not provide for other terms of publication (bringing to the notice of shareholders) of information about corporate events, such information shall be disclosed by the Bank within three business days after the date of its occurrence.

The Bank must publish on the Internet resource of the stock exchange, the official list of which includes the Bank’s issued securities on its initiative, the information in Kazakh and Russian languages.”;

Clause 158-1 shall be amended to read as follows:

“158-1. The disclosure procedure of the Bank, the requirements for the content of information subject to disclosure by the Bank, as well as the timing for disclosing information by the Bank on the Internet resource of the Financial Reporting Depository shall be established by a regulatory legal act of the authorized body.

The disclosure procedure of the Bank, the requirements for the content of information subject to disclosure by the Bank, as well as the timing for disclosing information by the Bank on the Internet resource of the stock exchange, the official list of which includes the Bank’s issued securities on its initiative, shall be established by the internal documents of the stock exchange.”;

Clauses 159 – 162 shall be deleted.

In Clause 163:

Sub-clause 3) shall be amended to read as follows:

“3) licenses on conducting banking operations and other licenses (permits) for certain kinds of activity and/or taking certain actions (operations);”;

Sub-clause 10) shall be amended to read as follows:

“10) minutes to meetings (resolutions of absentee meetings) of the Board of Directors and ballots (including ballots recognized invalid), materials on issues of the agenda of the Board of Directors affecting the rights of shareholders in accordance with the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Charter and the prospectus of the Bank’s non-government issued securities.”

In Clause 165, the wording “independent registrar” shall be replaced by the wording “central depository”;

To add Clause 169-1 as follows:

“169-1. The authorized body shall assess the compliance of the risk management and internal control system with the requirements established by the current legislation of the Republic of Kazakhstan.”;

Clause 182 shall be amended to read as follows:

“182. The basic purpose of the dividend policy is increase in the shareholders’ value by ensuring:

1) gradual growth of dividends on shares of the Bank.

To fulfill this objective, the Bank aspires to ensure gradual growth of net income (profit) of the Bank, which shall allow to provide gradual increase in the size of paid dividends through allocating for these purposes of net income (profit) of the Bank;

2) observance of shareholders’ entitlement to dividends on preferred shares of the Bank;

In order to achieve this objective the Bank developed a mechanism to ensure the payment of guaranteed dividends on preferred shares of the Bank established by the Bank's Charter, which allows shareholders to see the profit of the Bank remaining after accrual of dividends.

Moreover, the Bank has created reserve capital, the funds of which may be used for payment of dividend on preferred shares of the Bank in case of missing or insufficient income of the Bank;

3) Creation of necessary conditions for timely and full receipt by shareholders of dividends.

The Bank ensures necessary conditions for timely and full receipt by shareholders of dividends on common shares by fixing at the General Shareholders’ Meeting of the Bank of the commencement date of payment of dividend on common shares, the place where shareholders may receive dividends on common shares, amount of dividends payable on common shares and, if required, other parameters. Moreover, within five business days before payment of dividends on preferred shares, the Bank shall publish information on payment of dividends on the Internet resource of the Financial Reporting Depository with indication of the following details:

1) name, location, bank and other details of the Bank;

2) period for which dividends shall be paid;

3) commencement date of dividend payment;

4) procedure and form of dividend payment;

5) amount of dividend per one preferred share of the Bank.”;

in the third part of Clause 183, the character and the words ", by the issue prospectus" shall be deleted;

Clause 195 shall be deleted;

Clause 196 shall be amended to read as follows:

“196. Dividends must be paid out no later than ninety calendar days from the date following the date of the resolution adopted by the General Shareholders’ Meeting to pay dividends on common shares of the Bank.

Where the information about the current details of the shareholder at the Bank or in the register of shareholders, payment of dividends on common shares of the Bank must be made in the period specified in the first part of this clause to the account opened in the central depository for accounting of unclaimed money in the manner prescribed by the regulatory legal act of the authorized body².”;

To add clause 222 as follows:

“222. If one or several clauses of this Code become invalid due to changes in legislation and (or) the Charter, this does not affect the remaining clauses of this Code, and they are valid to the extent not inconsistent with the laws of the Republic of Kazakhstan and the Bank’s Charter.”

² Effective from 1 July 2019.

Item 8 on the agenda: “On approval of amendments to the Regulation on the Board of Directors of JSC Halyk Bank”

Dear Shareholders!

Whereas the Regulation on the Board of Directors of JSC Halyk Bank was approved by the resolution of General Shareholders’ Meeting of JSC Halyk Bank on 20 December 2006, amendments thereto can also be made based on the relevant resolution of the General Shareholders’ Meeting of JSC Halyk Bank.

The handouts you have received upon registration of shareholders include draft amendments to the Regulation on the Board of Directors of JSC Halyk Bank in the Kazakh and Russian languages. You will be provided with a copy of the approved amendments to the Regulation on the Board of Directors of JSC Halyk Bank in the Kazakh and Russian languages upon request.

Copies of the current Regulation on the Board of Directors of JSC Halyk Bank have been provided to you earlier, also, the Regulation on the Board of Directors of JSC Halyk Bank is available at the location of the Management Board of JSC Halyk Bank and on the corporate website of JSC Halyk Bank. However, in order to adopt resolution on the item, you may read the Regulation on the Board of Directors of JSC Halyk Bank now by obtaining your copy of the Regulation on the Board of Directors of JSC Halyk Bank from the Ballot Committee members.

The Regulation on the Board of Directors of JSC Halyk Bank is amended to be consistent with the amendments made to the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of improving regulation in entrepreneurial activity” dated 24 March 2018, the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market” dated 2 July 2018 and the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of currency regulation and currency control, risk-based supervision over the activities of financial organizations, protection of rights of consumers of financial services and improvement of the activity of the National Bank of Kazakhstan” dated 2 July 2018.

The major amendments to the Regulation on the Board of Directors of JSC Halyk Bank are clarifying the competence of the Board of Directors in passing the resolutions on entering into major transactions and the transactions, in which the Bank has an interest. Also, clarifications related to the requirements for candidates for the position of a member of the Board of Directors were made to the Regulation on the Board of Directors of JSC Halyk Bank.

Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Regulation on the Board of Directors of JSC Halyk Bank as it is drafted.

Approved
by resolution of the Annual General
Shareholders' Meeting
of JSC Halyk Bank
(minutes No. __ dated “__” _____)

**AMENDMENTS TO THE REGULATION ON THE BOARD OF DIRECTORS
OF JOINT STOCK COMPANY
HALYK SAVINGS BANK OF KAZAKHSTAN**

In the Regulation on the Board of Directors of JSC Halyk Bank approved by the resolution of the General Shareholders' Meeting of JSC Halyk Bank (Minutes No. 22 dated 20 December 2006):

Sub-clause 24) of Clause 4 shall be amended to read as follows:

“24) taking decisions on the execution of major transactions and transactions in which the Bank is interested, except major transactions, resolution on which is adopted by the General Shareholders' Meeting of the Bank in accordance with Sub-clause 17-1) of Clause 1 of Article 36 of the Law and Sub-clause 3-1 of Article 73 of the Law;”;

Clause 11 shall be amended to read as follows:

“11. The powers of any member of the Board of Directors can be early terminated by the resolution of the General Shareholders' Meeting. The powers of such member of the Board of Directors shall be terminated from the date of adoption by the General Shareholders' Meeting of the resolution on the early termination of his/her powers. In case of early termination of powers of the member of the Board of Directors, a new member of the Board of Directors should be elected by the cumulative voting of shareholders represented at the General Shareholders' Meeting, and the powers of the newly elected member of the Board of Directors expire simultaneously with expiration of powers of the Board of Directors, as a whole. The early termination of powers of the member of the Board of Directors on his/her initiative can be done on the basis of a written notification to the Board of Directors. The powers of such member of the Board of Directors are terminated from the date of receipt of the abovementioned notification from the Board of Directors unless the date of early termination of powers of the member of the Board of Directors is indicated in the notice. Resolutions on agenda issues of the meeting the Board of Directors during termination of powers of one or several members of the Board of Directors should be adopted subject to quorum, and if the majority of votes out of the total number of votes of remaining members of the Board of Directors votes for such decision.»;

Sub-clauses 4) and 5) of Clause 13 shall be amended to read as follows:

“4) is a former head, member of the governing body, head, member of the executive body, chief accountant of a financial institution, major participant – individual person, head of the major participant (bank holding company) - a legal entity of a financial organization during the period of no more than one year before the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation,

and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan.

This requirement shall apply within five years after the authorized body takes decision on the bank classification as an insolvent bank, conservation of insurance (re-insurance) company or compulsory redemption of its shares, withdrawal of license from a financial organization resulting in its liquidation, and (or) termination of activities in the financial market or the entry into force of a court decision on forced liquidation of the financial organization or recognition of its bankruptcy in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan;

5) has been withdrawn a consent to the appointment (election) to the position of the executive officer in this and (or) any other financial organization. The above stated requirement shall apply within the last twelve consequent months after the authorized body takes a decision to withdraw its consent to appointment (election) to the position of executive officer.

A person who committed a corruption offense or was attached a disciplinary liability for a corruption offense within three years before the date of appointment (election) cannot be appointed (elected) as an executive officer of the Bank.”;

Clause 27 shall be amended to read as follows:

“27. Each member of the Board of Directors shall have the right, on his/her own initiative, to resign by giving written notice to the Board of Directors. Powers of such member of the Board of Directors shall be terminated upon receipt by the Board of Directors of the written notice, unless the date of early termination of powers of the member of the Board of Directors is indicated in the notice.”;

Clause 33 shall be amended to read as follows:

“33. Resolutions of the Board of Directors, adopted at regular in-person meetings, shall, within three days following the date of the meeting, be executed in the form of minutes to the meeting of the Board of Directors.

Minutes to the meeting of the Board of Directors shall contain the following information:

- 1) Full name and location of the Management Board of the Bank;
- 2) Date, time and place of the meeting of the Board of Directors;
- 3) Information on participants of the meeting of the Board of Directors;
- 4) Agenda of the meeting;
- 5) Items put for voting, and results of voting including results of voting for each member of the Board of Directors on each item of the agenda of the meeting of the Board of Directors;
- 6) Resolutions adopted on the meeting of the Board of Directors;
- 7) Other information under the decision of the Board of Directors.

Minutes to the meeting of the Board of Directors shall be signed by the Chairman of the Board of Directors or by a person chairing the meeting, and by the Secretary of the Board of Directors.

Minutes to the Board of Directors’ meetings, including absentee meetings, ballots (including invalid ballots), materials on the Board of Directors’ agenda shall be kept by the Secretary of the Board of Directors in a locked cabinet and transferred to

the Bank's archives at the end of the clerical year in the prescribed manner. At the request of any member of the Board of Directors or at the written request of structural subdivisions of the Bank's Board of Directors, the Secretary of the Board of Directors shall bring the original documents for review, as well as copies and (or) extracts from the minutes to the meetings (resolutions) of the Board of Directors signed by the Secretary of the Board of Directors.”;

Clause 52 shall be amended to read as follows:

“52. Secretary of the Board of Directors at the request of any member of the Board of Directors provides for review a copy of the minutes of the Board of Directors and/or extract from the minutes signed by the Secretary of the Board of Directors.”

Item 9 on the agenda: “On early termination of powers of the member of the Board of Directors of JSC Halyk Bank”

Dear Shareholders!

On 28 February 2019, JSC Halyk Bank received a letter of notice from Mr. Anvar Galimullaevich Saidenov, a member of the Board of Directors of JSC Halyk Bank, asking to bring the issue of early termination of his powers as a member of the Board of Directors, independent director of JSC Halyk Bank on his own initiative to the Annual General of Shareholders’ Meeting from 18 April 2019.

The present letter of Mr. Saidenov was considered at the in-person meeting of the Board of Directors of the Bank held on 15 March 2019, which resulted in the following resolutions:

1. To take note of the Anvar Galimullaevich Saidenov’s letter of notice of early termination of his powers as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019.

2. To propose to the Annual General of Shareholders’ Meeting of JSC Halyk Bank to be held on 18 April 2019 to satisfy the early termination of powers of Mr. Anvar Galimullaevich Saidenov as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019, based on his letter of notice.

Dear shareholders, in this regard, guided by paragraph 4 of article 55 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and paragraph 5 of article 30 of the Charter of JSC Halyk Bank, we ask you to adopt the resolution on early termination of powers of a member of the Board of Directors of JSC Halyk Bank Mr. Anvar Galimullaevich Saidenov from 18 April 2019.

Item 10 on the agenda: “On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers”

Dear Shareholders,

Considering that the Annual General Shareholders' Meeting of JSC Halyk Bank will adopt the resolution on the ninth item of the agenda on early termination of powers of the member of Board of Directors of JSC Halyk Bank Mr. Anvar Galimullayevich Saidenov from 18 April 2019, and also, given that in accordance with the resolution of the General Shareholders' Meeting of JSC Halyk Bank on the fifth item incorporated in the minutes to the Annual General Shareholders' Meeting of JSC Halyk Bank No.39 dated 21 April 2017, the number of members of the Board of Directors of JSC Halyk Bank is 7 (seven) persons, it is necessary to elect an additional member of the Board of Directors of JSC Halyk Bank.

Taking into account that the member of the Board of Directors of JSC Halyk Bank Mr. Anvar Galimullayevich Saidenov is independent director, JSC Halyk Bank's Board of Directors proposes to elect a new member of the Board of Directors as an independent director.

Thus, the Board of Directors of JSC Halyk Bank proposes:

- 1) To elect additionally Mr. Anton Germanovich Musin as the member of the Board of Directors of JSC Halyk Bank, independent director;
- 2) To determine the term of powers of the member of the Board of Directors of JSC Halyk Bank Mr. Anton Germanovich Musin - from the election date till expiration of the term of powers of current Board of Directors of JSC Halyk Bank, approved at the Annual General Shareholders' Meeting of JSC Halyk Bank on 21 April 2017.

Below is information about the proposed candidate to the Board of Directors of JSC Halyk Bank of Kazakhstan (biography).

Information about the candidate proposed for the election as the member of the Board of Directors of JSC Halyk Bank (biography)

Anton Germanovich Musin

Born on 1978, a citizen of the Russian Federation

Education:

In 2000, he graduated from the Moscow State University of Technology "Stankin" as a Mechanical Engineer.

In 2002, he graduated from the Budapest University of Technology and Economics with a Master degree in Robotics / Mechanical Engineering.

Affiliation with JSC Halyk Bank:

In accordance with Article 2-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan", he is not affiliated with JSC Halyk Bank.

Work experience, including, but not limited to, last three years:

March 2003 to August 2007, he worked as a systems analyst / project manager at Xerox LTD, Moscow, Russia.

August 2007 to September 2009 - Consultant / Manager of Accenture LTD, Moscow, Russia.

September 2009 to June 2010 - Senior Manager, KPMG, Moscow, Russia.

June 2010 to the present time - Senior Manager / Managing Director (Partner) Accenture LTD, Dubai, United Arab Emirates.

Additional information:

He headed a team of consultants at Accenture LTD during the integration of JSC Halyk Bank with JSC Kazkommertsbank.

Note: The candidate is proposed for the election as the member of the Board of Directors, Independent Director of JSC Halyk Bank. The candidate is not a shareholder of JSC Halyk Bank and not proposed (not recommended) for the election to the Board of Directors of JSC Halyk Bank as JSC Halyk Bank shareholder's representative.

Item 11 on the agenda: “On consideration of the 2018 Performance Report of the Board of Directors of JSC Halyk Bank”

In accordance with the Corporate Governance Code of JSC Halyk Bank, the performance of JSC Halyk Bank Board of Directors is evaluated by the Annual General Shareholders’ Meeting.

At the same time, the Board of Directors should give a formal and rigorous assessment of its own performance, as well as the activities 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 2016-2018 and was performed in strict compliance with the standards of corporate governance.

The in-person meetings of the Board of Directors were conducted with the participation of foreign independent directors in order to discuss the most important and strategic issues of JSC Halyk Bank. In cases permitted by the legislation of the Republic of Kazakhstan, the resolutions on operational issues were passed by the Board of Directors by absent voting.

In 2018, the Board of Directors of JSC Halyk Bank held 6 in-person meetings with 60 issues considered, and 94 meetings by absent voting.

The following issues were considered consistently:

1) semi-annually:

Halyk Group Development Strategy Implementation Reports for 2016-2018 by the Management Board of JSC Halyk Bank and the subsidiaries;

Progress Report and Current Issues of Halyk Project LLP;

2) quarterly Halyk Group Performance and Budget implementation Reports by the Management Board of JSC Halyk Bank, followed by the Board of Directors’ appropriate adjustments;

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

4) risk management issues, in particular, analysis of the loan portfolio quality, analysis of related parties’ transactions with regard to avoidance of lending for such persons on preferential terms;

5) internal audit issues;

6) JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT-Transformation Program 2020 Progress Report;

7) other managerial information that is provided in accordance with the requirements of applicable legislation of the Republic of Kazakhstan.

The results of stress testing of the loan portfolio of JSC Halyk Bank were considered under world economic development scenario, effect on the loan portfolio and share capital of JSC Halyk Bank was determined.

The Board of Directors was convinced that even in case of the worst scenario, the JSC Halyk Bank’s position will remain strong enough.

The Chief Risk Officer, Chief Compliance Controller reported on efficiency of compliance risk management in JSC Halyk Bank and certain subsidiaries and on the activities carried out in anti-money laundering, combating the financing of terrorism.

As an important and major part of its work in 2018, the Board of Directors considered the review of the issues on the transactions related to:

1) the voluntary reorganization of JSC Halyk Bank and JSC Kazkommertsbank through JSC Kazkommertsbank's merger into JSC Halyk Bank;

2) completion of the transaction for the sale of a 60% stake in the share capital of JSC Altyn Bank: China CITIC Bank Corporation Limited (hereinafter "CITIC Bank") in the amount of 50.1% and China Shuangwei Investment Co., Ltd. (hereinafter "Shuangwei") in the amount of 9.9%;

3) the voluntary reorganization of JSC IC Kazkommerts-Policy and JSC Kazakhinstrakh through the JSC IC Kazkommerts-Policy's merger into JSC Kazakhinstrakh;

4) approval of the new Development Strategy of Halyk Group for the period 2019-2021.

The Board of Directors has regularly considered the Halyk Group Development Strategy Implementation Reports for 2016-2018, making sure that the Development Strategy was implemented successfully, whereby Halyk Group strengthened its position on the financial services market.

In general, the objectives set by the Board of Directors to Halyk Group and related to further strengthening the Bank's position and be the 1st bank in Kazakhstan are achieved. At the same time, the subsidiaries carry out complex of measures aimed at strengthening their leading positions in their respective businesses.

The Board of Directors also ensures a proper control over activities carried out by the Management Board, Internal Audit Service and other bodies of JSC Halyk Bank through the following Committees under the Board of Directors:

- 1) audit;
- 2) HR and remuneration;
- 3) strategic planning;
- 4) social issues.

In 2018, the Committees under the Board of Directors of JSC Halyk Bank held 6 in-person meetings and 42 meetings by absent voting. The most important issues considered by the Committees included:

- Halyk Group Development Strategy Implementation Report for the period 2016-2018 for 2017;
- Halyk Group Development Strategy Implementation Report for the period 2016-2018 for the first half of 2018;
- JSC Halyk Bank and Halyk Group Performance and Budget Report for 2017;
- JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT-Transformation Program 2020 Progress Report;
- Bank stress testing results in the overall economic scenario (scenario analysis) in 2019;
- The results of internal audits of JSC Halyk Bank business processes and subdivisions, including the corporate governance processes and interaction with shareholders;
- Review of current risk management practices in JSC Halyk Bank and certain subsidiaries;
- Report on internal self-assessment of compliance of JSC Halyk Bank's Internal Audit Department activities with International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors for 2017;

- Report on efficiency of Internal Control System in JSC Halyk Bank and its subsidiaries for the first half of 2018;
- Changes in the Management Board and Board of Directors of JSC Halyk Bank and the JSC Halyk Bank's executive staff reserve for 2018.

All members of the Board of Directors have efficiently participated in activity of JSC Halyk Bank, objectively and faithfully performing their duties in the interests of JSC Halyk Bank and its shareholders.

Thus, it appears that, during the reporting period, the work of the Board of Directors of JSC Halyk Bank was within the framework of the Halyk Group Development Strategy for 2016-2018, and fulfillment of the functions of the members of the Board of Directors was efficient.

Based on the above, we propose to take note of the 2018 Performance Report of the Board of Directors of JSC Halyk Bank and acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

Item 12 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 informs the shareholders on the amount and structure of remuneration of the members of Board of Directors and the executive body of the Company at the Annual General Shareholders’ Meeting.

In pursuance of the requirement of the above-mentioned Law, we hereby inform you on the amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank in 2018.

Remuneration (payment of remuneration) to the members of Board of Directors and Management Board of JSC Halyk Bank will be paid on the basis of the labor contracts (the 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 JSC Halyk 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 resolution of the Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2006, and terms of compensation for expenses incurred by the members of Board of Directors of JSC Halyk Bank in the performance of their duties were determined by resolution of the Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2012.

Remuneration to the members of Board of Directors and Management Board of JSC Halyk Bank, including remuneration to the members of Board of Directors and Management Board of JSC Kazkommertsbank in 2018, totaled:

(in KZT)

Members of the Board of Directors and Management Board	Total income
	3,220,343,508.71

In 2018, mandatory deductions from the above income of the members of Board of Directors and Management Board of JSC Halyk Bank, including mandatory deductions from income of the members of Board of Directors and Management Board of JSC Kazkommertsbank as follows:

(in KZT)

Members of the Board of Directors and Management Board	Personal Income Tax	Mandatory pension contributions	Total mandatory deductions
	319,188,345.22	33,736,229.75	352,924,574.97

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 13 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 Articles 35 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25 and 26 of the Charter of JSC Halyk Bank, we hereby bring to the consideration of shareholders of JSC Halyk Bank the information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

Following the resolution of the Management Board of JSC Halyk Bank on payment of material assistance to the shareholders of JSC Halyk Bank - individuals in 2017 in the amount of 2.00 (two tenge 00 tiyn) per common share of JSC Halyk Bank, in 2018 the work was continued and completed on payment of the material assistance (acceptance of applications completed on 30 April 2018). The total amount of material assistance paid for 2017-2018 was KZT2.8 million (including source tax) to 229 shareholders – individuals.

The Annual General Shareholders’ Meeting of JSC Halyk Bank (Minutes No.40 dated 20 April 2018) resolved at the end of 2017 to pay dividends on common shares of the Bank; payment was made to 5,323 shareholders, totaling KZT69,161.0 million. At the same time, in 2018 dividends were paid on common shares of JSC Halyk Bank over the past years to 261 shareholders, totaling KZT2.5 million.

In accordance with resolutions passed by the Board of Directors of JSC Halyk Bank, the common shares of JSC Halyk Bank have been redeemed during 2018 at the price of KZT55 per common share. As a result, on the basis of the applications filed in 2018, 101, 100 common shares of JSC Halyk Bank were redeemed from 28 shareholders in the amount of KZT5.6 million.

In 2018, twenty official appeals regarding the payment of dividends, material assistance, JSC Halyk Bank shareholders’ personal data updating, the possibility of redemption of common shares of JSC Halyk Bank, presenting information about the withheld income tax, other issues on JSC Halyk Bank’s operation, as well as legislation of the Republic of Kazakhstan have been received from shareholders of JSC Halyk Bank and reviewed respectively, to which the following answers are given:

one application has been considered from shareholder concerning the possibility to provide statement on withholding of income tax upon payment of dividends on common shares of JSC Halyk Bank for 2017. As a result, a response was prepared and submitted for submission to the tax authorities for tax return purposes;

ten appeals have been considered from shareholders of JSC Halyk Bank – individuals on the issues of payment of dividends and/or material assistance on JSC Halyk Bank’s common shares to individual shareholders for 2017 and past years, as well as procedure for shareholders of JSC Halyk Bank to update information in the security holders registry system of the Integrated Securities Registrar, to which full and comprehensive answers were provided;

four appeals have been considered from shareholders of JSC Halyk Bank, regarding provision of information on the presence/absence of information about security holders in the security holders registry system of the Integrated Securities Registrar, to which answers were provided;

three appeals were considered from shareholder of JSC Halyk Bank, which have been earlier received from National Bank of Kazakhstan regarding payment of dividends on JSC Halyk Bank's common shares to the above shareholder at the end of 2017. Based on the results of consideration of this appeal and repeated appeal we sent letters were to National Bank of Kazakhstan and to the shareholder of JSC Halyk Bank;

two appeals were considered from shareholders of JSC Halyk Bank, regarding reregistration of common shares of JSC Halyk Bank in the security holders registry of the Integrated Securities Registrar, from shareholder to its heir, to which answers were provided.

In accordance with Articles 35 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25 and 26 of the Charter of JSC Halyk Bank, 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 14 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”

In accordance with Article 36 and 46 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and sub-clause 5) clause 1 Article 26 of the Charter of JSC Halyk Bank, the determination of the number and the term of powers of the Ballot Committee and election of 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 resolution of the Annual General Shareholders' Meeting of JSC Halyk Bank dated 22 April 2016 (minutes No.37 dated 22 April 2016) is 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.

Therefore, at the time of the Annual General Shareholders' Meeting of JSC Halyk Bank to be held on 18 April 2019, 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 number of members of the Ballot Committee of JSC Halyk Bank - 7 (seven) persons;

2) to determine the term of powers of members 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 Shareholders' Equity Division, Group Capital Management Department (Chair of the Ballot Committee);
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Members of the Ballot Committee:

Anna Vassilyevna Borodovitsyna	Director of Group Capital Management Department;
Viktor Sergeyevich Skryl	Head of Strategy Office;
Yelena Aleksandrovna Khmyz	Chief Manager of Group Capital Management Department;
Gabbas Malgajiyevich Ilussinov	Senior Manager of Group Capital Management Department;
Gulziya Seidakhmetovna Madazimova	Senior Manager of Group Capital Management Department;
Lyazzat Altayevna Undirbekova	Senior Manager of Group Capital Management Department.