

Approved
by the resolution of absentee meeting of the
Management Board of JSC Halyk Bank
minutes No.442 dated 28 June 2013

REGULATIONS on Corporate Ethics for JSC Halyk Bank

Chapter 1. General

1. The present Regulations have been developed in accordance with the legislation of the Republic of Kazakhstan, the generally accepted standards of corporate governance and business ethics, the Charter, Corporate Governance Code and other internal documents of JSC Halyk Bank (the “Bank”).

2. The purpose of the present Regulations is:

1) consolidation of the mission, values, principles and standards of business ethics and conduct guiding officers and employees of the Bank in the performance of their duties;

2) development of a common corporate culture based on high ethical standards, maintenance a team spirit of trust, mutual respect and integrity;

3) enhancing and keeping trust in the Bank on part of its shareholders, customers, business partners, public authorities, society and other concerned parties, the reputation of open and fair financial market player;

4) facilitating effective interaction with persons concerned;

5) prevention of violations of the current legislation of the Republic of Kazakhstan by the Bank's employees.

3. The present Regulations shall regulate the professional conduct of officers and employees of the Bank in the performance of their duties, as between themselves, towards shareholders, customers, business partners, public authorities, society and other concerned parties, who enter into relations with the Bank.

4. The provisions of the present Regulations shall apply to all officials and employees of the Bank, regardless of their positions.

Chapter 2. Main Terms and Definitions Used in the Present Regulations

5. The following terms and definitions are used in the present Regulations:

1) Halyk Group (the “Group”) - the Bank and its subsidiaries;

2) business ethics - ethical principles and standards of business communication guiding the officers and employees of the Bank in the performance of their duties;

3) officer - Chairman and members of the Management Board and the Board of Directors of the Bank;

4) concerned party – a person or a legal entity, who enters into legal relationship with the Bank;

5) conflict of interest - a conflict between groups of shareholders, between shareholders and officers of the Bank, between a shareholder and the workforce in relation to the property, financial flows and business in general, between the Bank's management and the workforce, between the structural divisions, between the credit divisions and customers, between the head office and branches, between the Bank and its subsidiaries. A conflict of interest occurs when an

officer or employee has a personal interest that affects or could affect the impartial and objective performance of his/her duties;

6) corporate culture - values, principles, behavior and treatment standards specific to the Bank;

7) corporate behavior - internal and external behavior of employees of the Bank, which encompasses a variety of activities related to the activities of the Bank.

Chapter 3. Mission and Values of the Group

6. Mission of the Group is to provide all market segment services (banking, insurance, pensions, securities, leasing) in Kazakhstan and other countries according to the international standards, thus ensuring safety, efficient allocation of and adding value to resources of customers and shareholders.

7. Values of the Group are:

1) **Client-orientation:** The Group understands needs of its customers, and therefore commits to use all its resources for offering clients the most efficient solutions to help them achieve and even exceed their goals;

2) **Reliability:** The Group shall rigorously comply with the general principles and norms of international law, legislation of Kazakhstan, and legislation of other countries where the Group carries out business, internal provisions and regulations of the Group. The Group shall tend to international standards of corporate governance, and shall follow the policy of maximum openness and transparency for its shareholders, customers, business partners, state authorities, employees. Reliability is the key factor for saving the most valuable asset – business reputation of the Group;

3) **Leadership:** The Group shall strive to leading positions in serving customers in all market segments. Management at all organizational levels shall be the example in demonstrating sincere attitude towards business, enthusiasm and energy. Managers shall set directions, encourage innovation, inspire the organization for fulfilling the Mission of the Group;

4) **Social responsibility:** Orientation for needs and interests of all strata of population shall be one of the major principles in the Group's activities. The Group shall strive to actively contribute into the development of society and resolution of social issues, and be the corporate citizen;

5) **Integrity:** The Group shall strive to impeccably honest business in all spheres, always and everywhere. The Group shall adhere to principles of transparency in internal processes, building mutually respectful and trustworthy relationships with customers, maintaining honest attitude towards business from employees, compliance with the corporate ethics;

6) **Professionalism:** The Group shall strive to the highest professional standards, shall be open to innovation and new ideas. The main goal is to render customer service in an honest, timely and professional manner, which shall ensure firm and long-lasting relationships with customers.

Chapter 4. General Principles of Corporate Conduct of the Bank Employees

8. The general principles of corporate conduct of the Bank employees are:

1) **Legality.** In the performance of the professional activities, each employee of the Bank must strictly observe the requirements of the current legislation of the Republic of Kazakhstan, as well as the internal rules of the Bank. In case of doubt on the legality of an action (inaction), the Bank employee shall consult the Bank's Legal Department and / or Security Department. As part of the ad hoc matters that do not fall within the competence of the above departments of the

Bank, employees must be guided by universal principles of fairness, reasonableness and decency;

2) **Professionalism and competence.** Each Bank employee, in the performance of their duties, shall:

use entire available intellectual, organizational and moral potential in order to ensure the best professional work;

carry out professional activities in accordance with the official duties within the competence set out in the relevant internal documents of the Bank;

continuously improve their educational and professional qualifications;

3) **Good faith and initiative.** Each Bank employee shall perform his/her professional duties with due care, showing initiative and creativity in order to improve the Bank's operations;

4) **Responsibility.** Each Bank employee is personally responsible for non-performance or improper performance of official duties and abuse of powers, as well as failure to comply with universal and business ethics;

5) **Independence.** In the performance of assigned duties, each Bank employee should be guided by the principles of impartiality and fairness, to refrain from prejudice to colleagues, customers, business partners of the Bank, as well as representatives of government agencies, the media and the competitors of the Bank. Each Bank employee must refrain from actions that could be construed as patronage or any other measure aimed at ensuring the provision of favor or unjustified benefits for the individual customer.

In their professional activities, the Bank employees must seek to prevent the emergence of various conflicts of interest, and in case of the emergence, must be guided by the policies of conflict of interest of JSC Halyk Bank for their prompt and successful resolution;

6) **Confidentiality.** Each Bank employee must keep secret confidential information, as well as the commercial and banking secrecy, which became known to him/her in the course of their professional duties. The Bank employee must observe this duty regardless of the time elapsed since the receipt of such information.

Disclosure of confidential information, commercial and banking secrecy in all its manifestations and scope entails responsibility in accordance with the legislation of the Republic of Kazakhstan and the Bank's internal rules. The procedure of presentation of such information and the range of persons eligible to receive it shall be determined by the legislation and internal documents of the Bank;

7) **Corporate spirit.** In the relationship with each other, the Bank employees act on the basis of mutual support, mutual respect and priority interests of the Bank. If necessary, each employee is entitled to receive complete and high-quality advisory, documentary and other support from the other employees;

8) **Principle of ethics.** Each Bank employee shall be guided by the highest standards of universal and business ethics, respect all officers and employees of the Bank, without exception, the shareholders, customers, partners, government representatives and the society, as well as competitors, regardless of their social, sexual, national and cultural identity, keep high business reputation and image of the Bank.

Chapter 5. Relationship between Employees and Bank

§ 1. The Bank's commitment

9. The Bank builds its relations with employees on the rule of law, mutual respect and trust, and takes the following commitment:

1) Ensures that the employees are protected against all forms of discrimination in accordance with the current legislation of the Republic of Kazakhstan. Any forms of discrimination by nationality, sex, age, political and religious grounds and other grounds are prohibited in the implementation of HR Policy, Compensation and Benefits Policy;

2) ensures the labor safety and protection provided by the current legislation of the Republic of Kazakhstan;

3) ensures the employment, compensation and promotion of employees based solely on their personal qualities, competence, efficiency and professionalism;

4) develops a competitive labor compensation in accordance with the Bank's internal documents, the terms of employment contracts, provides prompt payment of wages;

5) ensures equitable and fair treatment of employees, examines conflicts and cases of possible violations of their duties by the employees on the basis of verified facts and reliable information;

6) gives young professionals conditions conducive to a speedy adaptation to a team, discovering their potential and efficiency of operations;

7) ensures the proper conditions and encourages the professional development of employees by all available methods of training (mentoring, rotation, distance learning, corporate seminars, participation in outside seminars, round tables and workshops) on the terms stipulated by the Bank's internal documents;

8) creates a personnel reserve - a specially established and experienced group of employees, who represent a combination of high management expertise and skills corresponding to corporate requirements and intended for promotion of employees for higher executive positions;

9) evaluates and encourages creative ideas and suggestions of employees, which have a positive effect on the Bank;

10) keeps the confidentiality of personal data of its employees to the extent provided by the legislation of the Republic of Kazakhstan;

11) ensures that the employees, who believe that they are not provided protection from discrimination, may have the opportunity to use telephone hotline number, which is posted on the Bank intra-site "Halyk info";

12) complies with all other requirements of the labor legislation of the Republic of Kazakhstan, the terms of employment contracts with employees of the Bank.

§ 2. Obligations of the Employees

10. When admitted to the Bank, the employees take the commitment that they:

1) comply with the requirements of the Republic of Kazakhstan legislation, internal regulations, the present Regulations and other internal regulations of the Bank, are cognizant of their personal responsibility for such violation/non-compliance;

2) perform their duties in a professional, efficient and impartial manner, being guided solely by the interests and priorities of the Bank, as well as the requirements of the legislation of the Republic of Kazakhstan;

3) avoid situations that may cause damage to goodwill, other intangible and tangible interests of the Bank and its subsidiaries;

4) avoid any conflict between personal interests and official duties, comply with requirements of the Bank in respect of conflict of interest when dealing with customers, partners, suppliers, competitors and other third parties;

5) avoid public appearances, statements or interviews on any topic on behalf of the Bank without the express permission of the Bank's management or express authorities;

6) avoid discrimination by sex, age, racial, political, religious or other similar reasons in respect of colleagues, customers and partners;

7) in their activity, put focus on common goal, develop teamwork skills, share their knowledge and experience with colleagues;

8) are polite and respectful to their colleagues, customers, partners, shareholders and other concerned parties with which the Bank interacts, are tolerant of the opinions of others, avoid use of coarse expressions, vulgar words, slang and profanity;

9) refrain from any actions which allow or encourage the creation of conflict, aggression, threats, violence, etc. In case of conflicts, the bank employees should make every effort to resolve them;

10) develop communication skills for clear communication they want to bring to your colleagues, employees, managers, customers and partners, and other concerned parties;

11) take care of the Bank corporate resources (including, but not limited to: property, money, intellectual property, reputation, rights, privileges, information and its sources, documentation, tools and channels of communication, software and etc.), use them in efficient and gentle manner, do not use them for personal gain, benefit or any other activities not related to the Bank;

12) notify the immediate head of attempts by unauthorized persons to gain access to confidential information, as well as the loss or shortage of confidential information, its carriers, service certificates, badges, keys, and other facts that may lead to the unauthorized disclosure of confidential information;

13) accept workplace discipline;

14) do not use work time to address personal things that are not directly related to the employee's official duties;

15) do not use work time for personal conversations with colleagues, discussion and debate not related to work, including by telephone or electronic means of communication;

16) avoid long breaks for smoking and drinking tea;

17) do not receive visitors in the workplace for personal issues not related to the performance of their duties;

18) reasonably allocate the scope of their work during working hours. If the employee has work on weekends and holidays - the employee must agree the terms of working in such days in the prescribed manner;

19) during working hours have a neat appearance that meets the generally accepted business style;

20) comply with other obligations provided by the present Regulations and other internal documents of the Bank.

11. The Bank employee, who believes he/she is not protected against discrimination, may contact the hotline, which number is posted on the Bank intra-site "Halyk info". By calling the telephone number, the employee can report on violations of the principles of corporate ethics, laws by employees, including managers of the Bank. In this case, the caller must say his/her name.

§ 3. Duties of the Bank Executives at All Levels

12. The Bank executives, including members of the Board of Directors and the Management Board, as well as heads of departments at all levels should make management decisions that meet the requirements of the present Regulations. Managers of the Bank by their own example must show commitment to the provisions of the present Regulations, spend time by creating the personnel reserve of the Bank, counseling and mentoring, building of a team united by a common mission, values and principles.

13. Managers of the Bank must ensure fair and equitable treatment of all employees of the Bank, without exception, prevent the manifestation of any form of discrimination of employees, as well as all forms of protectionism, of illegal benefits and privileges to certain categories of employees.

14. Managers of the Bank are responsible for creating an atmosphere of goodwill, trust and openness, aimed at creating equal conditions for favorable self-manifestation of the person in the course of employment, improving the efficiency of the Bank, as well as the atmosphere of responsibility, in which employees of the Bank not only refrain from committing illegal and / or questionable actions, but also actively respond against such actions.

Chapter 6. Relationship with the Shareholders

15. The Bank pursues a unified and consistent policy on the relationship with shareholders, based on generally accepted principles of corporate governance.

16. The fundamental principle of the Bank in the relationship with its shareholders is to honor all the rights of shareholders, regardless of the number of shares they own.

17. The Bank is committed to providing long-term well-being of shareholders by increasing capitalization, implementation of the balanced strategic objectives and reduction of risks in their activities.

18. The Bank's disclosure policy is aimed to provide shareholders with accurate, relevant and appropriate information through all the modern means of communication.

19. The Bank provides equal and simultaneous access to information for all shareholders, regular contacts and exchange of information between the Bank and shareholders.

Chapter 7. Relationship with Customers and Business Partners

20. The Bank's relationship with potential and existing customers and business partners should be based on the following principles:

1) rule of law, the unconditional fulfillment of the commitments, prompt and complete disclosure of necessary information;

2) respect for all customers and business partners of the Bank, regardless of their legal or social status, activity, financial situation, the maintenance period of servicing with the Bank, age, religion, gender and ethnicity;

3) maximum realization of the rights of clients and business partners in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Bank;

4) of manifestations of rudeness, insulting gestures or expressions, aggressive, malevolent, or careless neglect to the Bank's customers and business partners from the Bank employees are unacceptable;

5) committing fraud on the part of employees of the Bank in relation to the Bank customers and business partners is unacceptable;

6) unjustified refusal of the Bank employees to carry out their duties in relation to the customer or business partner of the Bank;

7) accepting money and / or other material goods (including services, as well as personal benefits and privileges) for the execution of their duties in relation to customers as well as accelerating the process of banking operations by the Bank employees for themselves and / or their relatives is unacceptable.

21. The Bank employees:

1) are required to submit an accurate and complete information to the Bank customers on all banking conditions they relate to, if such duties, competence are included in the job duties and determined by the Bank's internal documents;

2) must be respectful and beware to customers and business partners in the performance of their duties, to respond to comments, complaints and claims against the Bank in a timely manner;

3) may not divulge the secret bank accounts and bank deposit account transactions and customer information, as well as other information that may damage the goodwill, other intangible and tangible interests of customers, if the disclosure of such information is not provided by the legislation of the Republic of Kazakhstan;

4) may not take the property, services, as well as enter into contracts granting the right to receive property, services in the form of remuneration for the activity carried out by an employee of the Bank;

5) may not engage in any action that discredits the business reputation, honor and dignity of customers and business partners of the Bank, disclose information of a confidential nature, as well as banking and trade secrets, which have become known to the Bank employees in the course of performance of their duties in relation to the Bank customers and business partners;

6) in the execution of operations in the financial markets, may not transfer by virtue of their official duties inside information for third party transactions having become known to them, as well as carry out operations in their own interests ahead of orders received from customers and business partners of the Bank.

22. In the event of a conflict of interest, the Bank employees are required to take all necessary measures to settle the conflict as soon as possible in accordance with Conflict of Interest Policy adopted in JSC Halyk Bank.

23. If the Bank employee has information on committing dishonorable and / or illegal actions (inaction) on the part of customers or business partners, as well as other persons in relation to the Bank, such employee shall immediately notify the Bank's management to this effect.

Chapter 8. Relations with Government Officials, Society and Competitors

24. Relationship of the Bank employees with representatives of public authorities, public organizations, as well as competitors are based on the following principles:

- 1) compliance with the requirements of the Republic of Kazakhstan legislation;
- 2) compliance with the of corporate and business ethics norms;
- 3) honesty, openness and mutual respect.

25. The Bank carries out relations with public authorities in accordance with the requirements of the Republic of Kazakhstan legislation, the Charter and internal documents of the Bank, as well as the provisions of the Corporate Governance Code, on an arm's length basis.

26. The Bank is making every effort to prevent corruption and other illegal activities on the part of public authorities and by officers and employees of the Bank.

27. The Bank is aware of its social responsibility to the public. One of the core principles of its activity is orientation to the needs and interests of all segments of the population. The Bank seeks to actively contribute to the development of the society and solution of social issues in accordance with the Bank's internal documents.

28. The Bank keeps constant interaction with the media through the subdivision responsible for public relations. The Bank employees shall be prohibited to:

1) Present any independent information relating to the Bank's business, shareholders, business partners, customers, representative offices and subsidiaries to the media, competitors of the Bank and private persons without authorization the Bank's management and providing the necessary powers to do so;

2) disseminate negative information about the Bank, the internal relations between the Bank employees, conflicts and other internal information that has informal nature and can have a negative impact on the image and reputation of the Bank.

29. In its relations with competitors, the Bank is guided by the principle of fair and free competition. The Bank employees should refrain from statements that cast doubt on the professional conduct of its competitors, and supporting such claims of third parties.

Chapter 9. Requirements for Appearance of the Bank Employees

30. The appearance of the Bank employee is a part of corporate culture and must maintain a high level of image and business reputation of the Bank.

31. The Bank employees irrespective of their position and structural accessories must comply with business style, preferring clothes of subdued tones. The neat and tidy hairstyles are welcome.

32. The Bank, at any time of the day, prohibits from:

- 1) the employees putting on sportswear and footwear;
- 2) the employees using make-up and nail polish of bright colors;
- 3) the employees wearing clothes of flash style, as well as jeans, sneakers, mini-skirts, shorts and open shirts, etc.;
- 4) the female employees of the Bank wearing large jewelry items.

32-1. Requirements mentioned in paragraphs 31 and 32 do not apply to the employees, whose functional duties include maintenance of banking equipment, as well as dealing with the issuance / delivery of banking equipment from/to the warehouse / warehouse, according to the list provided in the Human Resources Department.

The above categories of employees are allowed to wear jeans / slacks and black T-shirt, polo / free cut shirt of subdued tones without prints (smart casual style).

33. The special corporate identity apparel: white top - dark bottom shall be set for the following categories of the Bank branch employees:

- 1) front office employees serving customers;
- 2) operating employees and cashiers.

34. The employees included in the categories referred to in paragraph 33 are required to wear name badges (ID) and corporate scarves / ties.

35. When leaving a job at weekends casual dress code is acceptable.

Chapter 10. Liability for Violation of the Present Regulations

36. The present Regulations are the Bank's internal regulations binding on all the Bank's employees, including executives.

37. Compliance with the present Regulations is an integral part of the Bank's corporate culture.

38. Each employee is personally responsible for compliance with the Regulations in their behavior. Heads of structural divisions of the Bank are responsible for compliance with the present Regulations by their employees.

39. Violation of the provisions of the present Regulations by the employees shall result in material, disciplinary, administrative and other liability stipulated by the labor contract, the internal documents of the Bank and the applicable laws of the Republic of Kazakhstan.