

JSC Halyk Bank Freedom of Association, Collective Bargaining, Diversity and Inclusion Policy

Chapter 1. General provisions

1. This Freedom of Association, Collective Bargaining, Diversity and Inclusion Policy (the “Policy”) has been developed in accordance with the legislation of the Republic of Kazakhstan (the “RoK”), as well as internal regulatory documents of JSC Halyk Bank (the “Bank”).

2. The Policy has been developed taking into account key global principles, requirements and regulations in the area of supporting freedom of association, collective bargaining, diversity and inclusion of the personnel.

3. The Policy is the main document systematizing the Bank’s approaches to activities in the area of supporting freedom of association, collective bargaining, diversity and inclusion of the personnel.

4. The Policy's objective is to establish the fundamental principles and directions to which the Bank adheres in its interaction with the stakeholders in the area of supporting freedom of association, collective bargaining, diversity, and inclusion of the personnel, to describe the system for managing this activity and approaches to interaction with the stakeholders.

5. The Bank is a team of people who are passionate about their work, looking confidently into the future, knowing that they have a stable place to work, competitive salaries, an attractive social package, many motivational and incentive programs, great opportunities for professional and career development. Our close-knit personnel is the key to our success and our most important asset.

6. The Bank respects the rights of employees to freely choose their professional associations, strives to ensure the socio-cultural diversity of employees and members of the Board of Directors and demonstrates zero tolerance of any kind of discrimination. Diversity and inclusion are critical to the Bank's long-term success, helping to attract, engage and retain talent and ensuring our employees are comfortable and supported to achieve their best results. An inclusive and diverse workforce enables us to better adapt to changing societal expectations and respond to market changes in a comprehensive way.

7. The Bank strives to provide equal career opportunities for every employee regardless of gender or age. In addition to creating conditions for entry-level specialists and career growth of young managers, the Bank supports employees of retirement age, giving them the opportunity to extend their employment relationships by mutual consent, despite the right of the employer to terminate the employment contract upon the employee reaching the retirement age, stipulated by the legislation of the Republic of Kazakhstan.

Chapter 2. Basic principles of the Policy

8. When interacting with stakeholders and regulating approaches in the area of supporting freedom of association, collective bargaining, diversity and inclusion of the personnel in internal regulatory documents, the Bank and its management shall adhere to the following principles:

1) The principle of **compliance with the norms of the legislation of the Republic of Kazakhstan and the Bank's internal regulatory documents**. The parties to collective bargaining and agreements shall comply with the norms and rules of collective bargaining, consultations, enshrined in the legislation of the Republic of Kazakhstan and internal regulatory documents of the Bank. Terms and agreements worsening the position of employees in comparison with the labor legislation shall be invalid.

2) The principle of **legality of authority of the parties' representatives**. All representatives of the parties shall have documents confirming that they are authorized by the respective party to conduct collective bargaining and sign agreements.

3) The principle of **equality of the parties**. Either party may equally take the initiative to conduct collective bargaining and conclude agreements. At the same time, the representatives of the parties shall

have an equal status. Such decisions shall be made by agreement of the representatives of the parties, and each party shall have an equal number of votes.

4) The principle of **respect and consideration for the interests of the parties**. Respect and consideration of interests are the basis for success for the parties to social partnership in reaching agreement on the issues under discussion, in ensuring the full implementation of all agreements reached.

5) The principle of **interest of parties in participation in contractual relations**. It is mutual interest that allows the parties to reach a consensus and come to a mutually beneficial agreement.

6) The principle of **voluntary assumption of obligations by the parties**. Each party voluntarily, and not under any pressure from outside, shall assume obligations under the agreement, i.e. the parties agree by consensus to accept mutual obligations.

7) The principle of the **inadmissibility of restricting human and civil rights in the sphere of labor**. No one can be limited in their rights in the labor sphere, except for the cases and in the manner provided for by the Labor Code and other laws of the Republic of Kazakhstan. The Bank and its employees shall strive to ensure respect for personal rights, equality, transparent organizational procedures, gender and other fairness in the workplace and in the management structure.

8) The principle of **prohibition of discrimination in the sphere of labor, forced labor and the worst forms of child labor**. Everyone shall have equal opportunities to exercise his/her rights and freedoms at work. No employee of the Bank may be subject to any discrimination in the exercise of labor rights on grounds of origin, social, official or property status, sex, race, nationality, language, attitude to religion, beliefs, place of residence, age or physical disabilities, belonging to public associations or any other reason in the selection and recruitment of personnel, allocation of responsibilities, professional training, labor assessment and remuneration, guided only by the competencies, professionalism, knowledge, personal qualities and experience of employees.

Any work or service required from an employee under the threat of any punishment, for the performance of which the employee has not voluntarily offered his/her services, is prohibited, with the exception of work required under the current legislation of the Republic of Kazakhstan.

Taking into account that childhood is a period of life aimed at full-fledged (physical, mental, moral) development of a child, obtaining his/her education, the Bank shall not accept the use of child labor, and strictly observe the legislative norms in the field of conclusion of an employment contract, payment and other conditions of work for minors.

9) The principle of **equal rights and opportunities for employees**. Each employee shall have equal opportunities in the exercise of his/her rights and freedoms in the labor sphere and is entitled to participate directly (at a general meeting) or through his/her representatives in regulation of labor relations, in application of regulatory provisions.

The Bank shall provide opportunities for development, motivation and application of diverse ideas, skills, abilities and talents of employees – representatives of different age, gender and other categories of employees to increase competitiveness, productivity and efficiency of labor and management.

10) The principle of **ensuring the right of employees and employers to unite to protect their rights and interests**. The Bank and its employees have equal rights to voluntarily join associations to protect their rights and interests. This principle shall be based on the constitutional right of citizens to freedom of association and underlie social partnership and contractual regulation of labor relations.

11) The principle of **transparency**. The Bank's resolutions and actions in the area of human resources shall be clear and transparent for stakeholders. The Bank shall timely disclose the information provided for by the legislation of the Republic of Kazakhstan and internal regulatory documents, taking into account the standards for the protection of confidential information and personal data.

12) The principle of **ethical behavior**. The Bank's resolutions and actions shall be based on such values as respect, honesty, openness, team spirit and trust, integrity and fairness.

Chapter 3. Supporting freedom of association and collective bargaining

9. The Bank and the Bank's senior management shall recognize the rights of employees:

1) to associate, including the right to form a trade union, as well as membership in it, to represent and protect their labor rights and interests, unless otherwise provided for by the laws of the Republic of Kazakhstan;

2) upon the expression of the will of one of the parties, to develop a draft collective agreement, as well as familiarization with it (if concluded);

3) to participation through its representatives in collective bargaining.

10. Within the framework of social partnership, the Bank shall actively develop the institution of representatives of employees, aimed at ensuring coordination of their interests in the regulation of labor relations and other directly related to labor relations and based on equal cooperation. This shall include the recognition of employees' rights to participate, through their representatives, in collective bargaining and the development of internal regulatory documents governing labor relations. Employee representatives shall be elected through open voting and election by the collective of the Bank.

11. In order to ensure a comprehensive fair consideration and pre-trial resolution of labor disputes, employees shall have the right to apply to a standing body, the Conciliation Commission, the activities of which shall be regulated by internal documents. The Conciliation Commission shall be composed of an equal number of employees' representatives and representatives of the Bank. Every year, all representatives of employees and of the Bank shall be trained to improve their competence in applying labor laws and regulations and developing skills of bargaining and consensus-building in labor disputes.

Chapter 4. Employee diversity and inclusion

12. The Bank shall view diversity and inclusion through strategic perception as a valuable asset and an important aspect of business through the diversity of perspectives, skills and experiences of employees of different ages, genders, cultural or ethnic backgrounds, religious, political beliefs and other characteristics.

13. The Bank shall ensure that employees are able to realize their potential by providing equal opportunities to participate in work processes, training and development, contributing to increased competitiveness, productivity and efficiency of operations and management, and making a valuable contribution to the achievement of the Bank's strategic goals. The Bank shall strive to provide employees with an equally comfortable and respectful work environment in which employees' backgrounds and lifestyles do not affect their perception as professionals.

14. Each employee of the Bank shall have the opportunity to nominate his/her candidacy for inclusion in the talent pool, which exists for the purpose of timely staffing the needs of the Bank in key and managerial positions, as well as improving the quality of personnel. The composition of the talent pool shall be formed based solely on the professional knowledge, skills and developed competencies of employees necessary for the relevant positions, regardless of origin, social, official and property status, gender, race, nationality, language, attitude to religion, beliefs, place of residence, age or physical disabilities, as well as belonging to public associations, with the exception of cases and in the manner prescribed by the legislation of the Republic of Kazakhstan. The procedure for the formation of the talent pool is enshrined in the internal regulations of the Bank.

15. Employees who believe that they are not provided with protection against discrimination have the opportunity to contact the authorized managers of the Bank who are responsible for personnel management issues through the available communication channels (including the hotline, the number of which is posted on the Bank's internal portal).

Chapter 5. Approaches to diversification of the Board of Directors

16. The Bank shall support gender diversity in the formation of the Board of Directors and create equal conditions for all candidates for the positions of members of the Board of Directors.

17. When forming the Board of Directors, continuity and preservation of the business culture established in the Bank shall be ensured.

18. Adhering to the principle of equality of rights and opportunities, the Bank shall consider a wider group of candidates for appointment to the position of a member of the Board of Directors without executive powers, who meet the requirements of the Kazakhstan legislation for executive employees, as well as have the necessary experience and knowledge for effective performance of their functions and strategic objectives of the Bank.

19. Appointments to the Board of Directors shall be made on the basis of professional merit, taking into account experience, special knowledge and skills, in order to ensure diversity and effectiveness of the Board of Directors. The combination of educational level and professional experience, as well as the personal qualities of the directors, shall ensure the diversity of opinions on the Board of Directors and the effectiveness of its work.

20. As part of assessing the activities of the Board of Directors, its composition and structure, along with other issues, shall be taken into account, as well as ways of achieving further diversification and development of the Board of Directors as a key institution of corporate governance shall be discussed.

Chapter 6. Final provisions

21. This Policy shall be binding upon all employees and authorized collegial bodies of the Bank in planning and executing their activities to support freedom of association, collective bargaining, diversity and inclusion of the personnel, development of internal regulatory documents (policies, regulations, methodologies, technological schemes, standards, etc.), dissemination of information and other types of communication.

22. This Policy shall be a public document available on the Bank's information resources.

23. The Policy shall be subject to approval by the Board of Directors of the Bank on the basis of a request from the Management Board of the Bank.

24. If one or more clauses of this Policy become inoperative (invalid) due to changes in legislation and (or) the Charter, the remaining clauses of this Policy shall not be affected, and they shall be valid to the extent not inconsistent with the legislation of the Republic of Kazakhstan and the Charter of the Bank.