

Approved by the decision of the Supervisory Board  
of "Samruk-Kazyna Invest" LLP  
dated \_\_\_\_\_  
Minutes No. \_\_\_\_\_

**Policy on settlement of corporate conflicts and conflict of interests  
Of "Samruk-Kazyna Invest"**

Astana, 2016

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## **1. General Provisions**

1. This policy on regulation of corporate conflicts and conflicts of interest of "Samruk-Kazyna Invest" Limited Liability Partnership (hereinafter - the Policy) has been developed for the prevention and settlement of corporate conflicts and conflicts of interests in "Samruk-Kazyna Invest" LLP (hereinafter - the Partnership) in accordance with the Law of the Republic of Kazakhstan "On limited and additional liability", the Charter of the Partnership, internal documents of "Samruk-Kazyna" JSC, as well as other internal documents of the Partnership.

2. Policy regulates the order and procedures of pre-trial settlement of corporate conflicts and conflicts of interest, as well as the actions of the authorities, employees and officials of the Partnership, as part of these processes.

3. The below provisions on pre-trial settlement of corporate conflicts do not prevent to persons, whose rights have been violated, to contact the judicial authorities.

4. The purpose of this Policy is the increasing of the efficiency of decisions, taken by authorities of the Partnership for account of provision of fair, objective and independent decision-making process in the interests of the Partnership.

5. The Partnership understands that sustainable development of the Partnership envisages openness, accountability, transparency, ethical behavior, respect to interests of interested parties, legality, respect for human rights, intolerance to corruption, inadmissibility of conflict of interest, personal example.

6. The Partnership understands that its Officers and Employees may have legitimate personal interests outside the performance of their professional duties in the Partnership, but any such conflict of interest between personal interests and professional duties in the Partnership must be disclosed and resolved in accordance with this Policy.

7. Violations related to conflict of interest can damage the reputation of the Fund and the Partnership, and to undermine their credibility with shareholders and other stakeholders. Personal interests of Officer or Employee shall not affect the impartial performance of their job, duties.

## 2. Terms and definitions

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

**1) Official is** Member of the Supervisory Board of the Partnership, the Chief Executive Officer of the Partnership, Managerial employees of the Partnership;

**2) Sole participant is** "National Welfare Fund" Samruk-Kazyna " Joint Stock Company;

**3) Interested parties are** natural persons, legal entities, groups of natural persons or legal entities, that affect or can be influenced by the Fund and / or the Partnership, their products or services, and related activities by virtue of the legislation, signed agreements (contracts) or indirectly (not immediately); this definition does not apply to all those who may be familiar with the Fund and the Partnership, or to express an opinion about them; the main representatives of the Interested parties are the shareholders, employees, customers, suppliers, government agencies, subsidiaries, bondholders, creditors, investors, non-governmental organizations, the population of regions in which the activities of the Fund or the Partnership;

**4) Conflict of interests is** a situation, in which the personal interest of Employees and (or) Officials of the Partnership affects or may affect the impartial performance of official duties;

**5) Corporate conflict is** controversy or dispute between: bodies of the Fund or the Partnership; Members of the Supervisory Board and the Chief Executive Officer of the Partnership, the Head of the Internal Audit / Auditor, Secretary of the Supervisory Board;

**6) Conflict is** Corporate conflict, a conflict of interest

**7) The bodies of the Partnership is** the only party, officials of the Partnership, the Inspector General of the Partnership.

**8) The employee is** a person who is employed by the Partnership under the terms of the employment contract;

**9) Secretary of Supervisory Board is** an employee of the Partnership, who is not a member of the Supervisory Board appointed by the Supervisory Board of the Partnership and is accountable to the Supervisory Board of the Partnership and the Chief Executive Officer of the Partnership, who is in part of its activity controls the preparation and holding of meetings of the Supervisory Board of the Partnership, ensures the formation of the materials on the agenda of meeting of the Supervisory Board of the Partnership, as well as forms and sends the materials to the Sole participant on within its competence, carries out other functions;

**10) Agreement on the settlement of the corporate conflict is** a document containing the following details:

- the name (s) of the parties to the conflict;
- date and place of signing (for each participant);
- formulation of the object of the conflict and the agreement;

- the wording of the agreement of Parties, including the parties' obligations and control procedures;
- assessment of participants satisfaction with the results of the conflict settlement procedure.

**11) Managerial staff are** Deputies Chief Executive Officer, Managing Directors;

**12) Settlement of corporate conflicts and conflicts of interest is** the process of implementation of complex procedures, designed to prevention or pre-trial settlement of the conflict between the bodies of the Partnership and its Sole participant or bodies of the Partnership and its Employees, the Partnership bodies and Interested parties;

**13) The Fund - "National Welfare Fund "Samruk-Kazyna" JSC;**

**14) A family member is** a natural person who is a close relative (parent, brother, sister, son, daughter, spouse (s)) to an Officer or Employee of the Partnership.

9. The terms and definitions used, but not defined in this Policy shall be construed in accordance with the legislation of the Republic of Kazakhstan and other internal documents of the Fund and the Partnership.

### **3. Causes of occurrence of corporate conflicts and conflict of interests**

10. Corporate conflicts may arise between the bodies of the Partnership and the Sole participant as a result of:

- non-compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Fund and the Partnership by the bodies of the Partnership;
- the making of decisions by bodies of the Partnership, which can lead to a deterioration in the financial condition of the Partnership and / or the Sole participant;
- violation of the duty to disclose information in accordance with the legislation of the Republic of Kazakhstan or the provision of incomplete information by members, including into of Bodies of the Partnership, about the positions, holding in bodies of other companies, the ownership of shares (stocks) of other legal entities.

11. Conflicts of interest may arise between the Partnership and the Officials, Employees as a result of:

- 1) violation of the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Partnership;
- 2) non-compliance with the rules of business communication and business ethics;
- 3) the presence of financial interests with Interested parties of officers and employees of the Partnership's financial interests;
- 4) holding a position by Chief Executive Officer of the Partnership in other legal entities as a Director or Officer without the presence of the Supervisory Board's consent;

5) provision of business opportunities for Interested persons to the prejudice of the Partnership's interests because of personal interests;

9. Corporate conflicts and conflicts of interest may arise between the bodies, officials, employees and Interested parties as a result of:

- non-compliance with the legislation of the Republic of Kazakhstan, constituent and internal documents of the Fund and the Partnership;

- non-compliance with the Partnership, officers and employees of the Partnership of the principle of the priority of the interests of Interested parties over the interests of the Partnership;

- non-compliance with the rules of business communication and the principles of professional and business ethics;

- failure to fulfill contractual obligations on the part of the Partnership and on the part of Interested parties.

12. The causes of conflicts for implementation of purposes of this Policy are also:

1) a situation in which the Official, Employee of the Partnership or their family member is a party in the contract, the project or transaction related to the Partnership;

2) any commercial or other interest Officials / Employees (direct or indirect) in transactions, contracts, projects related to the Partnership;

3) a situation where the Official or Employee of the Partnership compete with the Partnership in terms of service provision, the contract, project or transaction with a third party;

4) a situation in which the Official or Employee of the Partnership without appropriate approvals of bodies of the Partnership include in the Boards of directors / Supervisory boards of organizations, invested by the Partnership (the project company), or combines in addition to working in the Partnership work in more than one organization;

5) a situation in which the Official, Employee of the Partnership or a member of his family shall receive compensation in the form of money, services and other forms of performance of an officer or employee of the Partnership of the professional duties or other services related to the execution of an officer or employee of the Partnership of the professional responsibilities of organizations and individuals, in which they do not comply with the relevant duties;

6) a situation in which the Official, Employee of the Partnership or their family member accepts gifts or services in connection with the performance of his professional duties, or from persons who are dependent on them for work, except for symbolic courtesies and symbolic souvenirs in accordance with generally accepted standards of courtesy and hospitality or during protocol and other official events;

7) a situation in which the official, employee of the Partnership or their family members receive from stakeholders Partnership personal discounts or other exclusive benefits that are not available in a general manner to other officials, employees of the Partnership or their family members.

8) a situation in which the Official or Employee of the Partnership uses for personal purposes resources, intellectual property and equipment of the

Partnership (including corporate e-mail and computer programs);

9) A situation in which the Official or Employee of the Partnership discloses confidential information becoming known to him in virtue of performance of their professional duties, or information, whose disclosure could have a negative impact on the interests of the Partnership, as well as any use of confidential information related to the Partnership for personal gain receiving by Employee of the Partnership or their family members;

10) A situation in which the Official or Employee of the Partnership takes part in the discussion or making a decision on the assessment of his work, reassigning (re-election), remuneration or other matters with respect to himself.

13. Causes of conflict, listed in paragraphs 10-12 of this Policy are not exhaustive. Officials and Employees of the Partnership in all cases should be guided by certain conflicts listed in Article 3 of this Policy.

### **3. Prevention of corporate conflicts and conflict of interests**

14. In order to prevent conflicts between the bodies, officials, employees of the Partnership and its Sole participant, Officers and Employees of the Partnership are obliged to:

- respect the rights of the Sole participant, provided by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Fund and the Partnership;
- perform professional functions in good faith and reasonably in the interests of the Partnership and the Sole participant to avoid conflicts;
- ensure timely making available to Sole participant of the Partnership the clear and reasonable position in ensuring the legitimate rights of the Sole participant;
- provide to the Sole participant exhaustive information on issues that may be the subject of the conflict;
- to reveal the transactions, that have interest, the acquisition of shares (stakes) of a competing legal entity, as well as participation in the bodies of such legal entities.
- ensure the adequacy of the remuneration, paid to Officials of the Partnership/ employees, the financial condition of the Partnership, as well as what extent the results achieved correspond to the planned activities of the Partnership indicators;

15. In order to prevent conflicts, Officials and Employees of the Partnership are also obliged to:

- 1) ensure the revealing of conflicts in the earliest stages of their development and to ensure attention to them by the Officials and Employees of the Partnership;

2) comply with the requirements of the Republic of Kazakhstan legislation, the Charter and other internal documents of the Fund and the Partnership;

3) as soon as possible to determine its position on the subject matter of the conflict, to take appropriate decisions and bring it to the attention of the Sole participant;

4) to make every effort to avoid situations that lead or may lead to conflict, including in its relations with Interested parties;

5) to refrain from any actions that will or may potentially lead to a conflict between them, the Partnership and the Sole participant;

6) eliminate the possibility of the involvement of the Partnership in the implementation of the unlawful activity;

7) ensure the greatest possible effectiveness in carrying out its activities;

8) ensure that the accounting of information about the affiliates of the Partnership, its affiliates and the Sole participant of the Partnership;

9) refrain from taking decisions on matters in which the Employee of the Association has a conflict;

10) within the prescribed periods the laws of the Republic of Kazakhstan to consider the integrity and objectivity of negative information about the Partnership in the media and other sources and to carry out a timely response to each of the fact of that information occurrence.

16. In order to prevent conflicts of interest between bodies, officials, employees and Interested parties of the Partnership the Bodies, Officials and Employees of the Partnership are obliged to:

1) to ensure timely settlement of contracts;

2) to ensure strict observance of commercial secrets in accordance with the internal documents of the Partnership;

3) charge from Interested parties the payment for goods, works and services in the amount established on the basis of mutually agreed in the contract, or at the rates on which the information is public;

4) to provide services for the Interested parties professionally, honestly and to the full extent;

5) in a timely manner, in accordance with the terms of the contract, to pay the purchased goods, works and services;

6) to improve the system of saving of the created, acquired and accumulated in the Partnership information activities so that the information referred to service or constituting commercial, official and otherwise, protected by the legislation of the Republic of Kazakhstan secret, located in the Partnership on paper, electronic and other forms of media. It does not become the subject of an illegal sale, transfer, copy, copy duplication, changing, other distribution and replication.

17. In order to prevent conflicts of interest between the Partnership and the Officials, Employees in the performance of their duties, Officials and Employees of the Partnership are obliged to:

- comply with the rules of business communication and business ethics;
- timely inform the Superior Officer / Superior Employee, the Secretary of the Supervisory Board of the actual or potential circumstances that contribute to the emergence of a conflict situation;
- notify in writing the Superior Officer / Employee, the Secretary of the Supervisory Board about Interested parties, where Officials or members of his family have a significant financial interest, and with which the Partnership conducts or intends to do business;
- refrain from any activity that directly affects the relationship between the Partnership and stakeholders, in which official / employee or his family members have a financial interest in, or are affiliates;
- obtain preliminary the consent of the Partnership to participate in the Bodies of other Company, whose interests may contradict to the interests of the Partnership;
- within one (1) business day to inform the Superior Official / Employee, the Secretary of the Supervisory Board of the Body or the Partnership of their intention to work part-time in another organization and provide information indicating that the proposed operation does not conflict with the interests of the Partnership.

#### **4. Adjustment of corporate conflicts and conflict of interests**

18. For increasing the effectiveness of efforts on prevention and settlement of conflicts the Partnership aims to create mechanisms for the timely and complete their revealing, as well as for coordination of actions of all the Bodies of the Partnership to resolve them.

19. For the settlement of the conflict the Bodies, Officers and Employees of the Partnership carry out pre-trial procedures to find a mutually acceptable solution that meets the conditions of legality and validity, while according to the interests of the Partnership.

20. Officials and Employees of the Partnership are obliged to ensure the accounting of letters, statements and requirements (including oral) of the Sole participants and Interested parties, entering on the name of Bodies, Officers, Secretary of the Supervisory Board, Employees and structural units of the Partnership.

21. The control over the revealing and settlement of conflicts, as well as the functions of coordinator on conflict settlement are entrusted to the Secretary of the Supervisory Board, and in his absence to the Director of the legal department.

22. An Employee of the Partnership, received from interested parties or from other sources the information on the conflict situation must immediately inform the Superior Officer / Employee with the transfer within five (5) calendar days, the information about the conflict to the Secretary of the

Supervisory Board, and in in his absence to the Director of the legal department.

23. Secretary of the Supervisory Board, and in its absence, the Director of the legal department of the Partnership during the information entry about the conflict should make sure that:

- conflict does not contain elements that require transfer it to the competent government agencies of the Republic of Kazakhstan;
- the conflict can be considered with in the manner provided in this Policy, and adopted a decision in that order does not contradict the legislation of the Republic of Kazakhstan;
- consideration of the conflict and a decision on it will not violate the rights and lawful interests of other persons.

24. Secretary of the Supervisory Board, and in its absence, the Director of the legal department of the Partnership in accordance with the jurisdiction provided for by the legislation of the Republic of Kazakhstan and internal documents of the Fund and the Partnership determines the authorized person to resolve the conflict, including, but not limited to:

- 1) the Supervisory Board;
- 2) the Chairman of the Supervisory Board;
- 3) the Chief Executive Officer;
- 4) Managerial staff;
- 5) specially-created working groups on conflict settlement;
- 6) external consultants.

24. In the case of necessity of conflicts settlement by specially created working group the Secretary of the Supervisory Board, and in its absence, the Director of the legal Department of the Partnership no later than 10 (ten working days) from the date of receipt of the treatment of conflicts to ensure the formation and the convening of this group to include the parties to the conflict.

25. In the case of the necessity to involve external consultants to settle conflicts the term of involvement of such consultants is regulated in accordance with the legislation of the Republic of Kazakhstan, as well as other internal documents of the Fund and the Partnership.

26. The Secretary of the Supervisory Board, and in its absence, the director of the legal department of the Partnership for consideration of conflict by appropriate persons, forms a package of documents which is registered in the mandatory manner in Logbook of conflicts and which contains, including, but not limited to:

- 1) an analytical note of the Secretary of the Supervisory Board, and in its absence, of the Director of the legal department of the Partnership, containing information about the subject, the parties, the causes of conflict and the proposed options for settlement of the conflict;
- 2) draft decision of the Bodies of the Partnership;
- 3) draft agreement on the settlement of the conflict;
- 4) other materials required for the consideration of the conflict.

20. The Secretary of the Supervisory Board, and in his absence, the director of the legal department of the Partnership assists the Bodies and Officials / Employees of the Partnership in the conflict, including through participation in the official investigation, and in the preparation of the relevant draft decisions.

21. Secretary of the Supervisory Board, and in his absence, the Director of the legal department of the Partnership, Officers / Employees of the Partnership, to settle any kind of conflicts that arise in the Partnership, are obliged to:

- 1) reveal quickly the emerging conflicts, determine their causes;
- 2) in the event of corporate conflicts to seek ways to solve them through negotiations in order to ensure effective protection of both the rights of the Sole participant, and business reputation of the Partnership;
- 3) inform that the conflict affects or may affect their interests immediately, once it becomes familiar of it, if they are, because of their authorities in the Partnership are obliged to participate in the settlement of conflicts;
- 4) know clearly the distribution of authorities and responsibilities of bodies of the Partnership;
- 5) as soon as possible to determine the position of the Partnership on the subject matter of conflict, to take the appropriate decision and bring it to the notice of other party of the conflict;
- 6) send to the other party of the conflict the full detailed answer, clearly justifying the position of the Partnership in the conflict;
- 7) ensure the persons involved in the conflict settlement, to report immediately that the conflict affects or may affect their interests or those of their family members;
- 8) to ensure the persons whose interests are affected or may be affected by the conflict, not to participate in the decision on this conflict.

22. For the settlement of the conflict between the Sole participant and the Partnership:

- 1) Officials of the Partnership in accordance with their competence, must organize the implementation of the decision on the settlement of conflicts and to facilitate the execution of the agreements signed on behalf of the Partnership to the Sole participant. In cases when between only Sole participant and the Partnership there is no dispute on the subject matter of their obligations, but some controversy occurred about order, method, timing and other conditions of their implementation, the Partnership offers to the Sole participant to settle the dispute and set out the conditions, according to which the Partnership is ready to meet its requirements;
- 2) if the consent of the Partnership to meet the requirement of the Sole participant is connected with the necessity of committing any actions by this party, established under the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Fund and the Partnership, the response of the Partnership specify those conditions exhaustively as well as it is informed the necessary information for their implementation information.

23. The list of the measures referred to in Article 4 of this Policy is not exhaustive. In each case, they may be used (applied) other forms of conflict

resolution, depending on the specifics of the situation, the adequacy of the taken measures to the purposes of conflict settlement.

24. As a result of actions on settlement the conflict, the Partnership has the right to sign an Agreement on settlement the conflict.

### **5. Responsibility**

25. In the case if in the prevention and settlement of corporate conflicts and conflicts of interests there are violated requirements of current legislation of the Republic of Kazakhstan, as well as the standards of this Policy which resulted in damage to the Partnership and (or) its Sole participant, guilty parties of such violation shall be brought to responsibility in accordance with the current legislation of the Republic of Kazakhstan.

26. Officials and Employees of the Partnership are also responsible for the proper fulfillment of the requirements of this Policy by their family members.

### **6. Final provisions**

27. The period of consideration and making a decision on the Conflict should not exceed fifteen (15) working days from the date of conflict detection. Upon the complex specific characteristics of the conflict or the need to involve external consultants to settle the conflict, the period of consideration and making a decision can be extended with taking into account the laws of the Republic of Kazakhstan and internal documents of the Fund and the Partnership.

28. The Secretary of the Supervisory Board, and in its absence, the Director of the legal department of the Partnership registers the information the conflict, entered to him, forms an unified database of information on the conflict, entered to him and also provides storage of this information, and transfer in the established order in the archive.

29. Secretary of the Supervisory Board, and in its absence, the Director of the legal department of the Partnership analyzes and provides reports and recommendations to the Bodies, Officials and Employees of the Partnership.

30. In the case of impossibility to settle corporate conflicts and conflicts of interest by means of negotiations, they are settled in accordance with the legislation of the Republic of Kazakhstan.