

Regulations on the Compliance Service of Samruk-Kazyna JSC

1. General Provisions

1. These Regulations on the Compliance Service (hereinafter - Regulations) determine the status of the Compliance Service of Samruk-Kazyna JSC (hereinafter – Service), tasks, functions, rights and responsibilities of the Service, basic requirements for the structure of the Service and qualification of its employees, appointment procedure of the Head and employees of the Service, as well as authorities of the Head of the Service and procedure for interaction of the Service with the Board of Directors, Management Board of Samruk-Kazyna JSC (hereinafter - Fund), Portfolio Companies (hereinafter - PC) and other organizations of the Fund Group (hereinafter - Subsidiaries).

2. The Regulations are based on the application of the principles of the Code of Conduct of the Fund, Corporate Governance Code of the Fund, the anti-corruption legislation of the Republic of Kazakhstan, as well as the OECD best international anti-corruption practices in the organization of the Service activities.

3. The Board of Directors of the Fund carries out the appointment of the Head of the Service, as well as early termination of his authorities, size and terms of labor payment and bonuses of the Head of the Service, approval of the structure and staffing of the Service, determination of the operating procedure of the Service, performance evaluation of the Head of the Service after pre-approval of the Audit Committee under the Board of Directors of the Fund (hereinafter - Audit Committee).

4. The appointment of new employees of the Service is carried out on the recommendation of the Head of the Service after coordination with the Audit Committee by issuing an order of the Chief Executive Officer of the Fund.

5. An employment agreement with the Head of the Service is concluded based on the decision of the Board of Directors in compliance with the labor legislation of the Republic of Kazakhstan. Employment agreements with employees of the Service are concluded in compliance with the labor legislation of the Republic of Kazakhstan based on the recommendation of the Audit Committee.

6. Social support, guarantees, and compensation payments for employees of the Service are carried out in compliance with the internal documents of the Fund.

7. The official duties, rights and responsibilities of the Head and employees of the Service are determined by the relevant job descriptions, which are developed based on these Regulations, employment agreements, internal documents of the Fund and approved by the Chairman of the Audit Committee.

8. When carrying out its activities, the Service is guided by the legislation of the Republic of Kazakhstan, Charter, decisions of the Fund bodies, these Regulations approved by the Board of Directors, and other internal regulations of the Fund.

9. The procedure for planning and implementing the activities of the Service is also regulated by internal regulations developed in compliance with the Code of Conduct of the Fund.

2. Status of the Service

10. The Service is the structural subdivision of the Fund that ensures compliance with the anti-corruption legislation of the Republic of Kazakhstan, defines anti-corruption policy, monitors the implementation of anti-corruption measures, as well as forms the internal corporate culture based on transparency and honesty, conducts business in compliance with the legislation of the Republic of Kazakhstan, best international practices and internal documents of the Fund.

11. The Compliance Service is organizationally subordinate and functionally accountable to the Board of Directors.

12. The Audit Committee supervises the Service activities in compliance with the Regulations on the Audit Committee under the Board of Directors of Samruk-Kazyna JSC.

13. Interaction of the Service on administrative issues is carried out with the Management Board of the Fund. Administrative interaction involves: providing by the Management Board of appropriate working conditions for the Head and employees of the Service, remuneration, relevant orders related to the activities of the Service; receipt of Service reports; execution of orders for business trips, vacations, as well as other actions that do not contradict the status of the Service in compliance with these Regulations and other internal regulations of the Fund. The Management Board should not use administrative interaction to influence the independence and objectivity of the Service.

14. The Service should be independent of the influence of any persons when performing the tasks and functions assigned to it, to properly perform them and ensure objective and independent judgments.

15. The independence and objectivity of the Service are provided through compliance with the requirements of the anti-corruption legislation of the Republic of Kazakhstan.

16. The Service should be impartial and unbiased in its work and avoid conflicts of interest.

17. The evaluation of the Service performance is carried out in compliance with the internal regulations of the Fund.

3. Mission and Goals

18. The mission of the Service is to provide the necessary assistance to the Board of Directors and the Management Board of the Fund in performing their duties to achieve the Fund strategic goals.

19. The main goal of the Service is to ensure compliance with the anti-corruption legislation of the Republic of Kazakhstan, development and introduction

of the Compliance Program, determination of the anti-corruption policy, as well as monitoring the implementation of anti-corruption measures, including the assessment of corruption risks in the Fund and its PCs/Subsidiaries, as well as control over the use of insider information.

4. Tasks and Functions

20. The main tasks of the Service are:
- 1) monitoring of external regulatory requirements;
 - 2) compliance monitoring;
 - 3) analysis and assessment of compliance risks;
 - 4) settlement of the conflict of interests;
 - 5) control over the use of insider information;
 - 6) conducting inspections and risk analysis of the Fund counterparties;
 - 7) ensuring the functioning of the Whistleblowing line (hotline) of the Fund on combating corruption and other abuses of employees of the Fund group;
 - 8) communication, compliance training;
 - 9) coordination and monitoring of Compliance Services in Portfolio Companies;
 - 10) conducting inspections and investigations;
 - 11) monitoring the implementation of the Code of Conduct and compliance policies;
 - 12) interaction with regulatory authorities;
 - 13) automation of compliance processes.
21. The Service, in compliance with the tasks assigned to it, shall perform the following functions in established manner:
- 1) continuous monitoring of external regulatory requirements and best international practices on anti-corruption issues and determining the consequences for the Fund in case of amendments in regulatory requirements, making proposals to change processes in compliance with the current regulatory environment.
 - 2) monitoring of available information to determine the effectiveness of the established compliance risk management systems and the maturity of the internal control system, also based on the results of inspections conducted by authorized state bodies;
 - 3) analysis of the exposure of the Fund key business processes to compliance risks, including corruption, regulatory, reputational, operational risks within the competence and preparing recommendations for improving and developing the Fund processes to minimize compliance risks;
 - 4) participation in the external analysis of corruption risks by the authorized anti-corruption body of the Republic of Kazakhstan;
 - 5) preparation of the report on the internal analysis of corruption risks and action plan to minimize them;
 - 6) preparation of periodic reports for the Management Board/Audit Committee under the Board of Directors of the Fund;

7) development and updating of internal regulations that govern the processes of identifying and resolving conflicts of interest; manipulation and illegal use of insider information, Code of Conduct and other documents regulating the functioning of the compliance system in the Fund and Portfolio Companies;

8) implementation of control procedures for identifying and settlement of conflicts of interest in compliance with the established procedure, organization of documentation and disclosure of conflicts of interest, advising employees of the Fund and organization of training measures on the settlement of conflicts of interest;

9) implementation of control procedures for identifying and regulation of manipulation and illegal use of insider information in compliance with the established procedure; advising employees of the Fund and organization of training measures on the use of insider information;

10) ensuring the creation, testing and introduction of the procedure for verifying the due diligence of counterparties in compliance with the internal documents of the Fund;

11) verification of the due diligence of the Fund counterparties in compliance with the established procedure, followed by monitoring of counterparties with increased risk level;

12) advising the Fund employees and organization of training measures on issues of interaction with third parties;

13) informing and advising the Fund counterparties on the issues of adopted anti-corruption policies and procedures;

14) organization of the functioning of the Whistleblowing line (hotline) of the Fund on combating corruption and other abuses of employees of the Fund group;

15) monitoring and control over the timely consideration of incoming appeals via the hotline; conducting inspections on incoming appeals within the competence; organizing internal and external communication/informing the Fund employees on the functioning of the hotline; providing practical and methodological assistance to Portfolio Companies when conducting inspections on appeals;

16) coordination of the activities of the Adaldyk Alany project office together with the authorized anti-corruption body;

17) development of compliance culture by elaborating programs and organizing training, conducting explanatory work for officials and employees of the Fund on compliance issues;

18) ensuring timely communication and consultations for the Company structural subdivisions on compliance issues;

19) providing practical and methodological assistance in organizing the activities of Compliance Services of Portfolio Companies;

20) organization of meetings, joint working groups on anti-corruption and other compliance issues;

21) monitoring the introduction of compliance policies and standards in Portfolio Companies to ensure the effective functioning of the compliance system;

22) determination of the Fund position on anti-corruption and other compliance issues in Portfolio Companies through the Fund representatives on the Boards of Directors/Supervisory Boards of Portfolio Companies;

23) consideration within the framework of corporate governance procedures of materials on compliance issues submitted for consideration of the Board of Directors/Supervisory Board of the Portfolio Company, including consideration of candidates for the position of the Head and employees of the Compliance Function in the Portfolio Company;

24) inspection of the activities of structural subdivisions and employees for compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Fund on issues referred to the competence of the Service in compliance with internal regulations;

25) consideration of appeals received via the hotline on issues referred to the competence of the Service;

26) consideration of materials of the Board of Directors and the Management Board of the Fund within the competence of the Service;

27) informing and testing the knowledge of employees for understanding the Code of Conduct and other internal documents of the Fund on compliance issues;

28) ensuring interaction with regulatory state bodies within the competence on anti-corruption issues, including the external analysis of corruption risks, development of the compliance institute, functioning of the Adaldyk Alany project office in the Fund;

29) coordination of the compliance process automation in the Fund and at the level of the Fund group of companies, also through automation of verification of the due diligence of counterparties and other control processes jointly with the interested structural subdivisions of the Fund.

22. The Service, in the process of performing the tasks and functions assigned to it, interacts in accordance with the established procedure with all structural subdivisions of the Fund, as well as with other organizations in compliance with the legislation of the Republic of Kazakhstan.

5. Qualification Requirements

23. The Head of the Service should have:

1) higher legal or economic education, LL.M./MBA Degree in the program with international accreditation or additional education in management;

2) professional certificate - ICA International Diploma in Governance Risk and Compliance, ICA Professional Postgraduate Diploma in Governance Risk and Compliance or similar certificates;

3) more than 6 years of experience in compliance, including experience at senior positions in compliance for at least three years;

4) compulsory experience in the successful development and/or introduction of the compliance program in the large international or Kazakhstani company;

5) good knowledge of international practices and standards, legislation of the Republic of Kazakhstan in the field of regulatory compliance, including on combating corruption, money laundering and terrorist financing, international sanctions and sanctions of foreign states with extra-territorial jurisdiction;

6) change management behavioral skills: high level of communication and effective interpersonal interaction, both internal and external (oral, written, visual), negotiation skills;

7) experience and skills in the development of internal corporate documents, standards, policies and procedures on compliance and ethics, as well as in carrying out activities to monitor business processes within compliance procedures, investigations, compiling ethics and compliance reports, conducting investigations, formation of reporting in the field of ethics and compliance;

8) understanding the corporate governance system;

9) teaching and training skills;

10) experience in introducing and/or administering due diligence of third parties (KYC) in the large international or Kazakhstani company;

11) special knowledge and expertise in the international practices and standards in compliance, including issues of combating corruption, money laundering and terrorist financing, international sanctions and sanctions of foreign states with extra-territorial jurisdiction; conducting official inspections and investigations; compulsory knowledge of state and foreign language (languages) (English - intermediate).

24. Qualification requirements of employees of the Service are established in the job descriptions approved in the prescribed manner.

6. Rights and Authorities of the Service

25. The Service for implementation of the main tasks and execution of its functions has the following rights and authorities:

1) to request and receive information and materials from other structural subdivisions of the Fund and Portfolio Companies on an unlimited and unhindered basis necessary to perform their functions and solve tasks;

2) to attract employees of other structural subdivisions in the implementation of planned measures of the Service and execution of individual instructions of the management subject to agreement with the relevant Head;

3) to participate in programs aimed at professional training and professional development of the Fund employees;

4) to take part in the development of draft state programs, regulatory legal acts and their implementation within the competence;

5) to prepare and make proposals to the Fund management on issues referred to the competence of the Service;

6) to organize and conduct meetings on issues referred to the competence of the Service;

- 7) to represent the interests and/or act as the representative of the Fund in the state bodies and other organizations within the competence;
- 8) to establish working groups, also with the participation of representatives of Portfolio Companies, on issues referred to the competence of the Service;
- 9) to consult with the structural subdivisions of the Fund, Portfolio Companies, state bodies on issues referred to the competence of the Service;
- 10) to use the services of compliance consultants in the prescribed manner;
- 11) to consider, coordinate, initial documents on issues referred to the competence of the Service;
- 12) to have access to all information, including insider and For Official Use, as well as to the information and accounting systems of the Fund to fulfill their duties;
- 13) to conduct interviews with Heads and employees of the Fund on issues referred to the competence of the Service within the framework of compliance audits and compliance risk assessment;
- 14) to attend meetings of collegial bodies under the Management Board and Board of Directors of the Fund and its PCs/Subsidiaries, as well as meetings of the Management Board and Board of Directors of the Fund without the right to vote;
- 15) exercise other authorities that do not contradict the legislation of the Republic of Kazakhstan and internal documents of the Fund and take decisions on all issues referred to the competence of the Service.

7. Responsibility of the Service and its Head

26. The Service is responsible for the timely and high-quality performance of the functions and tasks assigned to it and the implementation of the anti-corruption policy.

27. The Head of the Service is personally responsible for the quality and timeliness of performing the functions and tasks assigned to the Service, in compliance with these Regulations, legislation of the Republic of Kazakhstan, Corporate Governance Code of the Fund, internal documents of the Fund, employment agreement, job description

28. Employees of the Service, in the established procedure, are personally responsible for the quality and timeliness of performing the functions assigned to them, in compliance with job descriptions, employment agreement and legislation of the Republic of Kazakhstan, as well as for compliance with the requirements of the internal regulations of the Fund that govern the activities of the Service.

29. Employees of the Service are obliged to inform the Head of the Service in a timely manner about any situations related to the presence or potential possibility of violation of the independence and/or objectivity of the Compliance Service work.

30. The duties and responsibilities of the Head of the Service compulsorily include submission of periodic reports to the Board of Directors\Audit Committee under the Board of Directors on its activities, including specifying the number of violations received in compliance with the Whistleblowing Policy of Samruk-Kazyna JSC, approved by the Board of Directors of the Fund on March 31, 2017 (No.138),

with a brief description and result on each issue of the work of the hotline on combating corruption and other abuses of employees in the Fund group.

8. Interaction of the Service with the Management Board

31. The relations of the Service with the Management Board of the Fund should be based on the principle of independence, since the level of organizational and functional independence of the Service has a direct impact on the objectivity of the Service.

32. Within the framework of interaction with the Management Board of the Fund, the Service:

1) submits the annual work plan of the Service approved by the Board of Directors to the Management Board of the Fund for informing;

2) introduces the results of reports compiled based on the results of compliance audits to the Chief Executive Officer of the Fund.

33. The Management Board of the Fund, in the established procedure, should:

1) contribute to the creation of effective control environment;

2) ensure that the budget of the Service agreed/approved by the Audit Committee/Board of Directors of the Fund is included in the budget of the Fund;

3) carry out administrative and organizational and technical support of the Service.

34. The Management Board of the Fund is not allowed to interfere in the activities of the Service.

9. Imposition of penalties

35. Disciplinary penalties are applied to employees of the Service for violation of the labor discipline, non-fulfillment or improper fulfillment of assigned labor duties in the procedure established by labor legislation and internal regulations of the Fund.

10. Professional Development

36. The Head and employees of the Service should compulsorily undergo training, develop professional knowledge and skills by regularly participating in programs aimed at training, retraining, advanced training of employees and certification programs in accordance with the procedure established by the internal documents of the Fund without the approval of the Board of Directors and Audit Committee of the Fund.

37. The Management Board of the Fund should contribute to the improvement of knowledge and skills of employees of the Service by ensuring the inclusion of the costs of educating and trainings on relevant topics and programs proposed by the Head of the Service for the purpose of continuous professional development in the budget of the Fund, in the established procedure.

11. Final Provisions

38. Amendments and supplements to these Regulations may be introduced by the decision of the Board of Directors after preliminary agreement with the Committee.