

Minutes of the in-presence meeting of the
Board of Directors of
Samruk-Kazyna JSC

Policy on Settlement of the Conflict of Interest of Samruk-Kazyna JSC

Version: 1.0

Owner: Compliance Service

Developer: D.Ye. Akshalov

Nur-Sultan 2021

Content

1. Purpose and scope of application	3
2. Definitions and abbreviations.....	3
3. General provisions	4
4. Key principles of the conflict of interest management	4
5. Duties of officials and employees on the conflict of interest management.....	5
6. Procedure and methods of disclosure of information about the conflict of interest	7
7. Settlement of the conflict of interest.....	7
9. Responsibility.....	8
Annex No.1	9
Annex 2.....	12
Annex 3.....	14

1. Purpose and Scope of Application

1. This Policy on Settlement of the Conflict of Interest of Samruk-Kazyna JSC (hereinafter - Policy) was developed in accordance with the legislation of the Republic of Kazakhstan, international corporate governance practice, the Charter, the Code of Conduct, and the Anti-Corruption Policy of Samruk-Kazyna JSC and other internal documents of Samruk-Kazyna JSC.

2. The Policy sets out the general principles of settlement of the conflict of Interest and other activities of the Fund that affect the area of settlement of the conflict of Interest.

3. The Fund understands that officials and employees of the Fund may have legitimate personal interests beyond the scope of their professional duties in the Fund, however, any conflict of Interest between such personal interests and professional duties in the Fund must be disclosed and settled in accordance with the Policy.

4. The Policy applies to all types of activities of the Fund. The Policy is mandatory for familiarization and application by all officials and employees of the Fund when taking the office. When performing functional duties and implementing assigned tasks, each official and employee of the Fund is guided by the provisions set out in the Policy.

5. The main objectives of the Policy are:

(a) consolidation of the basic principles of the Fund in relation to the conflict of Interest and requirements for employees and officials to comply with these principles;

(b) determination of procedures on disclosure of information about potential conflicts of interest, mechanisms for taking managerial decisions and norms of behavior of employees and officials in the conditions of existing conflicts of interest;

(c) providing general information to employees and officials about the measures taken to identify, manage and settle the conflict of Interest in the Fund.

6. The Policy is the internal document of the Fund and is approved by the decision of the Board of Directors of the Fund (including amendments and (or) supplements to the Policy).

2. Definitions and Abbreviations

7. For the purposes of this Policy, the following basic concepts and abbreviations are used:

affiliates - individuals or legal entities (except for the public authorities performing control and supervisory functions within the scope of their powers) that have the ability to directly and (or) indirectly determine decisions and (or) impact on decisions taken by each other (one of the persons), including by virtue of a concluded transaction. The list of affiliates of the Fund is established in compliance with Article 64 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”;

close relatives - parents (parent), children, adoptive parents (adoptive parents),

	adopted children, full- and half-blood siblings, grandfather, grandmother, grandchildren;
official	- the members of the Board of Directors, the Management Board, a person performing managerial functions;
counterparty	- an individual or legal entity with whom the Fund has concluded or is planning to conclude a contract/agreement;
conflict of interest	- contradiction between the personal interests of officials/employees and their official powers, in which the personal interests of these persons may result in non-performance and (or) improper performance of their official duties;
CS	- Compliance Service of the Fund;
in-law relatives	- full- and half-blood siblings, parents and children of the spouse;
SS	- structural subdivision of the Fund;
Fund	- Samruk-Kazyna JSC.

3. General Provisions

8. The Policy is aimed at implementing the provisions of the Fund's Code of Conduct, according to which one of the necessary conditions for the effective performance of employees' official duties is the absence of contradictions between the private interests of employees, officials and their official powers, and in the presence of such contradictions – their timely disclosure and settlement. The Management Board of the Fund is the body that settles conflicts of interest of employees, and the Board of Directors of the Fund is the body that settles conflicts of interest of the Management Board members.

9. The purpose of the Policy is to increase the effectiveness of decisions taken by ensuring a fair, objective and independent decision-making process in the interests of the Fund and its Sole Shareholder through the creation of a unified management of real and potential conflicts of interest in the Fund, as well as defining requirements for the behavior of employees and officials, compliance with which will minimize the risks of decision-making in the Fund under the influence of private interests and relations of employees and officials.

10. All employees and officials of the Fund should behave in such a way as to avoid a situation in which a conflict of Interest may arise in relation to themselves (or related persons).

4. Key Principles of the Conflict of Interest Management

11. The Fund manages the conflict of interest (prevention and settlement) based on the following key principles of the conflict of Interest management:

1) the principle of legality - compliance of the Policy with the legislation of the Republic of Kazakhstan and internal documents of the Fund;

2) the principle of protecting the interests of the Fund. Officials and employees are obliged to take decisions based only on the provisions of the legislation of the Republic of Kazakhstan and internal documents of the Fund, and

not based on personal preferences;

3) the principle of transparency and accountability - open declaration of personal interests and fulfilment of official duties within the prescribed procedures form the basis for ensuring openness and accountability, which contributes to the prevention or settlement of the conflict of interest;

4) the principle of objectivity and individual consideration - each case of the conflict of Interest should be considered individually with an assessment of potential risks for the Fund and settled in a timely manner. Officials and employees should strive to minimize any subjectivity that distorts the real situation of the conflict of Interest, including any influence of personal interests and various factors on the process and results of the conflict of Interest study;

5) the principle of confidentiality - strict observance confidentiality: from the disclosure of information about the conflict of Interest and further settlement of the conflict of Interest to the stage of summing up and taking a final decision on the situation under consideration;

6) the principle of involvement - awareness of the Fund's officials and employees about the provisions of anti-corruption legislation and their active participation in the formation and implementation of anti-corruption standards and procedures, including in the area of prevention, identification and settlement of the conflict of Interest;

7) the principle of intolerance to the conflict of Interest - the Fund forms a culture and a high degree of intolerance to conflicts of interest in its working environment. The Fund welcomes the disclosure of possible conflicts of interest by its officials and employees and develops an internal culture of open communication aimed at their understanding of the provisions of this Policy;

8) the principle of personal example - the top management and other officials by their actions serve as a personal example of integrity and ethical behavior, demonstrate commitment to the professionalism and strictly comply with the requirements of the Policy;

9) the principle of personal responsibility and the inevitability of punishment - officials and employees are personally responsible for maintaining a balance between the personal interest and their official powers, and must also be responsible for declaring and identifying their personal interests in the performance of duties/official duties.

5. Duties of Officials and Employees on the Conflict of Interest Management

12. The Board of Directors and the Management Board should monitor and, if possible, eliminate potential conflicts of interest at the level of officials, including the misuse of the Fund's property and abuse of official powers when entering interest related transactions.

13. An interest related transaction may be concluded in accordance with the legislation of the Republic of Kazakhstan and the internal documents of the Fund.

14. Officials shall be obliged to:

- 1) prevent the conflict of Interest;
- 2) refrain from participating in the consideration of issues in which they have the conflict of Interest, and taking decisions on them;
- 3) not to participate in taking decisions related to their own appointment, election and re-election and remuneration;
- 4) inform the Chairman of the Board of Directors/ Chief Executive Officer in advance about the existing conflict of Interest in writing and not to participate in taking a decision on the issue in accordance with the requirements of the Policy;
- 5) provide the Fund with information about its affiliates in accordance with the established procedure;
- 6) inform about violations of the requirements of the Policy or the potential possibility of such a violation in the manner and under the conditions provided for by the Policy;
- 7) when taking decisions on business issues and performing their official duties, be guided by the interests of the Fund without taking into account personal interests, the interests of persons who are close relatives, spouse or relatives in-law;
- 8) when performing their official duties, act only within the limits of the powers granted and, representing the Fund to third parties, behave in such a way as not to harm their own business reputation, the business reputation of other employees of the Fund, as well as the Fund as a whole;
- 9) if possible, avoid situations and circumstances that result in or may result in the conflict of Interest;
- 10) introduce a culture of intolerance of the conflict of interest by personal example.

15. Employees shall be obliged to:

- 1) prevent the conflict of interest;
- 2) refrain from participating in the consideration of issues in which they have the conflict of interest, and taking decisions on them;
- 3) bring information about the existing conflict of interest to their direct Head/supervising manager in accordance with the requirements of the Policy;
- 4) inform about violations of the requirements of the Policy or the potential possibility of such a violation in the manner and under the conditions provided for by the Policy;
- 5) when taking decisions on business issues and performing their employment duties, be guided by the interests of the Fund without taking into account personal interests, the interests of persons who are close relatives, spouse or relatives in-law;
- 6) when performing their employment duties, act only within the limits of the powers granted and, representing the Fund to third parties, behave in such a way as not to harm their own business reputation, the business reputation of other employees of the Fund, as well as the Fund as a whole;
- 7) if possible, avoid situations and circumstances that result in or may result in the conflict of Interest;
- 8) notify the Line Manager and the CS of the occurrence of personal interest in the performance of employment duties, which results in or may result in the

conflict of Interest, and take measures to prevent any possibility of conflicts of interest.

16. Interference of officials in the activities of the Fund's SS, both those who are included and those who are not directly subordinate to them, to influence decision-making is prohibited.

6. Procedure and Methods of Disclosure of Information about the Conflict of Interest

17. Disclosure of information about a conflict of interest by officials is carried out immediately in writing in accordance with Annex No.1 to the Policy, with a detailed justification and documentary confirmation of the facts of the presence or occurrence of the conflict of interest. Employees are required to disclose information as soon as a situation arises in which the presence of the personal interest can result in or has resulted to the conflict of Interest. One-time disclosure is carried out by filling out a notification about the presence or occurrence of the conflict of Interest in the form according to Annex No.2 to the Policy.

18. The Fund establishes the following procedure for disclosure (declaration) of the conflict of interest for officials:

- 1) initial disclosure of information about the conflict of interest when applying for a job;
- 2) disclosure of information about the conflict of Interest when transferring to a higher position, to another SS, when changing the functionality;
- 3) annual disclosure of the conflict of Interest;
- 4) one-time disclosure of information as soon as a situation arises in which the presence of the personal interest can result in or has resulted to the conflict of Interest. One-time disclosure is carried out by filling out a notification about the presence or occurrence of the conflict of interest in the form according to Annex No.2 to the Policy.

19. Concealment and/or untimely, incomplete disclosure of information about the presence of the direct or potential conflict of interest by officials are the causes and conditions for the occurrence of corruption risks.

7. Settlement of the Conflict of Interest

20. If the conflict of interest is revealed, the Head who has received a notification of the presence or occurrence of the conflict of interest in accordance with Annex No.2 herewith from an employee of the Fund decides to settle the conflict of Interest in one of the following ways:

- 1) the employee's rejection of his/her personal interest, which is the source of the conflict of Interest;
- 2) prohibition of the employee's use of information that is the object of his/her personal interest;

3) permanent or temporary suspension of an employee from discussing and resolving issues that give rise to the conflict of Interest, on a voluntary basis or on the basis of an act of the employer;

4) change of his/her official duties as agreed with the employee;

5) transfer of the employee to a position that is not related to the conflict of interest that has arisen, if the employee agrees, in accordance with the procedure established by the labor legislation of the Republic of Kazakhstan.

21. The Head is obliged to inform the employee about the inadmissibility of violating the requirements for the settlement of the conflict of interest established to combat the corruption, warn him/her about the measures of responsibility applied in the event of such a violation.

22. In case of failure to disclose the conflict of interest by an employee, to which he/she is a party, disciplinary measures shall be applied to him/her.

23. If the employee does not agree with the results of the consideration of the notification about the presence or occurrence of the conflict of interest, or if it is impossible to independently take a decision on the presence of the conflict of Interest, determine the extent of emerging risks or choose a method for settling the conflict of Interest, the Head has the right to send an application for consideration of the CS. Within 5 (five) business days, the CS considers and gives its opinion on this issue.

24. If, as a result of consideration of the conflict of interest, it becomes necessary to develop or amend the existing internal documents of the Fund, the CS recommends that the owner of the process introduce relevant amendments.

25. Examples of situations of the conflict of interest or situations that may result in the conflict of interest are set out in Annex No.3 to the Policy.

9. Responsibility

26. Officials and employees are responsible for the implementation of the Policy.

27. If violations of the requirements of the legislation of the Republic of Kazakhstan, as well as Policies that resulted in losses to the Fund are committed in the work on settling the conflict of Interest, the persons responsible for such violation are held liable in accordance with the legislation of the Republic of Kazakhstan.

Declaration on disclosure of the potential conflict of Interest

I (Surname, first name, patronymic name (if any))

undertake to strictly follow the requirements of the Policy on Settlement of the Conflict of Interest of Samruk-Kazyna JSC when carrying out my activities in Samruk-Kazyna JSC and declare the presence or absence of the following potential conflicts of interest:

1. I am a member of the management bodies (supervisory boards, board of directors, other management bodies) of legal entities (if so, please specify the name, except for subsidiaries of Samruk-Kazyna JSC, the management body and the date of joining the management body)

2. I own (in whole or in part), in the form of shares and (or) equity interests in a legal entity (if so, please specify the name of the legal entity, the percentage and (or) the share)

3. I carry out activities that are paid on a regular basis: official salary, fee payments, etc. (if so, please specify the name of the legal entity that makes payments, except for Samruk-Kazyna JSC)

4. I carry out activities that are not paid (if so, please specify the role/position and name of the legal entity, except for Samruk-Kazyna JSC)

5. I carry out activities as the CEO of a legal entity (if so, please specify the name of the legal entity, BIN)

6. I acknowledge that persons who are my close relatives, spouse or relatives in-law work in the group structure, are affiliates¹ of Samruk-Kazyna JSC, their subsidiaries and affiliates (if so, please specify IIN of persons who are close relatives, spouse or relatives in-law, full name, the sign of kinship, the name of the legal entity, which employs close relatives, spouse, relative in-law, and the position)

¹ Affiliates are understood as persons in accordance with Article 64 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" dated May 13, 2003 No.415-II, Article 12-1 of the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships" dated April 22, 1998 No. 220-I.

7. I confirm that the persons specified in items 1-6 of this declaration **are not** counterparties of Samruk-Kazyna JSC, their subsidiaries and dependent organizations (if they are, it is necessary to specify IIN, full name, name of the counterparty's company, BIN of the counterparty, type of the counterparty's activity, name of the Fund, subsidiaries and dependent organizations to whom services are rendered).

8. Other situations or circumstances that result in or may result in the conflict of Interest (if so, please provide in writing detailed information in a free form necessary and sufficient for a comprehensive review and assessment of the situation or circumstances).

I hereby confirm my full responsibility for the accuracy of the information when filling out this Declaration.

I confirm that I have familiarized myself with the terms and conditions of the Policy on Settlement of the Conflict of Interest of Samruk-Kazyna JSC.

I undertake to inform Samruk-Kazyna JSC in a timely manner in case of the occurrence of the conflict of Interest, as well as about changes in the data specified in this declaration.

Signature: _____

Date

To _____

(position, full name)

From _____

(Full name, position, contact phone number)

**NOTIFICATION
about the presence or occurrence of the conflict of Interest**

Hereby, in accordance with the requirements of the Policy on Settlement of the Conflict of Interest of Samruk-Kazyna JSC, I inform about occurrence of my personal interest in the performance of official duties, which results in or may result in the conflict of Interest.

1. The circumstances that are the basis for the occurrence of the conflict situation (personal interest):

(a situation is described in which the conflict of Interest has arisen or may arise with a detailed justification).

2. Official duties, the performance of which is influenced or may be influenced by personal interest:

(specification (naming of specific job responsibilities)).

3. Measures taken (proposed) to prevent or settle the conflict of Interest:

4. The list of documents confirming the facts of the existence or occurrence of the conflict of Interest, as well as on the measures taken (proposed to be taken) to prevent and settle the conflict of Interest:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

The person who sends the notification:

_____, 20__
(signature, print name)

Situations of the conflict of Interest

Situations of the conflict of interest or situations that may result in the conflict of interest include the following situations, which are not exhaustive:

a situation in which an official, an employee of the Fund or their close relative, spouse, relative in-law are a party to a transaction concluded with the Fund;

a situation in which an official, an employee of the Fund or their close relative, relative in-law is an affiliate of an organization that is a party to a transaction concluded with the Fund;

any commercial or other interest in transactions, projects related to the Fund;

a situation in which an official, an employee of the Fund or their close relative, spouse, relative in-law receive remuneration from third parties in the form of money, other benefits in other forms for the performance by an official or employee of the Fund of their professional duties or other services related to the performance by an official or employee of the Fund of their professional duties;

a situation in which an official, an employee of the Fund or their close relative, spouse, relative in-law accepts gifts or services in connection with the performance of their professional duties by an official or an employee of the Fund from persons subordinate in their work, except for symbolic token of appreciation and symbolic souvenirs in accordance with generally accepted norms of politeness and hospitality or during protocol and other official events;

a situation in which an official, an employee of the Fund or their close relative, spouse, or relative in-law receive personal discounts or other exclusive benefits from suppliers/potential suppliers that are not generally available to other officials, employees of the Fund and their close relatives, spouse, relatives in-law;

a situation in which an official or an employee of the Fund uses the property of the Fund for personal purposes, except for the cases where it is possible to use the property of the Fund, in cases provided for by the internal documents of the Fund;

a situation in which an official or employee of the Fund discloses confidential information that has become known to him/her by virtue of the performance of his/her professional duties, or information whose disclosure may have a negative impact on the interests of the Fund, as well as any use of confidential information related to the Fund for personal benefit by an official, employee of the Fund or their close relative, spouse, relative in-law;

a situation in which an official or employee of the Fund participates in the discussion or decision-making on the issues of evaluating his/her work, reassignment (re-election), payment of remuneration or other issues in relation to himself/herself;

a situation in which the Fund employs a candidate who is a close relative, spouse, or relative in-law of another employee, if any of them will have the opportunity to directly influence the performance of official duties and (or) influence the promotion and (or) the level of material remuneration in the Fund;

a situation in which officials work together with close relatives, spouses and relatives in-law;

a situation in which the employees of the Fund are directly subordinate or are directly subordinate to close relatives, spouses and (or) relatives in-law;

a situation in which an official or employee combines executive and control functions that help him/her to use his/her official duties for the purpose of obtaining personal benefits.