

Attn: KEGOC's shareholders

EXPLANATORY NOTE

regarding the agenda item of the General Meeting of Shareholders of KEGOC: Approval of the financial statements of KEGOC as of and for the year ended 31 December 2020, the procedure for the distribution of KEGOC's net income, the decision to pay the dividends on ordinary shares, and approval of the amount of dividend per one ordinary share of KEGOC for 2020

1. In accordance with Articles 18.1.15 and 18.1.16 of KEGOC's Charter, the exclusive competence of the General Meeting of Shareholders of KEGOC includes the approval of the annual financial statements of KEGOC, approval of the distribution of the net income of KEGOC for the reporting fiscal year, making a decision on the payment of dividends on ordinary shares and approving the amount of dividend per one ordinary share of KEGOC.

KEGOC's financial statements for the year ended on 31 December 2020 were audited by Ernst&Young LLP, an independent audit firm.

According to the audit opinion of Ernst & Young, the consolidated and separate financial statements reliably reflect KEGOC's financial health in all material aspects as of 31 December 2020, as well as KEGOC's financial performance and cash flows for the year ended on the mentioned date as per the International Financial Reporting Standards.

The copies of the consolidated and separate financial statements for the year ended on 31 December 2020, are attached.

According to the consolidated financial statements as of 31 December 2020, the Company had KZT 812,012,626 thousand in assets, KZT 309,456,156 thousand in liabilities, and KZT 502,556,470 thousand in equity. The income of KEGOC for the year ended on 31 December 2019 amounted to KZT 358,736,429 thousand; the expenses amounted to KZT 293,346,644 thousand; the profit share in the associate company was KZT 358,447 thousand (20% in Batys Transit JSC), expenses on corporate income tax were KZT 12,282,961 thousand, net profit was KZT 53,465,271 thousand.

In accordance with clauses 6 and 7 of the Regulations on the dividend policy of KEGOC, the dividends shall be paid from the net income for the corresponding financial year or half-year, or the retained earnings, calculated on the basis of the IFRS consolidated financial statements of KEGOC, and the dividend amount on ordinary shares shall be not less than 40% of the net income. According to clauses 5 and 9 of the Regulations on dividend policy of KEGOC allows payment of dividends for 2020, as in 2020 KEGOC had positive equity and equity capital, and they will not become negative as a result accrual of dividends. KEGOC does not show any signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on bankruptcy, and these signs will not appear for KEGOC as a result of the accrual of dividends.

Considering the above, the annual General Meeting of Shareholders of KEGOC is proposed to:

1) Approve the financial statements of KEGOC as of and for the year ended on 31 December 2020.

2) Approve the following procedure for the distribution of net income for 2020 by KEGOC located at: 59 Tauyelsizdik ave., city of Nur-Sultan, BIN 970740000838, Kbe 16, KZ736010111000023853, Halyk Bank of Kazakhstan BIK HSBKKZKX:

- allocate KZT 19,502,495,736.10 (nineteen billion five hundred two million four hundred ninety-five thousand seven hundred thirty-six tenge ten tiyn) as payments of dividends to all holders of ordinary shares of KEGOC;

3) Approve KZT 75.01 (seventy-five tenge one tiyn) as the amount of dividend per one ordinary share of KEGOC for 2020.

4) Finalize the list of KEGOC's shareholders, who have the rights for receiving dividends on KEGOC's ordinary shares for 2020, on 00.00 am, 11 May 2021.

5) Determine 12 May 2021 as the date to commence payment of dividends on ordinary shares of KEGOC for 2020.

6) Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

2. If the financial statements are not approved by the annual General Meeting of Shareholders of KEGOC there will be a risk of reduced level of corporate governance in terms of timely and complete disclosure of information about KEGOC's financial performance to the shareholders and other interested parties.

3. No social and economic and/or legal effects are expected, if the annual General Meeting of Shareholders of KEGOC will approve the agenda item.

4. Earlier this matter was reviewed by the meeting of KEGOC's Board of Directors (Minutes No. 3 dated 19 March 2020).

**Chairman of Management Board, KEGOC
(Member of the Board of Directors of KEGOC)**

Bakytzhan Kazhiyev

Decision

regarding the agenda item of the General Meeting of Shareholders of KEGOC: Approval of the financial statements of KEGOC as of and for the year ended 31 December 2020, the procedure for the distribution of KEGOC's net income, the decision to pay the dividends on ordinary shares, and approval of the amount of dividend per one ordinary share of KEGOC for 2020

Having considered the agenda item and presented materials in accordance with sub-clauses 15) and 16) of clause 1 Article 18 of KEGOC's Charter, **the extraordinary General Meeting of KEGOC Shareholders DECIDED to:**

1. Approve the financial statements of KEGOC as of and for the year ended on 31 December 2020.

2. Approve the following procedure for the distribution of net income for 2020 by KEGOC located at: city of Nur-Sultan, city of Nur-Sultan, 59, BIN 970740000838, Kbe 16, seven KZ736010111000023853 in Halyk Bank of Kazakhstan BIK HSBKKZKX:

- allocate KZT 19,502,495,736.10 (nineteen billion five hundred two million four hundred ninety-five thousand seven hundred thirty-six tenge ten tiyn) as payments of dividends to all holders of ordinary shares of KEGOC;

3. Approve KZT 75.01 (seventy-five tenge one tiyn) as the amount of dividend per one ordinary share of KEGOC for 2020.

4. Finalize the list of KEGOC's shareholders, who have the rights for receiving dividends on KEGOC's ordinary shares for 2020, on 00.00 am, 11 May 2021.

5. Determine 12 May 2021 as the date to commence payment of dividends on ordinary shares of KEGOC for 2020.

6. Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

7. Mr Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC, shall take the necessary measures to implement this decision.