



JSC “AK Altynalmas”


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Developed by: Vice-President for Compliance	Approved by: Resolution of the Management Board of AK Altynalmas JSC			

JSC “AK ALTYNALMAS” EMPLOYEES AND OFFICIALS CONFLICT OF INTEREST MANAGEMENT POLICY

LLC-PL-02


JSC “AK Altynalmas”

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1. General

1. This Employees and Officials Conflict of Interest Management Policy of AK Altynalmas JSC (hereinafter as the “Policy”) has been developed in accordance with the Charter, Corporate Code of Conduct JSC “AK Altynalmas” (hereinafter as the “Company”) and effective legislation of the RoK.
2. One of the essential conditions for Employee and Official of the Company to perform their duties is to ensure there are no conflicts between the private interests of Employee or Official and interests of the Company, and, if such conflict arise, they shall be revealed and resolved in a timely manner.
3. Conflict of interest is determined as a situation when a private interest of Employee and Official of the Company affects or may affect the impartial performance of official duties.
4. The Company intends to maintain an environment that allows Employees and Officials to fulfill their duties openly, in good faith, honestly, and without bias.
5. All Employees and Officials shall behave in such a way that no situation with a potential conflict of interest may occur either in relation to themselves (or associated persons) or in relation to other persons.
6. This Policy is effective for all Employees and Officials of the Company, its subsidiaries, and applies to third party consultants, contractors, and personnel hired through agencies while they perform their work for the Company or its subsidiaries.


2. Purpose

7. The purpose of the Policy is to develop a unified system in the Company for managing real and potential conflicts of interest, and to define behavioral standards for Employees and Officials, which will allow to minimize risks of decision making in the Company under influence of private interests and relationships of employees.

3. Definitions and abbreviations

3.1. Definitions

- Officials are the President – CEO of the Company, members of the Management Board, Vice-Presidents of the Company, Managers of the Company Departments and persons executing their duties.
- Authorized Compliance Service (Compliance Officer) is an Employee of the Company or Official whose duties are to ensure the Company's activities with legislative requirements, and internal standard acts.
- Family members are parents, spouses, children, siblings, and siblings, parents, children of spouses, dependent persons, and other close relatives.


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4. Applicability

8. This Policy is an internal standard document of the Company mandatory for all employees, structural divisions, projects, and subsidiaries of the Company.

5. Basic principles and provisions

9. The Company presumes that each Employee and Official when executing their job duties, shall put the interests of the Company above their private interests.
10. On the other hand, the Company respects the right of its Employees and Officials as individuals and recognizes their right to be involved in legitimate financial, entrepreneur, political, and other activities at off-work time if it does not affect their ability to perform their job duties in the Company.
11. The maximum balance between the interests of the Company and private interests of Employees and Officials is one of conditions for stable relations between the above named persons and the Company.
12. Employees and Officials have no right to participate in and influence directly or indirectly on business decision, process, or transactions while carrying out the Company’s activities if there is a real or potential conflict of their private interests with the interests of the Company.
13. The Company and its Employees/Officials are equally interested in the absence of conflicts between their interests.
14. Employees and Officials:
 - Must be guided exclusively by the interests of the Company when making a decision on issues arising due to their job duties.
 - Bear personal responsibility for timely revealing a conflict between their private interests and the Company’s interests, timely disclosure of the conflicts of interest, and for taking active part in the resolution of real or potential conflicts of interest.
 - Guarantee that their private interests, family relationships, friendly and other relations, personal likes, and dislikes will not interfere with the business decision.
 - Avoid any situation or circumstances whereat their private interests will contradict with the interests of the Company.
 - Do not compete with the Company, including but not limited with the competition on any business transactions, being developed and implemented projects.
 - Do not use assets of the Company, and their status in the Company and/or business possibilities appearing in connection with the execution of their job duties in the Company to satisfy their private and financial interests.
 - Do not use for the interests of third parties, business possibilities which they became aware of due to the fulfillment of their job duties in the Company.


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15. Officials are obliged to evaluate if they have enough time to implement their duties. If there are no possibilities or no sufficient time to fulfil obligations in full extent, Official shall resign.
16. The Company realizes that it is not possible to avoid completely a conflict of interests. Therefore, to protect its Employees and Officials from any possible wrong actions each conflict requires a timely disclosure and settlement.
17. The Company establishes a system for managing conflicts of interest based on the following principles:
 - Mandatory disclosure of information on a real or potential conflict of interest or even the appearance of such conflict.
 - Review on an individual basis, evaluation of risks of each conflict of interests for the Company and settlement of each conflict case.
 - Confidentiality of conflict of interests and settlement processes related information (upon a will of Employee and Official).
 - Maintain a balance between the interests of the Company, Employee, and Official when resolving a conflict of interests.
 - Protect Employee against harassment due to a conflict of interests which was duly disclosed by Employee.

6. Execution and compliance

6.1. Defining the presence of a conflict of interest

18. A good method to determine if there is an actual or potential conflict of interests is a “**trust test**” that means one needs to ask him/herself the question: “**would anybody trust me after my action if they knew that I had been in such situation?**”
19. Each Employee and Official shall be capable to analyze their own behavior in terms of their work for the Company. Examples of a conflict of interests include the following cases but not limited to:
 - 1) A family member or friend of Official/Employee is employed to a department of the Company without passing the appropriate candidate selection procedure due to the interference of the Official/Employee.
 - 2) Employee/Official of the Company has a participation of the capital/owns shares of a supplier/contractor of the Company.
 - 3) A family member works for a competitor/supplier of the Company, receives material advantages due to the connection with the Official/Employee.
 - 4) There is an influence on procurement process, the voting in favor of signing an agreement/contract with suppliers/contractors of the Company.
 - 5) Employee/Official receives gifts or hospitality from those who have or want to have business or enter into employment relations with the Company.

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20. Such conflicts may affect the ability of Officials or Employees to make fair, honest judgements and may lead to an inappropriate use of the Company’s resources.


6.2. Disclosure of information related to a conflict of interests

21. Employees and Officials shall immediately and in full extent disclose to the Company all cases of real or potential conflicts of interest. The Management Board members and Vice-President for Compliance shall disclose to the Board of Directors and Compliance Office of the Company all cases of real or potential conflict of interests.
22. Vice-Presidents and Directors of divisions subordinate to the Management Board of the Company shall disclose to Vice-President for Compliance all real or potential cases of conflicts of interest.
23. Employees shall disclose to Compliance Manager all real or potential cases of the conflict of interests.
24. The Company recommends its Employees and Officials to disclose details on private circumstances which may create at least an appearance of a conflict of interest.
25. The Company sets out the following system for disclosing details on potential and real conflicts of interest:
- Preliminary disclosure of conflict of interest details when hiring an Employee.
 - Disclosure of a conflict of interest details when appointing or taking an office.
 - One-time disclosure of conflict of interest details as arise a situation (circumstance) which will induce or have induced a new real or potential conflict of interest.


26. Information related to conflict of interests shall be disclosed by Employees or Officials only in writing as per approved format – “Compliance Report Form”.
27. The Company considers the concealment and/or intentionally untimely or incomplete disclosure of information about a conflict of interest for any reason as an abuse of its trust and deception.

6.3. Resolution of conflicts of interest

28. The Company works towards a balanced resolution of any conflicts of interests submitted by Employees and Officials which shall take into account the interests of the Company, and its Employees and Officials.
29. Information about the existence of a real or potential conflict of interest shall be thoroughly checked by the Compliance Office in order to assess the level of potential risks for the Company and to select the most suitable form for this conflict resolution.
30. Each division of the Company must maintain a Register of conflict of interests with all complaints accepted by the division. The Compliance Officer shall be responsible for maintaining and updating the Register.
31. Upon a receipt of Conflict of Interest Report Form from an Employee/Official, the Compliance Officer shall perform the following actions:

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- send the Compliance Report Form to Compliance Manager/Vice-President for Compliance and send its copy to the immediate supervisor of the Employee/Official.
 - input complaint data into the Conflict of Interests Register of the division (with a “Pending decision” mark-up in “Description of Actions” column).
32. Compliance Manager/Vice-President for Compliance shall consult the immediate supervisor of the Employees/Officer in terms of actual or potential conflict of interests. After that, it will be determined which actions must be undertaken to resolve the current situation.
33. After analyzing information on the existence of the real or potential conflict of interests with Employee upon a recommendation of Compliance Office, the Company management shall take the following actions on resolution of the conflict of interests:
- Restrict Employee’s access to certain information of the Company which may be related to the private interests of Employee.
 - Voluntarily refusal of Employee or his suspension (permanent or temporary) from the participation in discussion and decision-making process on the issues that are or may be influenced by the conflict of interests.
 - Revise and change the scope of obligations and job duties of Employee.
 - Transfer Employee to a position where his/her job functions will not be related with the conflict (with Employee’s consent).
 - Dismiss Employee from the Company upon Employee’s initiative or upon agreement of the parties.
 - Refusal of the Employee from his private interests rising the conflict with the interests of the Company.
34. After analyzing information on the availability of real or potential conflict with Official upon a recommendation of the Compliance Office, his/her immediate supervisor or based on a decision of the Board of Directors the following actions on resolution of the conflict of interests shall be done:
- restrict Official’s access to information of the Company which may be related to the private interests of Official.
 - voluntarily refusal of Official or his/her suspension (permanent or temporary) from the participation in discussion and decision-making process on the issues that are or may be influenced by the conflict of the interests.
 - refusal of Official from his/her private interests rising the conflict with the interests of the Company.
35. Given list of the actions on resolution of the conflict of interests is not complete. Other conflict settling measures may be found in each case of conflict resolution upon agreeing between the Company and Employee, Official disclosed information related to the conflict of interests.
36. An entry on taken measures shall be made in the Compliance Report Form and the Form signed by a representative of the Compliance Office shall be forwarded to the Compliance Officer for further updating of the Conflict of Interests Register of the relevant department.

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37. Vice-President for Compliance shall regularly report all conflicts of interest related complaints and decisions of the Compliance Committee.
38. Compliance Manager shall check all conflict of interest related complaints requiring action together with the Compliance Officer and immediate supervisor of Employee/Official at least once year to ensure the acceptance of established measures or to confirm that the conflict has been resolved.


7. Gifts and hospitality

39. Gifts and hospitality, made or received, may be a part of creating and maintaining a business relationship. However, these actions may lead to actual or perceived conflicts of interest, bribery, or corruption. Special attention should be paid to the presentation of gifts and hospitality to civil servants. A detailed definition of civil servants is defined in the Company's Corporate Code of Conduct.
40. Employees and Officials are allowed to offer, present or receive gifts and hospitality, provided that this gift or hospitality meets the requirements of the legislation of the Republic of Kazakhstan and this Policy.
41. Gifts and hospitality should be rare, modest, appropriate, and based on honest intentions. They should not be directed, or interpreted, as aimed at exerting undue influence on the recipient, gaining an advantage by dishonest means, or imposing certain obligations on the recipient.
42. Employees and Officials must register gifts and hospitality (even denied) in the Register of gifts and hospitality in order to ensure transparency and openness in accordance with the requirements of this Policy.

7.1. Prohibited gifts and hospitality

43. Employees and Officials are prohibited from offering, giving, or receiving gifts and hospitality described below:
 - any gift or hospitality from companies participating in the Company's procurement process for goods, works and services;
 - any cash payment;
 - higher than the value of gifts or hospitality that is subject to registration according to Value Table (see Table 1), or the lack of approval of the gift or hospitality in accordance with Clause 7.4;
 - making arrangements for any travel or accommodation for an employee or official and/or any of their family members paid for by third parties, as well as any entertainment;
 - organization of hotel accommodation or travel and payment of daily allowances for government employees.

7.2. Low value

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44. Employee or Official may offer, present, or receive gifts or hospitality without registration if their value does not exceed the lower limit set out in the Value Table (see Table 1) below and if prior approval is not required in accordance with Clause 7.4.

7.3. Registration requirements

45. Employee or Official must record the following in the Register of gifts and hospitality:

- any gift or hospitality that exceeds the lower limit set in the Value Table (see Table 1);
- multiple gifts and hospitality for/from the same organization or person during a calendar year where the total value exceeds the lower limit set in the Value Table (even if the individual value of each gift / hospitality is less than the lower limit set in the Value Table (see Table 1);
- any gift or hospitality that requires prior approval in accordance with clause 7.4.

46. Employee and Official must complete Registration and Approval Form for gifts and hospitality and submit it to the Compliance Service for registration.

47. Registration shall be completed within 15 (fifteen) calendar days after the presentation, or receipt of a gift, or acceptance or provision of hospitality.

7.4. Prior approval requirement

48. Employee and Officer must receive a prior approval for an offer, giving or receiving:

- any gift or hospitality which value exceeds the upper limit set in the Table of Values (see Table 1);
- multiple gifts and hospitality for/from the same organization or person during a calendar year where the total value exceeds the upper limit set in the Value Table (see Table 1).


49. To obtain prior approval, Employee and Official must complete the Registration and Approval Form for gifts and hospitality and obtain approval of this Form from their line manager, as well as from the Authorized person of the Compliance Office. A gift or hospitality must not be offered, given, or accepted until all necessary permissions have been obtained.

50. Detailed data of both offered or given to Employee and Official by a Third Party and rejected gifts and hospitality shall be registered in the Register of gifts and hospitality.

51. Below is the Value Table as per positions of the Company (see Table 1).

Table 1. Table of Value

Position/Position within the Company	Gifts/signs of hospitality which may be accepted/presented without registration	Gifts/signs of hospitality that must be registered and approved before their acceptance/presenting	Approval
Members of the Management Board (CEO)	\$250-500	\$500-1000	The Board of Directors

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Vice-Presidents / Directors of Departments (CEO-1)	\$100-250	\$250-500	Vice-President for Compliance
Other Employees	\$20	\$20-100	Compliance Manager

* Value is given in the USD and rated per one employee.

7.5. Register of gifts and hospitality

52. Each division shall maintain its Register of gifts and hospitality as per the established form by entering it in the Register all Registration Forms for gifts and hospitality received by relevant division and indicating actions to be taken.
53. The Authorized Compliance Office shall bear responsibility for the Register safe keeping and regular updating.
54. Copies of the Registers of each division shall be provided to Compliance Manager on a quarterly basis. Compliance Manager shall inform Vice-President for Compliance about the Register and any issues associated with it and provide relevant reports to the Compliance Committee.

8. Responsibility


55. The compliance with this Policy is a binding duty of any Employee and Official of the Company.
56. Non-fulfillment of this Policy may be considered as a breach of the discipline and be a basis for bringing the employee to disciplinary responsibility.

9. Support and advice

57. If Employee and Official have doubts about a possible conflict of interests or the need to register or receive, approve gifts or hospitality, then Employee and Official shall immediately discuss the issue with Authorized Compliance Office and/or Compliance Manager, Vice-President for Compliance or report it to his/her immediate supervisor.

10. Final provisions


58. Department Managers shall communicate this Policy to subordinate employees.
59. All Employees and Officials shall read the Policy and confirm this by their signatures.
60. The Company shall not bear any responsibility for actions of its Employees and Officials, who breach, are the cause or may be the cause of such breach of the Policy.
61. The Company expects that Employees and Officials who have grounds to assume that this Policy was breached or there is a potential of such breach, shall immediately notify on this in pursuant with Regulation for reporting on violation of ethic norms, legislation, and standing orders of the Company.

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62. The Company guarantees that no Employee will be held liable by the Company and will not experience any adverse aftereffects upon an initiative of the Company due to the compliance with the requirement herein or reporting to the Company on potential or actual violation of this Policy.
63. The present Policy shall be approved by the Board of Directors, all amendments and additions hereto shall be introduced upon a resolution of the Board of Directors.


11. Document storage and archiving

64. The original of the Policy shall be kept with Methodology, Standardization, and Corporate Development and on the portal of the Company.
65. The original of cancelled or revised policy shall be kept with Archive of Methodology, Standardization and Corporate Development Department within 3 years after this document expiry, annulment or substitution.

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12. Approval Sheet

№	Full name	Position	Date	Signature
1	A.D. Markashov	Vice-President for Compliance		
2	K.S. Turekhanova	Head of Metrology, Standardization and Corporate Development		

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13. Acknowledgment Sheet

№	Full name	Position	Date	Signature

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14. Amendment Sheet

№	Revised section of document	Revision No.	Revision approval date	Person responsible for revision