

Subsidiary JSC VTB Bank (Kazakhstan)

**Ethics Code of  
VTB Bank (Kazakhstan)  
Subsidiary Joint Stock Company**

Almaty city, 2020

Registration No. 18-002/06

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**Approved  
by the decision of the  
Board of Directors  
Subsidiary JSC VTB Bank  
(Kazakhstan)  
as of December 28<sup>th</sup>, 2020  
No. 54/2020**

**Ethics Code of  
VTB Bank (Kazakhstan)  
Subsidiary Joint Stock Company**

**Chapter 1. Introduction**

1. The purpose of this Ethics Code (hereinafter referred to as the Code) is to determine principles and rules of business conduct and ethics, mandatory for Subsidiary JSC VTB Bank (Kazakhstan) (hereinafter referred to as the Bank), members of the Bank's Board of Directors, members of the Bank's Management Board, employees of the Bank<sup>1</sup> (hereinafter referred to as the employees), aimed at increasing the capitalization, financial stability and overall performance of the Bank.
2. In its business practice, the Bank considers socially significant aspects of its activities and its responsibility in relation to shareholders, customers, business partners, society and the state (hereinafter referred to as the interested parties).
3. When the ethical norms and principles established by this Code are higher than the norms and principles determined by business practice and applicable law, the Bank will adhere to the norms and principles of this Code.
4. Members of the Board of Directors of the Bank, members of the Management Board and all employees must follow the norms and principles contained in this Code when they act on behalf of the Bank, regardless of their location, and also regardless of whether the Bank is the main workplace or part-time job for the employee.

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<sup>1</sup>Employees of the Bank are the persons who are in labor relations with the Bank on the basis of an employment contract, or in civil law relations on the basis of a civil law contract, including the Bank's Executives and Officials.

## **Chapter 2. Mission, vision and values**

5. Mission<sup>2</sup> – We help people make their plans come true by creating the best financial solutions.  
We are a team of professionals working for our clients and the whole country.
6. Vision<sup>3</sup> – The dynamically and steadily growing universal financial group, which is intended to be a financial partner of the first choice for its customers, providing their needs in the most convenient and modern manner.
7. Values<sup>4</sup> – Values are the connecting link in all areas of the Bank's activities and the basis of the corporate culture. Values serve as a day-to-day guide to decision-making and actions, and determine the attitude towards customers, business partners and employees of the Bank.
8. With the Bank advances and due to changing market requirements, the values can be clarified and supplemented.
9. Values of the Bank are as follows:

### **We appreciate our customers:**

- 1) We put the needs of the client at the forefront;
- 2) We trust the client and strive to earn his trust;
- 3) We listen and hear the client.

### **We work as a team:**

- 1) We respect and trust each other;
- 2) We support each other and help colleagues to get better;
- 3) We achieve common goals.

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<sup>2</sup> Mission determines the purpose of the organization and the reason for its existence.

<sup>3</sup> Vision answers the question of how to develop the organization in order to realize its mission and how it postures itself in the future.

<sup>4</sup> Values are everyday affirmations and guidelines in behavior and actions that unite all employees.

**We are responsible for the result:**

- 1) We are focused on the result, not the process;
- 2) Each of us is responsible for his contribution to the achievement of common goals;
- 3) We are transparent on both success and failure.

**We show initiative:**

- 1) We are not indifferent to the business;
- 2) We take a proactive stance in solving common problems;
- 3) We do more than demonstrably committed.

**We are continuously improving:**

- 1) We are open to changes;
- 2) We start changes from ourselves;
- 3) We are not afraid to try out.

### **Chapter 3. Conflict of interest**

10. Conflict of interest means the situation when contradiction arises between the personal interests of the Bank Officials<sup>5</sup> and/or its employees and proper performance of their official powers by them, or property and other interests of the Bank and/or its employees and/or customers, which may entail unfavorable consequences for the Bank and/or its customers. A conflict of interest is a decrease in efficiency with the simultaneous performance of two or more functions, when the performance of the given function potentially makes it impossible to perform the other one in good faith and fair manner, affects the efficiency and objectivity of the work performed and/or the services provided; the situation when an indirect or direct self-interest<sup>6</sup>, the

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<sup>5</sup> At the same time, officials are interpreted as the members of the Board of Directors of the Bank, or the members of the Management Board of the Bank.

<sup>6</sup> Personal interest means the possibility of receiving income in the form of money, other property, including property rights, property-related services, the results of work performed or any benefits (advantages) by an employee/member of the Board of Directors of the Bank and/or their representatives, including, but not limited to persons who are in close relationship or relationship by marriage with the latter (parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, children of spouses and spouses of children), citizens or organizations

actual or potential benefit of an employee/a member of the Board of Directors of the Bank or a member of the Management Board of the Bank affects or may affect the bona fide and effective performance of his duties stipulated by the documents of the Bank and/or legislation, and may lead to adverse consequences for the Bank, customers and partners.

11. In order to prevent conflicts of interest, members of the Board of Directors, members of the Management Board and employees should adhere to the following principles:
  - 1) refrain from taking actions and making decisions that may lead to a conflict of interest;
  - 2) avoid the emergence of a conflict of interest, as well as situations that can be regarded as a conflict of interest;
  - 3) comply with the principles of professional ethics, as well as the requirements of the Bank's internal documents;
  - 4) not to use the information obtained as a result of the performance of their duties, as well as the resources of the Bank in their personal interests.
  
12. The settlement of conflicts of interest is carried out on the basis of the following principles:
  - 1) the obligation to provide information about a conflict of interest that has arisen or about the situation and circumstances leading to the emergence of a possible conflict of interest to an authorized person <sup>7</sup>;
  - 2) individual consideration of each conflict of interest and its settlement;
  - 3) confidentiality of the conflict of interest settlement process;
  - 4) maintaining a balance of interests of the Bank, members of the Board of Directors of the Bank, members of the Management Board and its employees when resolving conflicts of interest;
  - 5) protection of the person who reported a conflict of interest from possible adverse consequences in connection with such a message;

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with which the employee/member of the Board of Directors of the Bank and/or their representative, as well as persons who are in close relationship or relationship by marriage with the latter, are bonded by property, corporate or other close relationship.

<sup>7</sup> For the purpose of implementation of the provisions of the Code, the authorized persons are understood as follows:

- if an employee of the Bank is involved in a situation related to a conflict of interest - a senior manager, determined, including but not limited to, by the documents of the Bank on the distribution of duties of employees and /or managers;

- if a member of the Board of Directors/a Chairman of the Management Board is involved in a situation related to a conflict of interest – Chairman of the Board of Directors;

- if a member of the Management Board is involved in a situation related to a conflict of interest – Chairman of the Management Board.

13. In order to prevent conflicts of interest, members of the Board of Directors of the Bank, members of the Management Board and employees of the Bank undertake as follows:
  - 1) refrain from actions that will lead or potentially lead to a conflict of interest;
  - 2) refrain from voting on agenda items if participation in voting may lead to a conflict of interest, and if required by the nature of the issue under discussion or the specifics of the conflict of interest, to avoid attendance at the discussion of such an issue;
  - 3) timely inform the members of the Board of Directors of the Bank about the presence of interest or conflict of interest when making decisions, refrain from voting on issues in making decisions on which there is a personal interest;
  - 4) inform the members of the Board of Directors of the Bank and/or the Corporate Secretary on the information, listed and determined by the Regulations on the Board of Directors of the Bank;
14. Members of the Board of Directors of the Bank, members of the Management Board and employees of the Bank should not accept gifts or receive any preferences from persons interested in making a decision by the Board of Directors of the Bank, as well as enjoy any other direct or indirect benefits (advantages).
15. The Board of Directors of the Bank monitors and, if possible, eliminates potential conflicts of interest at the level of officials and shareholders, including the misuse of the Bank's property and abuse of transactions in which there is an interest, in accordance with the approved Regulation on the Board of Directors.
16. The employees are obliged to timely inform the Authorized Person<sup>8</sup>, in accordance with the Bank's internal documents, on potential and/or emerging conflicts of interest, as well as on the availability of information that, directly or indirectly, may lead to a conflict of interest.

#### **Chapter 4. Relationships with customers, business partners and government authorities**

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<sup>8</sup> For the purpose of applying the provisions of the Code, authorized persons are interpreted as follows:

- if an employee of the Bank is involved in a situation related to a conflict of interest – a senior manager, determined, including but not limited to, by the documents of the Bank on the distribution of duties of employees and /or managers;
- if a member of the Board of Directors/a Chairman of the Management Board is involved in a situation related to a conflict of interest – Chairman of the Board of Directors;
- if a member of the Management Board is involved in a situation related to a conflict of interest – Chairman of the Management Board.

17. The Bank's relations with shareholders, customers, depositors, creditors, business partners, representatives of state and regional authorities and members of the Bank's Board of Directors are based on the principles of maximum honesty and mutual respect, openness and transparency of activities, honesty, professionalism, mutual trust and respect, equality and openness, priority of the client's interests, inviolability of obligations, completeness of disclosure of information provided for by the applicable law, and prevailing of negotiations over legal proceedings. The Bank seeks to use all available communication channels (information methods), such as: press conferences, business meetings, printed publications, television and radio broadcasting, official resources of the Bank on the Internet, as well as other Internet resources for free access of all interested parties to the information disclosed about the Bank.
18. Employees should make every effort to minimize any risks to the customer and the business partner of the Bank. The bank values its reputation and constantly works on the image of a reliable partner. The name of the Bank remains the best guarantee of reliability and dedication to the common cause for the Bank's employees, clients and partners. At the same time, minimizing the risks to the customer and the business partner should not lead to an increase in the Bank's risks.
19. The Bank strives to use its experience and the best international practices for the development of new products and their implementation in the financial market. Developing and gaining new knowledge, the Bank provides significant advantages to its customers, contributing to the growth of their business.
20. The Bank strives for maximum efficiency of processes and procedures. Accurate formulation of the task, careful selection of the tools necessary for its solution, and competent use of resources are the main methods allowing the Bank to achieve the highest result.
21. The Bank is committed to fulfilling contractual obligations and highly appreciates business relationship. The Bank negotiates contracts based on the principles of mutual respect and mutual benefit. When building business relationship, the Bank strives to provide services that meet high quality standards at a high professional level. In the event of a dispute, the Bank seeks to develop a mutually acceptable and fair solution.
22. The Bank strives for strict observance of the generally recognized principles and norms of international law, the legislation of the countries where it operates, the provisions of this Code and other internal documents. The Bank is responsible to shareholders for the results of its activities, to customers – for the quality of banking services, to business partners – for the proper

fulfillment of its obligations, to the society and the state – for respect of the person, individual rights and freedoms, and for contribution to the development of the economy of the Republic of Kazakhstan.

23. The Bank is committed to strict observance of the legislation of the Republic of Kazakhstan on combating the legalization of proceeds from crime, financing of terrorism, and deals only with reliable customers and counterparties who are engaged in legal activities and receive income only from legitimate sources.
24. Members of the Board of Directors of the Bank, members of the Management Board and employees of the Bank carefully consider and promptly respond to appeals to the Bank from shareholders, customers, depositors, creditors, and business partners, representatives of state and municipal authorities.

### **Chapter 5. Relationship with competitors**

25. The Bank builds relationship with competitors on the principles of honesty and mutual respect. The Bank views competitors as an additional incentive for its development.
26. The Bank builds relationship with competitors on the basis of the legislation of the countries of its presence, taking into account the norms of business and rules of business conduct.
27. In the event of disagreements and disputes in the competition, the Bank gives priority to negotiations and seeking a compromise.

### **Chapter 6. Relationship with employees**

28. The Bank builds relationship with its employees on the principles of long-term cooperation, mutual respect and strict fulfillment of mutual obligations.
29. The Bank does not allow any manifestations of discrimination against employees on political, religious, national, gender and other similar grounds when hiring, remuneration or promotion.
30. The Bank always shows respect for employees and care for them; besides the Bank never allows the provision of unreasonable privileges and advantages in hiring and promotion, as well as in providing material incentives.
31. The Bank creates all the necessary conditions for professional growth, ensuring the social well-being of its employees.



32. The Bank views its workforce as an essential component of its long-term and sustainable development. In this regard, the Bank not only ensures the implementation of measures to protect the health of employees provided for by the legislation, but also implements a number of additional social programs in this area.
33. The Bank takes all necessary measures to prevent any illegal actions on the part of the third parties in relation to the Bank, and pays special attention to creating conditions that ensure the high performance and safety of its employees.
34. Employees should avoid situations that may result in impairment of business reputation or other intangible or material interests of the Bank.
35. The Bank encourages the development of a risk management culture. When performing their duties, employees need to pay special attention to possible risks. Employees inform about the presence of risks that may entail losses for the Bank in accordance with the internal documents of the Bank.
36. Employees keep confidential information in full compliance with the provisions of the legislation of the Republic of Kazakhstan, the Labor Code, internal documents of the Bank, do not disclose or otherwise disseminate confidential information about the Bank that is not subject to disclosure, and also do not use confidential information for personal purposes or interests of their affiliates<sup>9</sup>, unless the disclosure of such information is expressly permitted or is mandatory by virtue of the requirements of applicable law.

## **Chapter 7. Corporate style**

37. The Bank views its image as an important tool in achieving its goals and objectives. Therefore, one of the most important professional duties of all employees, regardless of their position, is the daily work to comply with the requirements of the corporate culture and maintain the employee's image.
38. An employee, regardless of the level, type and method of communication, should strive to be polite, benevolent, responsive, show tolerance for the facts

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<sup>9</sup> Affiliate of an individual is/are:

1) close relatives, spouse, close relatives of the spouse;

2) a legal entity in which a major shareholder (major participant) and (or) an official is this individual and (or) the persons specified in subparagraph 1) of this paragraph;

3) a legal entity that is controlled by this individual and (or) the persons specified in subparagraph 1) of this paragraph;

4) a legal entity in relation to which the legal entities specified in subparagraphs 2) and 3) of this paragraph are major shareholders (major participants) or have the right to an appropriate share in the property;

5) officials of legal entities specified in subparagraphs 2), 3) and 4) of this paragraph.

of incorrect communication with him on the part of clients and business partners.

39. The employee should observe labor discipline. In cases where the prevailing circumstances may lead to a violation of discipline, the employee must inform the immediate supervisor about this. At the same time, the employee seeks to minimize the occurrence of such circumstances.
40. Employees are advised to maintain a business dress code that matches the image recommended by the Bank. The employee's appearance should not be provocative and/or negligent.

### **Chapter 8. Bank and society**

41. The Bank considers itself an integral element of the social environment in which it operates and with which it seeks to build strong relationships based on the principles of respect, trust, honesty and fairness.
42. The Bank considers environmental protection to be one of the most important tasks. The Bank strives to treat the environment with care, including through the economical consumption of resources (electricity, paper, fuel, etc.), in accordance with applicable standards and taking into account international principles in the field of environmental protection.
43. The Bank determines the priority areas of support for the population of the territories of its presence in accordance with the adopted strategy and capabilities, national priorities and local specifics.

### **Chapter 9. Rules of conduct for the Bank's employees in social networks**

44. When using social networks, employees of the Bank should adhere to the following rules:
  - 1) take a responsible approach to customer information. Disclosure of relevant data (discussion, transfer to third parties) is prohibited by the legislation of the Republic of Kazakhstan. Protected information also includes internal information about the Bank and its operations;
  - 2) specifying the Bank as a place of work in the profile, the employee should be aware that all his actions on social networks can be assessed as the actions of an official representative of the Bank and have corresponding consequences. This also applies to other sites (blogs, game resources, dating sites, etc.);
  - 3) before publishing photos on social networks, the Bank employee must assess their relevance. It is prohibited to publish photographs illustrating disregard for the work process, violating banking/ commercial secrets in

any way, or containing customer data. It is also recommended to refrain from posting provoking, aggressive or vulgar photos in the public domain;

- 4) it is prohibited to independently open and administer communities related to the activities of the Bank, as well as communities of the Bank's employees. Bank employees are advised to refrain from participating in discussions and discussions on unofficial pages related to the Bank's activities;
- 5) all requests for comment on an issue related to the Bank's professional activities must be forwarded to the Corporate Communications Service. It is prohibited to independently comment on issues for publications, websites, pages and communities on behalf of the Bank and its employees;
- 6) it is prohibited to leave critical comments about colleagues and the Bank, as well as to discuss in a negative manner any competing organizations in the public domain;
- 7) in case of any questions about working in social networks, the employee is recommended to contact the Corporate Communications Service;
- 8) an employee of the Bank must refrain from campaigning in favor of any political party or politician during the election campaign, as well as from negative statements about any politicians and political parties;
- 9) the Bank employee should keep in mind the security of his accounts on the Internet, including social networks, and take all possible measures against hacking, and also publicly declare about hacking or the appearance of false accounts that appear under his name.

## **Chapter 10. Ensuring the safety of the Bank's property**

45. Employees should use the property of the Bank reasonably and efficiently, prevent its misuse or loss. The property of the Bank is intended to assist employees in achievement of their business goals.
46. In order to protect and properly use the property of the Bank, employees are advised as follows:
  - 1) exercise reasonable diligence and caution in handling the property of the Bank in order to prevent theft, damage or improper use of the property of the Bank;
  - 2) promptly inform their immediate supervisor about actual or suspected theft, damage or improper use of the Bank's property;
  - 3) protect computer systems, databases, communication facilities and written materials from unintentional and unlawful access to them by the third parties;
  - 4) use the property of the Bank, as well as software products and communication networks, only for legitimate business purposes within the framework of their official duties.

## **Chapter 11. Accounting and reporting**

47. Complete, accurate and reliable data, reflected in the accounting and reporting, are the key components of the effective and transparent activity of the Bank. They are one of the main sources for making strategic and business decisions in the course of the Bank's activities.
48. Employees, within the framework of their assigned functional duties, should honestly, accurately, in a timely manner and in full, keep records and draw up reports on the activities of the Bank. Submission of inaccurate, incomplete and late reporting to the interested parties is unacceptable.
49. An employee possessing the information about a violation of the principles of accounting, as well as reporting, including waste of funds or unaccounted property of the Bank, should promptly inform his immediate supervisor and the Internal Audit Department about this.

## **Chapter 12. Corruption combating**

50. The Bank follows high ethical standards of conducting an open and honest business in order to improve the corporate culture, adhere to the best corporate governance practices and maintain an unchallenged business reputation of the Bank.
51. Members of the Board of Directors of the Bank, members of the Management Board and employees of the Bank are prohibited, directly or indirectly, personally or through the intermediary of the third parties, to participate in corrupt practices, offer and receive bribes, abuse their powers, carry out commercial bribery in order to simplify administrative and other procedures, or for the purpose of receiving benefits in the form of money, valuables, other property or services of a property nature, other property rights for their own or for the third parties.
52. Employees of the Bank acting as the Chairman of the Management Board, Deputy Chairman of the Management Board or Chief Accountant may not work in the event of close relationship or relationship by marriage (parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, children of spouses and spouses of children) with an employee of the Bank, if employment is related to the direct subordination or control of one of them to the other.
53. Gifts and hospitality expenses provided on behalf of the Bank, or gifts received by members of the Board of Directors of the Bank, members of the

Management Board, or employees of the Bank in connection with their official duties from other persons and organizations should comply with the existing business turnover and the requirements of the legislation of the Republic of Kazakhstan.

### **Chapter 13. Prevention of misuse of insider information and market manipulation**

54. The Bank carries out activities to prevent, identify and suppress the illegal use of insider information and (or) market manipulation.
55. The Bank, members of the Board of Directors of the Bank, members of the Management Board, employees of the Bank, within the limits of their powers, are obliged to take all measures covered by their authority to protect and prevent unlawful use and dissemination of insider information.
56. An employee of the Bank who becomes aware of the misuse of insider information and (or) market manipulation should promptly inform the immediate manager and the Compliance and Financial Monitoring Department about this.
57. Members of the Board of Directors of the Bank, members of the Management Board and the employees of the Bank shall inform about the Bank's securities and transactions with the Bank's securities in the cases established by the legislation of the Republic of Kazakhstan and in the manner prescribed by the internal documents of the Bank.

### **Chapter 14. Information disclosure**

58. The Bank ensures disclosure of information on its activities in accordance with the legislation of the Republic of Kazakhstan and international standards based on the principles of reliability, regularity, promptness of its provision, balance between the Bank's openness and compliance with their commercial interests.
59. The scope of information provided to customers and business partners is determined by the nature of the services provided to them in accordance with the legislation of the Republic of Kazakhstan, this Code and other internal documents of the Bank.
60. Dissemination by members of the Board of Directors of the Bank, members of the Management Board and employees of information on the activities of the Bank to media representatives is carried out in accordance with the requirements of the applicable legislation and internal documents of the Bank.

## **Chapter 15. Compliance with the legislation**

61. Each member of the Board of Directors of the Bank, a member of the Management Board or an employee of the Bank should comply with the legislation of the countries of exercising of powers or fulfillment of the official duties.
62. Employees of the Bank comply with the obligations imposed by the legislation of the Republic of Kazakhstan in the performance of their labor duties.

## **Chapter 16. Ethical consulting**

63. When questions related to the implementation of this Code arise, employees are encouraged to act responsibly and discuss emerging ethical issues with their immediate supervisors. If, based on the results of the discussion, an acceptable solution is not found, the employee can notify the Human Resources Department about the corresponding problem for clarification.
64. All employees have are entitled to consult directly with the Human Resources Ethics Officer. These representatives should make recommendations and take measures consistent with this Code.

## **Chapter 17. Violation of this Code**

65. In the event of unlawful acts committed by members of the Board of Directors of the Bank, members of the Management Board or employees of the Bank, the Bank may be subject to measures of influence on the part of regulatory and supervisory authorities.
66. All questions and messages from members of the Board of Directors of the Bank, members of the Management Board or employees of the Bank about known or suspected violations of legislation or the Code are considered carefully and without prejudice, in accordance with the internal documents of the Bank and the legislation of the Republic of Kazakhstan.
67. Employees are entitled to report, in accordance with the internal documents of the Bank, about facts they know or reasonable suspicions about violations of the legislation of the Republic of Kazakhstan, regulatory legal acts and organizational and administrative documents of the Bank, including the committing abuse, corruption, fraud and other actions that may lead to

material damage or loss of the Bank's business reputation, including to the Hotline for Offenses and Abuses<sup>10</sup>.

68. For each individual event, the case of violation of the requirements of this Code should be considered taking into account all the circumstances. An employee who has violated the requirements of this Code must be given the opportunity to state his vision of the events that have occurred before making a final decision on the application of enforcement actions to him.

### **Chapter 18. Final provisions**

69. Issues not regulated by this Code are subject to resolution in accordance with the requirements of the current legislation of the Republic of Kazakhstan and/or internal documents of the Bank.
70. This Code comes into effect from its approval by the Board of Directors of the Bank.
71. From the date of entry into force of this Code, the Ethical Code of the VTB Bank (Kazakhstan) Subsidiary Joint Stock Company, approved by the Minutes of the Board of Directors No. 25/2017 as of December 20, 2017, is terminated.

**Head of Human Resources Department**

**O. Petrenko**

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<sup>10</sup> The procedure for reporting is determined in the Rules for reporting by employees of the Bank about committed or potential violations in the VTB Bank (Kazakhstan) Subsidiary Joint Stock Company