**Code of Business Conduct of Otbasy Bank JSC**

(Title page is amended to read in accordance with decision of the Board of Directors dated 27.12.2023 (Minutes No. 16)), throughout the text of the Code, replace the words "on personnel management" with the words "on human resource and organizational activity management" in accordance with the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**Almaty, 2015**

|  |  |  |
| --- | --- | --- |
| **Version number** | **Details of decision of the Bank's body on approval of amendments/additions** | **Procedure for putting the approved amendments/additions into effect** |
|  | Decision of the Board of Directors dated 21.07.2017 (Minutes No. 13) | From the date of decision |
|  | Decision of the Board of Directors dated 20.03.2020 (Minutes No. 3) | From the date of decision |
|  | Decision of the Board of Directors dated 17.06.2020 (Minutes No. 5) | From the date of decision |
|  | Decision of the Board of Directors dated 28.03.2023 (Minutes No. 4) | From the date of decision |
|  | Decision of the Board of Directors dated 27.12.2023 (Minutes No. 16) | From the date of decision |

Table of contents

[**Chapter 1. General provisions.** 2](#_Toc256000001)

[**Chapter 2. Values, ethical principles** 3](#_Toc256000002)

[**Chapter 3. Ethical standards of business relationships** 4](#_Toc256000003)

[**Chapter 4. Ethical standards** 7](#_Toc256000004)

[**Chapter 5. The Institution of the Ombudsman** 13](#_Toc256000005)

[Appendix No. 1 14](#_Toc256000006)

### **Chapter 1. General provisions.**

**1.** This Code of Business Conduct of Otbasy Bank JSC (the Code) has been developed in accordance with the provisions of legislation of the Republic of Kazakhstan, the Charter and internal documents of Otbasy Bank JSC (the Bank), the Code of Business Conduct of NMH Baiterek JSC, taking into account recognized international standards of business conduct and corporate governance and represents set of rules that establish the fundamental values and principles of corporate (business) culture, which are followed by employees/officers of the Bank, including senior employees of the Bank. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13, dated 20.03.2020 Minutes No. 2, amended by the decision of the Board of Directors dated 28.03.2023 Minutes No. 4)

**2.** Purposes of this Code:

1) to establish key values and principles of business conduct that guide employees in their activities both when making strategically important decisions and in everyday situations. Business conduct - rules and standards of official behavior, system of ideals that Bank's employee relies on in order to achieve the set goal;

2) common understanding and implementation of business conduct standards, development of unified corporate culture based on high ethical standards, an atmosphere of trust and mutual respect;

3) to maintain and to build public confidence in the Bank;

4) to develop unified corporate culture based on high ethical standards. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13, supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**3.** The Code applies to members of the Bank's Board of Directors and to all employees/officers of the Bank, regardless of their position, and is applied on an equal basis with other internal documents of the Bank.

Employees/Officers shall be guided by the requirements of the Code in their relations with the Sole Shareholder, members of the Board of Directors, the Management Board, colleagues, customers, partners, suppliers. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**3-1.** The following basic concepts are used in this Code:

1) state program - program aimed at developing housing construction and increasing housing affordability for population, implemented at the expense of the republican and local budgets;

2) monthly calculation index (MCI) - indicator used in Kazakhstan for calculating pensions, benefits and other social benefits, as well as for applying penalties, calculating taxes and other payments;

3) senior employee - Chairman or member of the Board of Directors, Chairman or member of the Management Board, chief accountant of the Bank, another head of the Bank who coordinates and (or) controls the activities of structural divisions of the bank and has the right to sign documents on the basis of which banking transactions are conducted;

4) mid-level executive - head (his/her deputy) of an independent structural unit of the Central Office, director (his/her deputy) of the branch. (Supplemented by the decision of the Board of Directors dated 21.07.2017, Minutes No. 13)

5) Bank's officer - person who has concluded an employment contract with the Bank;

6) Bank's employee - person who has concluded civil contract with the Bank;

(Paragraphs 5), 6) supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

7) Ombudsman – person appointed by the Board of Directors of the Bank, responsible for advising officers/employees of the Bank who have applied to him/her, and assisting in resolving labor disputes, conflicts, problematic issues of social and labor nature, as well as in compliance with the principles of business conduct by officers/employees; (Subparagraph 7) supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

8) Harassment - human behavior that causes inconvenience or even harm to another person, violating the personal privacy;

9) Discrimination - any distinction, exclusion or preference based on race, skin color, gender, religion, political beliefs, national origin or social identity that leads to destruction or violation of equality of opportunity or treatment in the field of work and occupation. (Paragraph 3-1 was supplemented by paragraphs 8) and 9) as amended by the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

### **Chapter 2.** **Values, ethical principles**

**4.** Fundamental values of the Bank are

1) **Development and innovation**: The Bank is constantly working to improve customer service, quality of internal processes and is intolerant of any inefficiency, is always open to innovation and development, actively implements the latest banking and management technologies. The Bank supports the desire of officers/employees for self-development.

2) **Effectiveness and meritocracy**: The Bank is committed to the highest standards in achieving goals, maintains a culture of results orientation, sets clear goals for this, achieves them on time, with reasonable resources, and regularly evaluates results. Meritocracy is a fair and objective assessment of the individual efforts, abilities and achievements of each officer/employee.

3) **Team and respect**: an atmosphere of mutual respect is the Bank's priority. The Bank's management is aware of everyone's contribution to achieving team goals, which creates the basis for mutual trust.

4) **Initiative and team spirit**: independent and active commitment of officers/employees in optimizing the production process. Cooperation to achieve high results from joint activities and common intentions. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**5.** Ethical principles.

1) The Bank provides equal opportunities and under no circumstances allows discrimination based on gender, age, race, political, religious and other similar motives.

2) Recruitment and promotion of personnel is carried out solely on the basis of professional knowledge, experience and competencies in accordance with the internal documents of the Bank, excluding any discrimination. Career advancement is based on an objective assessment of performance, qualifications and competencies.

3) The Bank provides all officers/employees with equal opportunities for development, which depend on the results achieved, competence and qualifications. In turn, the Bank expects all team members to be proactive, eager to gain new knowledge and willing to share this knowledge with colleagues.

It is not allowed to grant any privileges and benefits to individual officers/employees of the Bank. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

4) In the field of establishing fair remuneration, the Bank relies on recognition of the results of work and achievement of key performance indicators, level of qualifications and competencies, complexity and quality of the work performed. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13)

### **Chapter 3. Ethical standards of business relationships**

**6.** Senior officials and officers/employees of the Bank must:

1) respect the symbols of state – the National Flag, the National Emblem, the National Anthem;

2) respect corporate symbols;

3) observe generally accepted moral and ethical norms; respect the state language and other languages, traditions and customs of peoples;

4) be polite and correct;

5) be intolerant of indifference and rudeness;

6) provide support and assistance to colleagues;

7) always be grateful for assistance, even if it is not fully provided;

8) be attentive to other people's opinions;

9) ensure the unity of word and deed, fulfill promises;

10) not hide/admit their mistakes; (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

11) be honest, fair, humble;

12) ensure the legality and fairness of their decisions;

13) resist actions that harm the interests of the Bank, hinder or reduce the effectiveness of the Bank's functioning;

14) improve their professional level and qualifications for effective performance of official duties/obligations under the contract for provision of paid services, comply with the restrictions and prohibitions established by the laws of the Republic of Kazakhstan, if any;

15) by their actions and behavior, not give rise to criticism from society, not allow persecution for criticism, use constructive criticism to eliminate shortcomings and improve their activities;

16) not disseminate misrepresentations;

17) strictly observe official discipline, conscientiously, impartially and efficiently perform their official duties/obligations under contract for provision of paid services, rationally and effectively use their working hours;

18) observe business etiquette and rules of official behavior; (paragraphs 11) – 18) supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

19) inform the immediate supervisor, the Ombudsman, or the hotline about inappropriate behavior and treatment that are discriminatory, harassing, offensive or undesirable;

20) encourage teamwork and expression of different points of view of officers/employees;

21) avoid proverbs, idioms and other verbal expressions that are discriminatory and consolidate gender inequality;

22) prevent decisions and behaviors of other officers/employees that are based on conscious or unconscious biases and prejudices;

23) be open-minded about constructive criticism and receiving feedback on how other officers/employees perceive their behavior;

24) treat other officers/employees with dignity and respect;

25) maintain a flexible work schedule adapted to the needs of different employees, taking into account the nature of their responsibilities and work;

26) promote gender equality in the implementation of Bank's activities and build a process in which, in any planned event or project, the needs of women are taken into account as well as the needs of men;

27) create a social, physical and psychological environment that promotes equal and fair treatment of men and women;

28) overcome all forms and manifestations of gender discrimination. (Paragraph 6 is supplemented by paragraphs 19), 20), 21), 22), 23), 24), 25), 26), 27), 28) as amended by the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**7.** Senior officials and officers/employees of the Bank assume the following obligations in relation to the Code:

1) carefully study, understand and faithfully follow the requirements of business conduct and rules of conduct established by this Code;

2) perform their official functions and duties in good faith, professionally, effectively and impartially;

3) be responsible for obligations assumed, regardless of status and position;

4) provide assistance in conducting investigations on violations of the principles of business conduct and rules of conduct;

5) comply with information security requirements and procedures;

6) The Chairman of the Management Board of the Bank personally addresses the officers/employees of the Bank, emphasizing the importance of compliance with the Code, which is the basis of control environment and the creation of an effective internal control system (through video appeals, through emails, through the website, at meetings, at corporate events). (supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**8.** Senior officials and mid-level executives of the Bank shall:

1) make management decisions that comply with the requirements of the Code, based on the principles of transparency and impartiality;

2) show by personal example commitment to the requirements of the Code, including by forming a culture of behavior in which officers/employees of the Bank freely express concern about non-compliance with requirements of business conduct and rules of conduct; (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

3) devote time to creating a team spirit among subordinates, uniting the team into a team united by common mission, values and principles of the Bank;

4) advise and mentor subordinates;

5) provide, including in cases provided for by the legislation of the Republic of Kazakhstan, reliable information in a timely manner, without violating confidentiality standards.

**8-1.** Senior officials and mid-level executives of the Bank in their relations with subordinates shall:

1) serve as an example of impartiality, justice, selflessness, respect for honor and dignity of the individual by their behavior;

2) ensure compliance with the principles of meritocracy, when solving personnel issues, not give preference on the grounds of kinship, fraternity and personal loyalty;

3) show fairness and objectivity in assessing the results of their activities, as well as the application of incentives and penalties;

4) take measures aimed at protecting labor, health, creating safe and necessary conditions for effective activity, as well as creating a favorable moral and psychological atmosphere that excludes any forms of discrimination and encroachments on the honor and dignity of officers/employees;

5) not use official position to influence their activities in solving issues of an off-duty nature;

6) not force the commission of illegal acts, as well as acts incompatible with generally accepted moral and ethical standards;

7) prevent unfounded accusations against them, facts of rudeness, humiliation, tactlessness and inappropriate behavior.

**8-2.** Officers holding lower-level positions/employees of the Bank shall:

1) when executing orders, provide only objective and reliable information;

2) prevent actions (inactions) that impede the fulfillment of legitimate orders of the head;

3) prevent personal devotion in relation to the management, the desire to obtain benefits and advantages at the expense of their official capabilities. (Paragraphs 8-1, 8-2 were supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**9.** Senior officials and mid-level executives of the Bank are responsible for creating a system for preventing, identifying and resolving situations related to violations of business conduct and rules of conduct.

Senior officials and mid-level executives of the Bank ensure that officers/employees of the Bank comply with the requirements of this Code. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**9-1.** Senior officials, officers/employees of the Bank may not openly demonstrate their religious beliefs in the team, force subordinates to participate in the activities of public and religious associations, other non-profit organizations.

**9-2.** In official relations with colleagues, officers/employees of the Bank shall:

1) promote the establishment and strengthening of business and friendly relationships and constructive cooperation in the team;

2) prevent or take other measures to prevent violations of the norms of professional ethics by other officers/employees;

3) refrain from discussing the personal and professional qualities of colleagues that discredit their honor and dignity in the team;

4) prevent actions (inactions) that prevent colleagues from fulfilling their official duties/ obligations under the contract for provision of paid services. (Supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**10.** The Bank interacts with business partners on the principles of mutual benefit, transparency and full responsibility for its obligations in accordance with the terms of contracts on the principles of legality, honesty and efficiency.

**11.** The Bank complies with the terms of contracts with business partners and fulfills its obligations under contracts.

**12.** Selection of suppliers of goods, works and services shall be carried out by the Bank on a transparent basis in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents, and is based on preference for best price, quality and conditions of supply of goods, works and services, as well as a good business reputation of the counterparty.

**13.** Bank shall not allow unjustified benefits and privileges to be provided to business partners in its activities.

### **Chapter 4. Ethical standards**

**14.** Confidentiality of information

1) Bank provides measures to protect confidential information, prevent the loss, illegal use and dissemination of confidential information: information related to trade secrets, banking secrets, personal data.

2) Every executive and officer/employee of the Bank shall show a special degree of responsibility when working with data constituting confidential information, including personal data in accordance with the legislation of the Republic of Kazakhstan, internal documents of the Bank and take all necessary measures to protect such information.

3) Senior officials and officers of the Bank are required to familiarize themselves with the internal documents of the Bank regarding the confidentiality of information. In performance of duties, each senior official and officer/employee must comply with the requirements of the Bank's internal documents governing the confidentiality of information.

4) Senior official and officers/employees of the Bank must take care to prevent unauthorized access and disclosure of confidential information to other officers/employees who do not have access to confidential information, as well as to any third parties outside the Bank, as well as to prevent loss or destruction of data.

5) Senior officials and officers of the Bank are obliged not to disclose confidential information during their employment/paid services, except in cases provided for by the legislation of the Republic of Kazakhstan, as well as after termination of their employment with the Bank in accordance with their obligations.

6) Upon receipt of information about a violation of confidentiality procedure or a violation of the security of systems or devices, the officer/employee must immediately report this fact in accordance with the procedure established by the internal document of the Bank. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**15.** No conflicts of interest.

1) Conflict of interests - contradictions between the personal interests of the Bank's officials and (or) its officers/employees and the proper performance of their official duties or the property and other interests of the Bank and (or) its officers/employees and (or) customers, which may entail adverse consequences for the Bank and (or) its clients.

2) Conflict of interest situation arises when an officer/employee has the opportunity to derive material or other benefits for officer/employee personally, for relatives or friends to the detriment of the commercial, corporate or other interests of the Bank.

3) Real conflicts should be avoided, potential conflicts should be reported in writing to the immediate supervisor and statement on the facts and circumstances of the conflict of interest should be registered. The main rule in the event of conflict of interest situation is information openness and transparency.

4) In order to comply with ethical standards, prevent actions that may lead to reputational risk, and use their status for personal, group and other non-official interests, the following employees of the Bank voluntarily assume the following restrictions.

 Members of the Board of Directors, members of the Management Board, the Chief accountant of the Bank, the head of internal Audit Department, the Chief Compliance Controller, directors of the Bank's branches shall not participate in state programs in the areas implemented by the Bank, while this obligation also voluntarily applies to the families of specified employees (spouse, minor children).

The obligation of these persons to accept restrictions shall be fixed by the Human Resources and Organizational Activities Management Department of the Bank in accordance with the appendix to this Code. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13, supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**15-1.** The Board of Directors of the Bank settles corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman shall be responsible for ensuring that the Board of Directors of the Bank is informed as much as possible about the essence of the corporate conflict and the role of the mediator, with the assistance of the Corporate Secretary and/or the Ombudsman, is considered by the Chairman of the Board of Directors of the Bank. If the Chairman of the Bank's Board of Directors is involved in a corporate conflict, such cases shall be considered by HR, Remuneration and Social Affairs Committee of the Bank's Board of Directors. (Supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**16.** No corruption and fraud.

1) The Bank makes every effort to prevent corruption and other illegal actions in order to obtain or maintain unjustified benefits and advantages, both from stakeholders and from officers/employees of the Bank. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

2) The Bank takes a strict position on the unacceptability of corruption and fraud. It is not allowed to receive and give gifts~~, except for ordinary gifts, the cost equivalent to 10 (ten) times the size of the monthly calculation index.~~ (Amended by the decision of the Board of Directors dated21.07.2017 Minutes No. 13, deleted by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

~~3) The Bank recognizes that in practice there are situations when gifts are justified and form good business relationships, but following these rules allows maintaining a high reputation and protecting the employee from unfounded accusations of misconduct.~~ (Excluded by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13)

4) Officers/employees of the Bank are obliged to inform the management of cases of corruption offenses that have become known to them.

5) Facts of corruption/fraud/embezzlement can be revealed by reports from officers/employees/customers/suppliers of the Bank and other persons, with an absolute guarantee of confidentiality.

6) The basic principles of the Bank's fraud prevention activities are established by separate internal documents of the Bank. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13)

7) Information about corruption/violations/frauds and disciplinary penalties applied is anonymously posted on the Bank's internal website to inform officers/employees of the Bank. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**17.** Assistance in investigations.

1) Officers/employees of the Bank are obliged to provide full assistance in conducting any authorized internal or external investigations. Officers/employees should not withhold or refuse to provide information relevant to the investigation, officers/employees are required to maintain the confidentiality of the investigation. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

2) Providing false statements or misinformation to internal and external auditors, responsible persons, commissions, investigators, legal advisers, inspectors or representatives of other government agencies may become the basis for taking disciplinary measures against an employee. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13)

 **17-1.** No discrimination and harassment.

1) The Bank acknowledges the equality of all employees, clients and third-party contractors and undertakes to treat every person with respect, regardless of their physical characteristics, cultural characteristics, religion, gender, age or any other characteristics;

2) All officers/employees and management of the Bank are responsible for maintaining and promoting an environment free from discrimination and harassment, and for promptly reporting any incidents that, in their opinion, constitute acts of discrimination and harassment. The Bank acknowledges its responsibility for the prompt, fair and expeditious handling of such complaints. In cases where officers/employees do not promptly report any incidents that, in their opinion, are acts of discrimination and harassment, they may be held accountable and found to have violated this policy;

3) The Bank strictly prohibits any form of harassment and/or discrimination in the field of work and adheres to a zero tolerance policy for such violations. This includes insults, threats, intimidation, neglect, obscene behavior, any form of harassment or other actions that discredit the honor and dignity of a person and create an unfavorable atmosphere in the work environment;

4) The policy on non-discrimination in the work environment applies to recruitment, hiring, compensation, remuneration, promotion, transfers, discipline, demotion, dismissals, layoffs, access to benefits and training, as well as all other aspects of employment;

5) the Bank considers unwanted sexual advances, requests for sexual services and other verbal or physical behavior as sexual harassment, regardless of whether these acts are violations in accordance with the law. Any act of this kind is strictly prohibited by the Bank, regardless of whether the person involved in the harassment and the person being harassed are of the same or different genders;

6) The management and officers/employees of the Bank are obliged to contribute to the creation and maintenance of safe and inclusive working environment. Each representative of the Bank must be responsible for his/her behavior, as well as counteract any manifestations of harassment and/or discrimination if he/she witnesses such behavior;

7) person who knows or has information about the facts of discrimination and harassment that contradict the principles of this policy, and who has the authority to prevent such behavior and does not use these powers, may be held accountable for not using these powers and found to have violated this policy. Authorized persons include any senior employee of the Bank and a mid-level executive;

8) in relation to persons who have committed any violations of the requirements for non-discrimination and/or regulation by the Bank, appropriate measures will be taken to hold them accountable;

9) if it is not possible to resolve the situation with the person who directly committed such misconduct, the officer/employee should file a complaint directly with the Ombudsman, or through anonymous communication channels operating in the Bank;

10) The Bank does not tolerate discrimination, harassment and physical violence in any form. The Bank strives to create a trusting working atmosphere and encourages you to speak out against any form of such unacceptable behavior;

11) bullying and harassment in the workplace is the unacceptable treatment of one person against another or a group against one person, including through the use of electronic means of communication, as a result of which a person feels scared, humiliated, insulted or offended. Bullying or harassment may be expressed verbally, physically, visually, sexually, as well as in other behavior that creates an offensive, hostile or humiliating atmosphere;

12) The Bank urges not to be afraid to report that you have been subjected to or witnessed bullying or harassment. (Paragraph 17-1 was amended in accordance with the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**17-2.** Policy of employment of the spouse, relatives.

1) The Bank adheres to the policy of inadmissibility of privilege or discrimination in employment based on family relations. Candidates for employment are evaluated only on the basis of their qualifications, experience and other professional qualities;

2) all vacancies of the Bank are published in the public domain in order to ensure equal employment opportunities for all interested persons. The decision on hiring is made on the basis of an objective assessment and in compliance with all established criteria of competitive selection;

3) managers, in the exercise of their official duties, are obliged to prevent both direct and indirect functional subordination of their spouse, close relatives, both in the Bank itself and in separate divisions;

4) all managers and officers/employees of the Bank are obliged to adhere to the employment policy of the spouse, relatives and strictly follow the established principles. In case of violation of the terms of the policy, appropriate measures will be taken against these persons, in accordance with the legislation of the Republic of Kazakhstan. (Paragraph 17-2 was amended in accordance with the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**17-3.** Involvement in political activities.

1) in order to avoid conflicts of interest and to prevent potential risks of corruption and/or accusations of lobbying, the Bank does not give preference to any political parties, groups or individuals;

2) The Bank does not make contributions and donations in support of political parties. The Bank's financial resources are not used as resources to support political campaigns and programs, political parties or individual candidates;

3) payments to the Governments of the Republic of Kazakhstan and other countries are limited only to payments approved by law (taxes, fees, etc.), the Bank publishes a report on such payments on relevant information resources;

4) The Bank does not restrict its officers/employees with respect to their private contributions to political parties and participation in the activities of political parties and/or movements, provided that such contributions and activities do not lead to a potential or actual conflict of interest. (Paragraph 17-3 was amended in accordance with the decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**17-4.** Fair competition policy.

1) The Bank carries out its activities in strict accordance with the Entrepreneurial Code of the Republic of Kazakhstan and other legislative acts and does not carry out actions aimed at limiting or eliminating competition, infringing on the rights and legitimate interests of consumers;

2) The Bank undertakes to ensure transparency of its commercial operations and customer relations. This includes providing accurate and open information about products and services, as well as competitive conditions and cost;

3) The Bank ensures strict confidentiality of information received from customers and partners and does not use such information for the purposes of manipulation and making commercial decisions;

4) The Bank does not use unfair marketing tools and advertisements in its activities that discredit the reputation of competitors or mislead customers and other stakeholders;

5) The Bank takes an active part in industry organizations and associations that contribute to the development and maintenance of antitrust standards. This allows the Bank to develop products and services based on cooperation and fair competition. (Paragraph 17-4 was amended in accordance with decision of the Board of Directors dated 27.12.2023 (Minutes No. 16))

**18.** Corporate culture.

1) The purpose of the Bank in terms of forming a corporate culture is to achieve the following conditions:

- managers create a climate that motivates officers/employees to make maximum efforts to achieve results;

- the initiative and innovative initiatives of each officer/employee are encouraged;

- self-improvement and self-development are a conscious necessity;

- officers/employees of the Bank focus on the final result and success of the common cause;

- every officer/employee of the Bank understands his/her role and importance in achieving strategic goals;

- each decision is made taking into account the social orientation of the business and the focus on the main stakeholders of the Bank;

2) Officers/employees of the Bank are obliged to comply with the Bank's rules on document management and keep all necessary documentation in order. All officers/employees of the Bank must keep their workplace neat and presentable.

3) In performance of their official duties/paid services, officers/employees of the Bank are recommended to adhere to the norms of business style and the choice of clothes, shoes, hairstyles, in order to maintain a decent and professional image of the Bank.

4) Officers/employees of the Bank must adhere to the norms of the culture of negotiation, including telephone negotiations. Business negotiations should be conducted in a respectful and soft tone, without allowing negative emotions and raising the voice.

5) There should be no situations when unauthorized visitors are alone in the office. In case of absence of officer/employee to whom the visitor came, it is necessary to politely redirect the visitor, explaining in detail who can solve the problem of the visitor. (Amended by the decision of the Board of Directors dated 21.07.2017 Minutes No. 13)

6) The Bank welcomes the initiative of officers/employees in public life, support for corporate events with personal participation.

Officers/employees must comply with generally accepted rules of etiquette during corporate events.

7) Officers/employees should be aware of the impact of their behavior on reputation of the Bank and avoid actions that are incompatible with the image of the officer/employee of the Bank. (supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**19.** Occupational safety and health.

1) The Bank complies with occupational safety and health in accordance with the requirements of legislation in this area.

The Bank ensures the proper organization of the work of employees in the workplace and creates safe working conditions that meet the requirements of the legislation of the Republic of Kazakhstan in this area.

2) When performing their official duties/providing paid services, as well as while staying at the premises of the Bank, officers/employees must strictly comply with the safety regulations adopted and developed by the Bank. Violation of the established safety regulations, committed intentionally or negligently, and at the same time creating a threat to both one's own life and health, as well as others, is a gross violation of labor discipline. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**20.** Representation of the Bank's interests.

1) The Bank strives to raise the level of public awareness about its activities both inside and outside Kazakhstan. This can contribute to the formation of positive public opinion about the Bank and strengthen the trust of investors and the public.

2) The Bank monitors compliance with high ethical standards in public relations, in the mass media (the media) and social networks. The Bank prevents the dissemination of false information, concealment and/or distortion of facts in public statements by senior officials, officers/employees of the Bank, its information and advertising materials or other public relations events.

3) When speaking on behalf of the Bank, officers/employees of the Bank are obliged to comply with generally accepted standards of professional conduct and business ethics, disseminate only reliable information, and also prevent the disclosure of confidential information.

3-1) Only authorized executives and employees of the Bank have the right to speak publicly, comment on the Bank's events or make any statements on behalf of the Bank in the media and social networks.

4) The executives and employees of the Bank may speak on behalf of the Bank, including when communicating with media representatives, only in coordination with the public relations department, since inconsistent and inaccurate information can damage the reputation of the Bank.

5) When commenting on socio-political issues, the officer/employee must clearly inform that this opinion is his/her private opinion and is not the official position of the Bank.

6) Senior employees, officers/employees of the Bank should not publicly, including through social networks, express their opinions on issues of official activity and the activities of the Bank in general, if it:

- does not correspond to the main activities of the Bank;

- discloses official information;

- contains unethical statements addressed to executives, officers/employees of the Bank. (Set out in accordance with the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**21**. Use of resources.

Officers/employees of the Bank must adhere to the requirements for careful, honest and efficient use of all resources.

Resources mean physical property: premises, materials, transport, and intangible: time, intellectual property, Internet, etc.

The use of resources for personal purposes is not allowed. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**22.** Feedback from officers/employees, the procedure for consideration of facts of violations.

1) Officer/employee always has the opportunity to receive advice on implementation of the Code, as well as to report violations of provisions of the Code and other violations of legislation and internal documents of the Bank, including in accordance with the procedure established by the internal document of the Bank regulating the procedure for reporting violations, by addressing:

- To the Ombudsman of the Bank;

- To the Chief Compliance Officer/Compliance Control Department;

- Director of Human Resources and Organizational Activities Management Department;

- to the "hotline" antifraud@otbasybank.kz (Set out in accordance with the decision of the Board of Directors dated 28.03.2023 Minutes No. 4)

2) All violations of the Code are considered by the HR Committee with the involvement of the Chief Compliance Officer.

3) The results of consideration and the decisions taken are communicated to the officer/employee who applied.

4) If necessary, the officer/employee can address anonymously. Regardless of the method of application, the members of the HR Committee and the Chief Compliance Controller and the Director of the Human Resources and Organizational Activity Management Department shall guarantee the confidentiality of the application.

5) The Bank undertakes to protect the rights of those who report violations in good faith and will not allow their prosecution. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**23.** Familiarization with the Code, monitoring of knowledge and execution, control of compliance.

 1) The Code is an accessible document and is published on the external website and the internal portal of the Bank.

 2) Every new officer/employee is required to familiarize himself/herself with the Code, information about the change of the Code is communicated to all officers/employees.

 3) Clarification of the provisions of the Code is the responsibility of each manager in relation to subordinates.

The personal example of executive in compliance with the requirements of the Code is one of the main tools for understanding and observing ethical principles.

4) The Bank regularly evaluates the knowledge of the Code and analyzes to what extent it is being implemented in practice.

5) Failure to comply with any of the provisions of the Code is a serious violation that may result in disciplinary action up to the termination of the employment contract, in accordance with the labor legislation of the Republic of Kazakhstan.

6) Control over compliance with this Code is entrusted to senior officials and mid-level executives.

Senior officials may:

1. consider proposals to encourage officers/employees who strictly comply with this Code;
2. make comments to officers/employees of the Bank regarding compliance with this Code;
3. consider proposals on the application of disciplinary penalties to Bank employees whose behavior contradicts the requirements of this Code.

Mid-level executives of the Bank may:

 1) make proposals to the Bank's management on encouraging officers/employees of their department who strictly comply with this Code;

 2) make comments to his/her subordinates regarding compliance with this Code;

 3) make proposals to the Bank's management on the application of disciplinary penalties to employees of its division whose behavior contradicts the requirements of this Code. (Set out in accordance with the decision of the Board of Directors dated 21.07.2017, Minutes No. 13, supplemented by the decision of the Board of Directors dated 20.03.2020, Minutes No. 2)

### **Chapter 5. The Institution of the Ombudsman**

**24.** The status of the Ombudsman

1) Appointment and early termination of the Ombudsman's powers shall be carried out by the Board of Directors of the Bank. The presence of the candidate(s) for appointment as an Ombudsman at the specified meeting is mandatory.

2) The Ombudsman carries out his/her activities in accordance with the legislation of the Republic of Kazakhstan, the Charter, the Corporate Governance Code of the Bank, this Code and other internal documents of the Bank.

3) The term of office of the Ombudsman is two years. The Ombudsman is subject to re-election every two years. Decision of the Board of Directors on the appointment of the Ombudsman specifies the term of office. The Board of Directors of the Bank evaluates the results of the Ombudsman's activities and decides on the extension or termination of the powers of the person holding the position of Ombudsman. (Paragraph 3) is set out in accordance with the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**25.** Proposals on candidate for appointment as an Ombudsman may be submitted by the Board of Directors of the Bank, the Management Board of the Bank, employees of the Bank or the Holding.

Candidate for position of Ombudsman should have an impeccable business reputation, high authority, as well as the ability to make impartial decisions. (Set out in accordance with the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**26.** The main functions of the Ombudsman are:

- collection of information on non-compliance with the provisions of the Code,

- consultation of the Bank's senior officials and officers/employees on the provisions of the Code,

- initiation of consideration of disputes on violation of the provisions of the Code and participation in their settlement. In terms of corporate conflicts and conflicts of interest, the Ombudsman coordinates his/her actions with those responsible for resolving corporate conflicts and conflicts of interest. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2, decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

corporate conflict **-** disagreement or dispute between: the Sole Shareholder and the Bank's bodies; the Bank's bodies or their members; the Bank's body and the Bank's stakeholders on corporate governance issues of the Bank that negatively affect the interests of the Sole Shareholder and the Bank's activities. (Supplemented by the decision of the Board of Directors dated 17.06.2020 Minutes No. 5)

**27.** In cases of violations of the provisions of the Code, officers/employees of the Bank have the right to contact the Ombudsman both in writing and orally.

Anonymous appeals are not subject to consideration, except in cases where such an appeal contains information about upcoming or committed criminal offenses or a threat to state or public security and which is subject to immediate redirection to state bodies in accordance with their competence. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**28.** The rights and duties of the Ombudsman

1) The Ombudsman may:

- initiate procedures to identify violations of the provisions of the Code, both on the basis of received complaints and on their own initiative;

- contact personally the Bank's senior official and officers/employees on issues of failure to comply with the Code;

- provide explanations and interpretation of the provisions of the Code to senior officials and officers/employees of the Bank. (Supplemented by the decision of the Board of Directors dated 20.03.2020 Minutes No. 2)

**29.** The Ombudsman shall:

– ensure the protection (within the framework of procedures established by labor legislation) of employees, for the period of dispute resolution procedures on violations of the Code, in case of situations of their forced dismissal due to the initiation of consideration of such cases;

- keep records of appeals from senior officials and officers/employees, as well as business partners and stakeholders on issues of failure to comply with the provisions of the Code;

- provide explanations of the provisions of the Code to officers/employees of the Bank within five working days if they apply;

- observe independence and impartiality when considering disputes on issues of failure to comply with the Code;

- ensure the anonymity of the senior official and officer/employee of the Bank who applied for a violation of the provisions of the Code (if they wish to remain anonymous).

- submit the problematic issues identified that are systemic in nature and require appropriate decisions (comprehensive measures) to relevant bodies and officials of the Bank for consideration;

- at least once a year submit a report on the results of the work carried out to the HR, Remuneration and Social Affairs Committee and the Audit Committee of the Board of Directors of the Bank, which assess the results of its activities. (Set out in accordance with the decision of the Board of Directors dated 17.06.2020, Minutes No. 5)

#

# Appendix No. 1

to the Code of Business Conduct of Housing Construction and Savings Bank of Kazakhstan JSC approved by the decision of the Board of Directors of Housing Construction and Savings Bank of Kazakhstan JSC

 (Minutes of the meeting dated October 30, 2015 No. 17)

(Set out in accordance with the decision of

the Board of Directors dated 21.07.2017, Minutes No. 13)

(Introduced by the decision of

the Board of Directors dated 28.03.2023 Minutes No. 4)

**OBLIGATION**

**to accept restrictions**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

 (Surname, name, patronymic)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

 (Please specify the position)

in order to comply with the requirements of the Code of Business Conduct of Otbasy Bank JSC and to prevent actions that may lead to the use of my status and authority in personal, group and other non-official interests, as well as to exclude possible reputational risks for Otbasy Bank JSC (the Bank), I voluntarily assume restrictions related to the refusal to participate in state programs in the areas implemented by the Bank.

 I also undertake to take all necessary and permissible measures to prevent my spouse and my minor children from participating in state programs in the areas implemented by the Bank.

 This obligation indicates my agreement to accept the restrictions.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 signature, full name, position