

УТВЕРЖДЕНА
решением Совета директоров
АО «НК «Казахстан инжиниринг»
от «30» декабря 2022 года
(протокол № 21)

IDENTIFICATION AND SETTLEMENT POLICY
CONFLICT OF INTEREST IN
JSC «KAZAKHSTAN ENGINEERING» NC»

Astana

1. General provisions

1. This Policy on Identifying and Resolving Conflicts of Interest in JSC «Kazakhstan Engineering» NC» (hereinafter referred to as the Policy, the Company, respectively) has been developed in accordance with the current anti-corruption legislation of the Republic of Kazakhstan, internal documents of the Company, the Corporate Governance Code of the Company in order to prevent conflicts of interest and is one of the key anti-corruption mechanisms.

2. This Policy defines conflict of interest situations, measures to prevent and resolve them, as well as the responsibility of all participants in the conflict of interest management process

3. This Policy has been developed. Serious violations related to a conflict of interest can damage the business reputation of the Company and undermine the credibility of it on the part of all interested parties. The personal interests of an official or employee of the Company should not influence the performance of their official, functional duties based on the principles of impartiality, honesty and protection of the interests of the Company.

4. In relations with business partners, contractors and third parties, the Company expects to establish and maintain fiduciary relations in which the parties are obliged to act towards each other as honestly, conscientiously, fairly and loyally as possible, as well as to take exhaustive measures to prevent, identify and exclude conflicts of interest.

5. This Policy is mandatory for familiarization and strict compliance with it by all officials and employees of the Company.

6. This Policy is applied in conjunction with the Company's Code of Corporate Ethics.

7. This Policy is subject to posting on Internet resources.

2. Terms and definitions

8. The following terms and definitions are used in this Policy:

1) **affiliated person** — an individual or legal entity capable of influencing the activities of legal entities and/or individuals engaged in entrepreneurial activities;

2) **close relatives** - parents (parent), children, adoptive parents (adoptive parents), adopted (adopted), full and half siblings, grandfather, grandmother, grandchildren;

3) **official** - member of the Board of Directors of the Company, member of the Management Board of the Company;

4) **The sole shareholder** - is the Government of the Republic of Kazakhstan represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan;

5) **Compliance Service** - Anti-corruption Compliance Service of the Company;

6) **conflict of interests** - a situation in which there is a contradiction between the personal interest of a member of the Board of Directors, a member of the Management Board of the Company or other persons and the proper performance of

their official duties or the legitimate interests of the Company, which can, among other things, lead to harm to the legitimate interests of the Company;

7) **personal interests** – personal property benefits or interest in obtaining personal benefits from the Company that are not related to receiving wages and other payments established by the Company's internal documents;

8) **organizational and administrative functions** - the right granted in accordance with the procedure established by the law of the Republic of Kazakhstan to issue orders and orders binding on subordinates in the service, as well as to apply incentive measures and disciplinary penalties against subordinates;

9) **intermediary** - a person who is not a party to a corporate conflict and has no interests in this corporate conflict, specially authorized by all parties to the corporate conflict to carry out the procedure for resolving the corporate conflict;

10) **Management Board** - Management Board of the Company;

11) **employee** - a person who is in an employment relationship with the Company and directly performs work under an employment contract;

12) **the parties to the corporate conflict** - the Company's bodies, employees, interested parties involved in the corporate conflict.

13) **settlement of corporate conflicts** - the process of implementing a set of pre-trial procedures aimed at resolving corporate conflicts;

14) **fiduciary relations** – relationships with full trust of the parties to each other.

3. Basic principles and provisions of corporate conflict resolution

9. The subject of corporate conflicts subject to: settlement by the Company's bodies within their competence, including: the following cases, not limited to the following, may be:

1) disagreements between the Sole Shareholder and the Company's bodies regarding the effectiveness of the Company's management and the integrity of the actions of the members of the Company's bodies;

2) actions aimed at undermining the financial condition and competitiveness of the Company.

10. With regard to corporate conflicts, the Company adheres to the principle of preventing their occurrence and attentive attitude to them. In the event of a corporate conflict, the Company takes a position based on compliance with the legislation and internal documents of the Company.

11. The prevention (prevention) of corporate conflicts is facilitated by compliance by the Company, officials and employees of the Company with the legislation, as well as their conscientious behavior in relations with the Sole Shareholder.

12. In order to prevent and prevent corporate conflicts, Company officials and its employees must:

- comply with the norms of the current legislation and the provisions of the Company's internal documents;

- refrain from taking actions and making decisions that may lead to corporate conflicts;

- promote compliance with the principles of business ethics.

13. The Company in accordance with the procedure established by law:

- provides accounting of information about affiliated persons;

- discloses information about the Company's activities in accordance with the requirements of the legislation;

- ensures the reliability of accounting statements and other published information provided to the Sole Shareholder and interested parties, regulatory and supervisory authorities;

- ensures that the information available in the Company is not used for personal purposes by persons who have access to such information;

- ensures timely identification of risks and deficiencies of the internal control system;

- timely reviews negative information about the Company in the media and other sources and provides timely response to each fact of the appearance of such information.

14. The Company ensures the early identification of corporate conflicts and clear coordination of the actions of the Company's bodies, namely:

- provides identification of corporate conflicts at the early stages of development;

- determines its position on the essence of the corporate conflict as soon as possible, makes an appropriate decision and brings it to the attention of the parties to the corporate conflict.

15. The Company considers the following possible ways to resolve corporate conflicts: by applying mediation procedures to resolve the conflict, transferring the conflict to a higher authority for consideration, and in court if a pre-trial settlement is impossible.

16. The main task of the Company's bodies in the process of resolving a corporate conflict is to find a solution that, being legitimate and justified, would meet the interests of the Sole Shareholder and the Company.

17. Parties to corporate conflicts by mutual consent

they choose an intermediary in resolving a corporate conflict.

The mediator may be an independent, impartial, not interested in the outcome of the case, an individual who has agreed to perform the function of an intermediary. The mediator is obliged to act only with the consent of the parties to the corporate conflict.

The mediation position assumes that the mediator does not make a final decision on the substance of the subject of the corporate conflict, but only assists the parties to the corporate conflict in finding a solution.

The principles of mediation in resolving corporate conflicts are equality of the parties, inadmissibility of interference in the procedure, confidentiality.

The goals of mediation in resolving corporate conflicts are:

- 1) achieving a dispute (conflict) resolution option that suits both sides;

- 2) reducing the level of conflict between the parties.

The mediator has the right to hold meetings both with all parties simultaneously and with each of the parties separately and provide them with oral and written recommendations on resolving the dispute (conflict).

Consideration of corporate conflicts is carried out according to the procedure agreed by the parties, the parties to the corporate conflict may at their discretion agree on the venue of the meeting, determine the date and time of the meeting.

In case of mutual consent of the parties to the corporate conflict, an agreement is drawn up through mediation.

The parties to the corporate conflict are obliged to fulfill the agreement signed by them on the settlement of the dispute (conflict) in accordance with the procedure and terms stipulated by this agreement.

18. In the event that an agreement on the substance of a corporate conflict could not be reached in accordance with the procedure established by this Policy, or at least one of the parties to the corporate conflict declares its refusal to participate in this procedure, the corporate conflict may be resolved in accordance with the Company's Corporate Governance Code and legislation by a higher authority of the Company in relation to the body, being a party to the conflict.

19. If a pre-trial settlement of a corporate conflict is impossible using the procedures specified in paragraphs 16-17 of this Policy, they are resolved in court.

4. Basic principles of Conflict of Interest management

20. The Company manages conflicts of interest (prevention and resolution) based on the following key principles of conflict of interest management:

1) the principle of legality – compliance of this Policy with the legislation of the Republic of Kazakhstan;

2) the principle of protecting the interests of the Company, protecting the interests of the Company is the duty of every official and employee of the Company, who are obliged to make decisions based only on the legislation of the Republic of Kazakhstan and internal documents of the Company, and not based on personal preferences;

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

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

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

6) the principle of involvement – awareness of the Company'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 field of prevention, identification and settlement of conflicts of interest;

7) the principle of intolerance and internal culture – The company forms a culture and a high degree of intolerance to the emergence of a conflict of interests in its working environment. The Company welcomes disclosure by its officials and employees of possible conflicts of interest 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 officials of the Company by their actions serve as a personal example of integrity and ethical behavior, demonstrate commitment to professionalism and strictly comply with the requirements of this Policy.

5. Conflict of interest situations

21. For the purposes of this Policy, situations that may lead to a conflict of interest include the following situations in which:

1) an official or an employee of the Company holds positions that are directly subordinate to the positions held by their close relatives, spouse (spouse), as well as relatives;

2) an official, an employee of the Company or their close relatives, a spouse, as well as a relative has or may have any commercial or other interest (direct or indirect) in transactions, projects related to the Company;

3) an official, an employee of the Company or their close relatives, a spouse, as well as relatives are an affiliated person, an independent director or an employee of an organization that competes with the Company in terms of providing services, implementing a project or concluding a transaction with a third party;

4) an official, an employee of the Company or their close relatives, a spouse, as well as relatives are a party to a project or transaction related to the Company;

5) an official, an employee of the Company or their close relatives, a spouse, as well as relatives are affiliated with an organization that is a party to a project or transaction related to the Company;

6) an official or employee of the Company discloses confidential information that has become known to him due to the performance of his duties, or any other information, the disclosure of which may have a negative impact on the interests of the Company, as well as any use by an official, employee, close relatives, spouse, or their relatives of confidential information related to the Company, for personal gain;

7) an official or employee of the Company participates in the discussion or decision-making on the evaluation of his work, reassignment (re-election) payment of remuneration or other issues in relation to himself;

8) an official or an employee of the Company combines executive control functions that allow him to use his official duties for the purpose of obtaining personal benefits.

22. The situations of conflict of interest listed in paragraph 10 are not exhaustive. To determine whether there is a conflict of interest, the Company's officials and employees should be guided by the term conflict of interest given in this Policy.

23. If a member of the Board of Directors has doubts about the existence of a conflict

of interest, he should consult with the Compliance Service (hereinafter referred to as the Service) and provide the Chairman of the Board of Directors with the necessary information to resolve the issue by the Board of Directors.

24. If a member of the Management Board has doubts about the existence of a conflict of interest, he should consult with the Service and provide the Chairman of the Management Board with the necessary information to resolve the issue.

25. If an employee has doubts about the existence of a conflict of interest, he should consult with the Service and provide the immediate supervisor with the necessary comprehensive information to resolve the issue.

6. Procedure for disclosure of conflicts of interest

26. Disclosure of information about the conflict of interests by officials and employees of the Company is carried out immediately in writing, with detailed justification and documentary confirmation of the facts of the existence or occurrence of a conflict of interests.

27. The Company establishes the following procedure for disclosure of conflicts of interest:

1) initial disclosure of information about a conflict of interest when applying for a job;

2) disclosure of information about a conflict of interest when transferring to a higher position, to another structural unit, when changing functional responsibilities;

3) annual disclosure of a conflict of interest associated with a high level of corruption risk in the Company's processes, during the implementation or execution of which, the highest probability of creating conditions for a conflict of interest;

4) one-time disclosure of information as situations arise in which the presence of personal interest may or has led to a conflict of interest. One-time disclosure is carried out by filling in the Notification provided in the Annex to this Policy.

28. The annual disclosure of conflicts of interest by officials and employees of the Company is carried out based on the results of an assessment of corruption risks.

29. Concealment and/or untimely, incomplete disclosure of information about the presence of a direct or potential conflict of interests by officials and employees are the causes and conditions of corruption risks that contribute to the commission of corruption offenses in the Company.

7. Prevention of conflicts of interest

30. In order to prevent a conflict of interests, the responsible structural units of the Company are obliged to:

1) when applying for a job, promotion or change of job responsibilities – avoid appointments to positions of employees who are directly related to the immediate supervisor or a person performing related functions;

2) when checking the Company's counterparties at the stages of procurement procedures and registration of contractual relations with them, to study the composition of their founders and managers for signs of affiliation with officials and employees of the

Company, their close relatives, spouses, as well as relatives;

3) to carry out preventive and preventive measures, official inspections aimed at identifying and suppressing illegal, and unfair or incompetent activities of officials, employees of the Company;

4) ensure that every official and employee of the Company is familiar with this Policy;

5) conduct regular explanatory work aimed at communicating the provisions of this Policy to the Company's officials and employees;

6) ensure the safety of confidential information, as well as personal data of Company officials and employees.

8. Duties of the Company's officials and employees to prevent the occurrence of a conflict of interest

31. The Board of Directors and the Management Board should monitor and, if possible, eliminate potential conflicts of interest at the level of the Sole Shareholder and officials, including the use of Company property and abuse in the conclusion of interested-party transactions.

32. An interested party transaction may be concluded only if there is a positive decision of the Company's body, whose competence includes the issue of concluding such a transaction.

33. Officials and employees of the Company are prohibited from taking part in the consideration and decision-making on any transaction between the Company and themselves, as well as any of their close relatives, spouses and relatives.

34. Members of the Board of Directors and the Management Board are obliged to:

1) to prevent the occurrence of conflict of interest situations;

2) refrain from participating in the consideration of issues in which they have a conflict of interest, and making decisions on them;

3) not to participate in decision-making related to their own appointment, election and re-election, and remuneration;

4) inform the Chairman of the Board of Directors and/or the Chairman of the Management Board in advance about the existing conflict of interests in writing and not participate in making a decision on the issue in accordance with the requirements of this Policy;

5) monitor the possible loss of independence status and notify the Chairman of the Board of Directors of the Company in advance in case of such situations. If there are circumstances affecting the independence of a member of the Company's Board of Directors, the Chairman of the Company's Board of Directors shall immediately bring this information to the attention of the Sole Shareholder for making an appropriate decision.;

6) introduce a culture of intolerance of conflicts of interest by personal example.

35. A member of the Management Board has the right to work in other organizations only with the consent of the Board of Directors. At the same time, members of the Management Board should not be members of the Board of Directors (supervisory boards) in which they will have a financial interest.

36. Officials and employees of the Company are obliged to:

- 1) to prevent the occurrence of conflict of interest situations;
- 2) refrain from participating in the consideration of issues in which they have a conflict of interest, and making decisions on them;
- 3) bring information about the existing conflict of interests to their direct supervisor/supervising supervisor in accordance with the requirements of this Policy;
- 4) provide information about violations of the requirements of this Policy or the potential possibility of such a violation;

37. Interference of officials in the activities of the structural divisions of the Company, both within and outside their direct subordination, in order to influence the decision-making on the conclusion of an interested party transaction by the Company is prohibited.

9. Procedure for consideration and settlement of conflicts of interest

38. In order to increase the efficiency of work on the identification, prevention and settlement of conflicts of interest, the Company strives to create mechanisms for their timely and complete identification, as well as for clear coordination of actions of all Company bodies to resolve them.

39. Officials, in order to resolve conflicts of interest arising in the Company, are obliged to:

- 1) identify emerging conflicts of interest, determine their causes;
- 2) clearly delineate the competence and responsibility of the Company's bodies;
- 3) ensure that officials and employees of the Company refrain from participating in the consideration of issues in which they have a conflict of interest, and making decisions on them.

40. An official and employees of the Company are obliged to immediately inform the Chairman of the Board of Directors/Chairman of the Management Board about the existence or occurrence of a conflict of interest for adoption by the Board of Directors/The Board of the decision on the settlement of such a conflict.

41. An employee of the Company is obliged to immediately inform his immediate supervisor about the presence or occurrence of a conflict of interest in order to resolve such a conflict.

42. If it is impossible to resolve a conflict of interest at the level of a structural unit, the head of the structural unit is obliged to provide the head in charge of this structural unit with information about the conflict of interest, the reasons for its occurrence, the measures that have been taken by the head in charge of this structural unit, takes all measures to resolve the conflict of interest. If it is impossible to resolve a conflict of interests, the issue of resolving such a conflict is submitted by him to the Chairman of the Management Board, the Management Board or the Board of Directors.

43. The Chairman of the Management Board determines the procedure for resolving the conflict of interests, appoints an authorized person. If necessary, the Chairman of the Management Board creates a working group to resolve conflicts of interest, which includes representatives of the Service, the Department of Administrative and Organizational Work, the Department of Legal Support. The composition of the working group is formed in such a way that the possibility of a conflict of interest that may

affect the decisions taken by the group is excluded.

44. If it is impossible to resolve a conflict of interest through negotiations, it is resolved in court.

10. Possible measures to resolve conflicts of interest

45. By defining measures to resolve conflicts of interest, the Company ensures their proportionality with the degree of negative consequences that may affect the interests of the Company.

46. Possible measures and methods taken to resolve the conflict of interests:

1) re-election or transfer of an official or employee of the Company with his consent to another position in accordance with the procedure established by the legislation of the Republic of Kazakhstan, involving the performance of functions that exclude a conflict of interests;

2) termination of the powers of an official or employee of the Company in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

3) voluntary refusal, suspension (permanent or temporary) of an official or employee from participating in the discussion of issues in which they have or may have a conflict of interests, and making decisions on them;

4) review and change of duties/job responsibilities of an official or employee of the Company;

5) elimination by an official or an employee of the Company of a personal interest that generates a conflict of interests.

47. The list of measures given in paragraph 33 is not exhaustive. In each specific case, other measures may be applied depending on the specifics of the current situation, the degree of adequacy of the measures taken to resolve the conflict of interests.

11. Responsibility

48. The Company's officials and employees are responsible for the implementation of this Policy.

49. If violations of the requirements of the legislation of the Republic of Kazakhstan, as well as this Policy, which resulted in losses to the Company, are committed in the prevention or settlement of conflicts of interest, the persons responsible for such violation are held liable in accordance with the legislation of the Republic of Kazakhstan.

12. Final provisions

50. Amendments and additions to this Policy are made by decision of the Company's Board of Directors.

51. If, as a result of changes in the legislation of the Republic of Kazakhstan or the Company's Charter, certain provisions of this Policy come into conflict with them, it is necessary to be guided by the norms of the legislation of the Republic of Kazakhstan

or the Company's Charter before making appropriate changes and additions to this Policy.

Whom _____

From _____

(Full name, position, phone number)

**NOTIFICATION
about the presence or occurrence of a conflict of interest**

Hereby, in accordance with the requirements of the Policy on the Identification and Settlement of Conflicts of Interest in JSC «Kazakhstan Engineering» NC», I inform you that I have, in the performance of my official duties, a personal interest that leads or may lead to a conflict of interests.

1. Circumstances that are the basis for the occurrence of a conflict situation (personal interest): _____

(describes a situation in which a conflict of interest has arisen or may arise with a detailed justification)

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

(listing of specific job responsibilities)

3. Measures taken (proposed) to prevent or resolve conflicts of interest:

(indicate what measures the official/employee has taken or is proposed to take to prevent or resolve conflicts of interest)

4. A list of documents confirming the facts of the existence or occurrence of a conflict of interests, as well as on the measures taken (proposed to be taken) to prevent and resolve a conflict of interests:

1) _____

2) _____

3)

4)

5)

The person sending the notification:

The person who accepted the notification:
