

Methodology for shares' price valuation during buyback by Joint-Stock Company "National Atomic Company "Kazatomprom"

1. General Provisions

This Methodology of the National Atomic Company Kazatomprom Joint Stock Company (hereinafter referred to as the Methodology) for shares' price valuation during buyback was developed in accordance with the Law of the Republic of Kazakhstan On Joint Stock Companies and the Law on the Securities Market (hereinafter referred to as the Laws), the Charter of NAC Kazatomprom JSC (hereinafter referred to as the Charter) and establishes the terms and conditions, the buy-back procedure and the procedure for shares' price valuation during buyback by NAC Kazatomprom JSC (hereinafter referred to as the Company).

1. This Methodology applies to the cases of the buyback of outstanding shares by the Company on unorganized securities markets:

- 1) at the discretion of the Company;
- 2) at the request of the shareholder.

2. Shareholders of the Company have the right to familiarize themselves with this Methodology, including subsequent alterations and (or) amendments to it, on the corporate web site of the Company starting from the date of approval of this Methodology.

3. The Company shall repurchase its outstanding shares on the basis of a decision of the Board of Directors of the Company, unless otherwise provided by the Laws and (or) the Charter of the Company and is carried out through a transaction between the shareholder and the Company.

4. Depositary receipts of the Company, the underlying asset of which are shares, are subject to repurchase under the conditions stipulated by this Methodology, only after they are converted into shares.

5. Shares repurchased by the Company are not taken into account when determining the quorum of the Shareholders' General Meeting and considered as non-voting. Dividends are not accrued and not paid on the shares repurchased by the Company.

6. The repurchase price of the outstanding share is calculated in the national currency of the Republic of Kazakhstan at the official rate of KZT to the USD, determined by the National Bank of the Republic of Kazakhstan at the date of the decision of the Board of Directors on the buy-back.

Shares' price valuation during buyback is determined in accordance with section 4 of this Methodology.

If the bank details of a shareholder are expressed in a currency other than the national currency of the Republic of Kazakhstan, shares are repurchased at the price approved by the decision of the Board of Directors converted at the official rate of KZT to the shareholder's bank account currency determined by the National Bank of the Republic of Kazakhstan at the date of repurchase.

7. The Company is obliged to publish a notice on the repurchase of outstanding shares in accordance with the requirements of the legislation of the Republic of Kazakhstan and the requirements of the regulatory authority of the Exchange.

8. Issues that are not regulated by this Methodology are settled in accordance with the current legislation of the Republic of Kazakhstan.

2. Definition of terms

9. The terms used in this Methodology have the following definitions:

- 1) shareholder means a person who is the owner of the Company's shares;
- 2) share means a security issued by the Company and certifying the rights to participate in the management of the Company, to receive a dividend on it and to right the part of the property of the Company in case of its liquidation, as well as other rights provided for in the Laws and other legislative acts of the Republic of Kazakhstan;
- 3) depositary receipt means a derivative issuance security confirming the ownership of a certain number of ordinary shares of the Company, which are the underlying asset of this depositary receipt;
- 4) IFRS means International Financial Reporting Standards;
- 5) outstanding shares means shares of the Company, paid by the founders and investors in the primary securities market;
- 6) the Company means NAC Kazatomprom JSC;
- 7) organized securities market means the scope of circulation of issuance securities and other financial instruments, transactions with which are carried out in accordance with the internal documents of the Exchange, where the admission to the listing was submitted by the Company;
- 8) unorganized securities market means the scope 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 in disregard of the requirements of the internal documents of the Exchange;
- 9) Exchange means the stock exchange, where the admission of the Company's securities to the listing was given based on the Company's initiative;
- 10) listing of the Company's shares means admission of securities at the discretion of the Company into the category and (or) sector of the list of securities of the stock exchange, which establish special listing requirements for admission and presence of this securities on the list by its internal documents;
- 11) delisting of the Company's shares means temporary or permanent removal of securities from the list of the Exchange;
- 12) independent appraiser means a body defined and entitled by the relevant licenses to valuation in accordance with the legislation of the Republic of Kazakhstan;
- 13) date of the event means the date which is the basis for a shareholder's request for the repurchase of his shares and which is determined in accordance with paragraph 17 of this Methodology;
- 14) repurchase value means the amount paid by the Company for the repurchase of its own shares.

3. Terms, provisions and limitations on the repurchase of shares

Repurchase of shares at the discretion of the Company

10. Repurchase of the outstanding shares at the discretion of the Company is fulfilled with the written consent of the shareholder for the purpose of their onward sale or for other purposes not contradicting the laws of the Republic of Kazakhstan and the Charter of the Company.

11. The Company is not entitled to repurchase its outstanding shares:

- 1) until the first Shareholders' General Meeting of the Company;
- 2) until the approval of the first report on the results of the placement of shares among the founders of the Company;
- 3) if, as a result of the repurchase of shares, the amount of the Company's equity capital will be less than the minimum amount of the charter capital established by the Laws;

4) if at the time of the repurchase of shares the Company is eligible for insolvency in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, or it will become eligible for insolvency as a result of the repurchase of shares which are required or proposed for repurchase;

5) if the court or the Shareholders' General Meeting of the Company carries a resolution on liquidation of the Company.

12. If the number of shares repurchased at the discretion of the Company exceeds 1% (one) percent of their total number, the Company announces about repurchase to its shareholders before the conclusion of the shares purchase and sale transaction (transactions).

13. The resolution of the Board of Directors to repurchase the Company's outstanding shares should include the following information:

- 1) the type of shares repurchased;
- 2) the number of shares repurchased;
- 3) the shares' repurchase price;
- 4) the period for shares' repurchase;
- 5) the conditions for shares' repurchase.

14. Announcement of the Company on the repurchase of its outstanding shares:

- 1) is subject to publication in Kazakh and Russian on the Internet resource of the depository of financial statements, as well as in accordance with the requirements and provisions of the stock markets, where shares are floated, Charter and internal documents of the Company;
- 2) must contain the information specified in clause 13 of this section.

15. The total number of outstanding shares repurchased by the Company shall not exceed 25% (twenty-five) percent of the total number of the Company's outstanding shares, and the expenses for the repurchase of shares of the Company shall not exceed 10% (ten) percent of its equity capital as of the date of the resolution of the Board of Directors of the Company on the repurchase of outstanding shares of the Company. The equity capital is determined on the basis of the latest separate financial statements of the Company available on the date of the resolution of Board of Directors of the Company and prepared in accordance with IFRS excluding subsidiaries.

16. In the event that the number of outstanding shares of the Company declared by its shareholders for repurchase exceeds the number of shares announced by the Company for repurchase at the date of repurchase, these shares are repurchased from shareholders pro rata the number of their shares, declared for repurchase

Repurchase of shares at the request of the shareholder

17. The Company shall repurchase the outstanding shares at the request of the shareholder that can be claimed in the following cases:

- 1) the Shareholders' General Meeting of the Company carries a resolution on the reorganization of the Company (if the shareholder participated in the Shareholders' General Meeting and voted against the reorganization of the Company);
- 2) the Shareholders' General Meeting of the Company carries a resolution on the delisting of the Company's shares (if the shareholder did not participate in the Shareholders' General Meeting of the Company or if he participated in this meeting and voted against);
- 3) the Exchange decides to delist the Company's shares;
- 4) shareholder disagrees with a resolution on conclusion of a major transaction and (or) on conclusion of a related party transaction carried by the Shareholders' General Meeting or the Board of Directors in the manner prescribed by the Laws and (or) the Charter of the Company;
- 5) the Shareholders' General Meeting of the Company carries a resolution on the introduction of alterations and amendments to the Charter of the Company which restrict the rights on shares

owned by this shareholder (if the shareholder did not participate in the shareholders' general meeting at which such resolution was carried, or if the shareholder voted against).

18. The shareholder has the right to submit the request to the Company on repurchase of his shares by sending a written application to the Company within 30 (thirty) calendar days from the date of the resolution specified in paragraph 17 of this Methodology, or from the date of the decision of the Exchange on delisting of the Company's shares, unless otherwise set by law.

The Company is obliged to repurchase the shares from the shareholder within 30 (thirty) calendar days from the date of receipt of the application.

19. The shareholder's application for the repurchase of his shares shall be compiled in written form and contain a clear and unambiguous request for repurchase, the number and type of shares applicable to repurchase, other essential terms of the transaction (if any), as well as the address, bank details of an account in one of the Kazakhstan second-tier banks, contact details of the shareholder and other necessary information.

20. The Company has the right to reject to repurchase the shareholder's shares if the request is not based on cases described in paragraph 17 of this Methodology, as well as in other cases established by the legislation of the Republic of Kazakhstan and prohibiting the Company to repurchase its outstanding shares. In that case the Company shall send a written notification to the shareholder indicating the reasons of the rejection of repurchase of shares.

21. The total number of outstanding shares repurchased by the Company shall not exceed 25% (twenty-five) percent of the total number of outstanding shares, and the costs of repurchasing the outstanding shares of the Company shall not exceed 10% (ten percent) of the Company's equity capital as on the date of:

- 1) the Shareholders' General Meeting carries the resolution referred to in subparagraphs 1), 2) and 5) of paragraph 17 of this Methodology;
- 2) the Exchange decides to delist the Company's shares;
- 3) the Board of Directors or the Shareholders' General Meeting of the Company carries the resolution on the conclusion of a major transaction and (or) a related party transaction of the Company.

22. In the event that the number of outstanding shares of the Company declared by its shareholders for repurchase exceeds the number of shares announced by the Company for repurchase at the date of repurchase, these shares are repurchased from shareholders pro rata the number of their shares, declared for repurchase

4. Shares' price valuation during the buyback

Repurchase of shares at the discretion of the Company

23. Repurchase of shares at the discretion of the Company is made at a price determined in one of the following ways:

- 1) at the market price of the relevant type of shares as on the date of the resolution carried by the Board of Directors of the Company defined in accordance with the Clause 24 of given Methodology;
- 2) at a price determined by independent appraiser on a date not earlier than thirty (30) calendar days before the Board of Directors carry the resolution on repurchase of shares.
- 3) at a different price established by the Board of Directors of the Company taking into account the market value of the shares, the size of equity capital formed on the basis of standalone financial statements of the Company excluded subsidiaries, prepared in accordance with IFRS, with adjustment factors in accordance with the Company's business plans and other.

24. The market price is the share price established in the organized securities market of the Republic of Kazakhstan^{*}, where the Company's shares are traded. If there are no transactions with shares on the organized securities market of the Republic of Kazakhstan^{*}, the market price established in the foreign organized securities markets can be used.

Repurchase of shares at the request of a shareholder:

25. Repurchase of shares at the request of a shareholder is made at the weighted average price, established in the organized securities market of the Republic of Kazakhstan[†], where the Company's shares are traded, minus a discount in the amount of 10% (ten) percent of the weighted average price. If there are no transactions with shares on the organized securities market of the Republic of Kazakhstan^{*}, the outstanding shares can be repurchased at the weighted average price established in the foreign organized securities markets where the Company's shares are traded, minus a discount of 10% (ten) percent of the weighted average price.

The calculation of the weighted average price is determined on the basis of data on transactions completed in the last 30 (calendar) days preceding the Date of the Event.

The weighted average price is calculated using the following formula:

$C = V / A$, where:

C means the weighted average share price;

V means the volume of transactions in monetary terms for these shares (calculated by summing up the relevant indicators for all transactions with shares on the organized securities market where the Company's shares are traded);

A means the number of shares in transactions (calculated by summing up the relevant indicators for all transactions with shares on the organized securities market, where shares are traded, for the corresponding period).

Q means the total number of shares outstanding at the corresponding reporting date.

26. Repurchase of shares at the request of a shareholder of the Company in accordance with the paragraph 17 of the Methodology is carried out at a single price determined for each type of shares equal for all shareholders of the Company who claimed for repurchase on the basis of the same resolution in the cases determined in paragraph 17 of the Methodology.

^{*} Including the territory of Astana International Financial Center

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