



JSC “AK Altynalmas”


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

**REGULATIONS
FOR REPORTING VIOLATION OF ETHICAL STANDARDS,
LAWS AND CORPORATE POLICIES
OF JSC “AK Altynalmas”**

LLC-PLJ-03


JSC “AK Altynalmas”

Almaty, Y2019

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1. General

1. JSC “AK Altynalmas” adheres to the highest standards of honesty, responsibility and we believe that our employees play a crucial role in achieving them.
2. JSC “AK Altynalmas” implements these Regulations for reporting violation of ethic norms, laws, and corporate policies of AK Altynalmas JSC (hereinafter as the “Regulations”) for those cases when an employee is concerned about the behavior of another employee of JSC “AK Altynalmas” (hereinafter as the “Company”) but does not report this due to a fear of being dismissed, physically intimidated or any discrimination acts from the part of such employee considering his/her higher social status and any other reasons.
3. The Regulations have been developed and implemented in compliance with the provisions of Corporate Code of Conduct JSC “AK Altynalmas” and effective laws of the RoK.
4. These Regulations apply all employees of the Company and its subsidiaries. It also applies to third party consultants, contractors and personnel employed through agencies while they perform work for the Company and its subsidiaries.
5. Our employees must report any suspicion of non-compliance of legal obligations, crimes committed, acts that threaten the health or safety of the employees or community members, actions that harm the environment, actions that may lead to financial losses or reputation damage, acts of discrimination, harassment, abuse of alcohol or other substances, acts aimed at concealing any of the above violations.
6. If you think that there is a threat to the Company and its subsidiaries or there is a risk to any other individual or legal entity, report this.

2. Definitions and abbreviations

2.1. Definitions

- Employees are all staff of the Company both employed directly by the Company and working for/at the Company via a recruitment agency or contractor.
- Third parties are suppliers, consultants, agents, distributors, and any other entities acting for the interests and on behalf of the Company, as well as other entities cooperating with the Company.

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3. Purpose of the Regulations

7. These Regulations explain how Employees and Third Parties may express their concerns about acts of other employees, related to what issues, and what measures will be undertaken in this regard, and establish the Company’s liability to protect such persons.


4. Applicability

8. These Regulations apply to all officials and employees of the Company (permanent, contracted, temporary staff), seconded persons, and employees provided by recruitment agencies, to suppliers, consultants, agents, distributors and any other persons acting on behalf of the Company, and to other persons with whom the Company cooperates. Hereafter in relevant cases Employees and Third Parties are jointly referred as “Whistleblower” or “Whistleblowers”.
9. Whistleblowers shall report any problems they observe in actions of Employees or any Third Parties.


5. General Provisions

5.1. Notifications

10. Company encourages all Whistleblowers to report as soon as possible their concerns with regard to any known incidents or inappropriate behavior in the workplace. The Company acknowledges that Whistleblower may not be aware of all information about his/her particular concern, but this shall not be a reason for turning down his/her notification.
11. Below is an incomplete list of inappropriate behavior examples to be reported but it does not limit Whistleblowers in terms of their rights to notify on any violations, which may result in a potential damage to the Company in one form or another:
 - acts or omissions that may cause damage to human life or health.
 - safety rules violations.
 - criminal or administrative offences.
 - fraudulent misleading the Company, its employees or business partners with the purpose of obtaining illegal financial advantages for the teams in charge or themselves.
 - willful miscommunication of information affecting the financial statements directly or indirectly.
 - gross violation of employment duties and other obligations that result or may result in the damages to the Company.
 - acts or omissions from the part of the Company or its employees that may cause the environmental damage.
 - major breach of internal finance accounting and control rules.
 - blackmail, corrupt business practices, bribery or other corruption acts.
 - gross violation of professional or ethical standards.

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- harassment.
 - threats against Employees.
 - use of alcohol or other illicit substances.
 - fraudulent hiding any related to the above.
12. The Company does not allow any harassment or discrimination towards Employees who in a good faith manner report their concerns or notify on the business ethic or legislation violations.
 13. The Company will protect Employees reporting about concerns and violations against threats, harassment, and discrimination; Employees being aware of or suspecting such actions, may report them directly to their supervisor, Head of Compliance Office or call the hotline service. Employees participating or assisting in the internal investigations, will be also protected by the Company.
- 5.2. Violation Reporting Procedure**
14. Employees who possess justified suspicions on violations of the business ethics, effective legislation, or local acts of the Company, shall first inform their immediate supervisor who is responsible for such situation and may effectively and promptly respond to it.
 15. If this option is not acceptable, the issue shall be addressed to the Head of Compliance Office. If Employee is afraid of using the mentioned internal mechanism, he/she may report issues to an independent third party by calling the hotline service
 16. The third party having specific facts or justifiable suspicions (assumptions) on violations of the ethic standards, effective laws shall first notify in writing its contact person in the Company or directly the Head of Compliance Office. The third party also has an additional opportunity to report issues anonymously by calling the independent hotline service.
 17. The hotline and the Internet resource are serviced by an independent company as a guarantee of confidentiality for all reports. The hotline is available 24/7, has multilingual support for both telephone line and the Internet applications.
 18. If Whistleblower wants to report a violation via the hotline he/she needs to call the phone or use the Internet resource, or email a message or use a mobile app (Telegram and/or WhatsApp), which are described in the Guidelines for business ethics report system. Telephone calls are free of charge and impose distortion on the voice of a person reporting violation.
 19. All issues arisen in accordance with the Regulations will be handed over to the Head of Compliance Office who as per the established order will notify the President-CEO and the Board of Directors of the Company
 20. The Company encourages Whistleblowers to provide their names, contact details when contacting the hotline thus to assist in further investigations and inform Whistleblowers on achieved results. However, Whistleblowers may report bribery and corruption facts anonymously, and it is Whistleblower’s choice whether to remain anonymous or not.

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21. The Guidelines for business ethics reporting system, effective laws or local acts of the Company shall be posted in all workplaces of the Company.

5.3. Actions of the Company upon receiving a violation report


22. The main objective of the Company is to prevent a violation of ethical standards, effective legislation, and local acts of the Company. If a violation occurred, the Company shall seek to prevent its recurrence.
23. Upon receipt of a violation report the Compliance Office shall review it and decide on measures to be undertaken. An internal check-up is conducted depending on nature of supposed violation, if the issue or violation report is recognized as reasonable, the Company may undertake the following actions:

1) Investigation.

- The Company initiates an investigation on the reported case, in doing so the following may be conducted:
 - Interview with Employees and third parties, including witnesses, co-workers, managers, and business partners.
 - Check-up of any required documents, computer files, other information, and data.
- The Company asks everybody to provide full cooperation in any investigation to have a possibility to consider complaints in due manner. This may require submitting to the Company names of any witnesses, disclose any essential documents and be present at any investigation related meetings.

2) Decision.

- As per investigation results the Compliance Office prepares a relevant report that includes facts, proofs, recommendations, and other measures to eliminate revealed violations.
 - The Compliance Office may forward investigation outcomes to the Management Board and Vice-President for Human Resources.
 - The investigation outcomes shall be transferred to the Board of Directors of the Company; or
 - The Company may transfer the investigation materials to a competent state authority for further investigation as per procedure set forth by laws of the Republic of Kazakhstan.
24. In case of non-anonymous application, Whistleblower will be informed on measures taken directly or via an IT solution used by the Compliance Office for the process arrangement.
 25. The Company cannot guarantee that it will respond to all applications in a way as Whistleblower wishes, but it will seek to accept an objective and adequate decision on each application.
 26. Complaints regarding Employee.
 - If a complaint is about Employee, the Company:
 - informs Employee about the nature of complain.

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- investigates the case.
- gives Employee a chance to reply to any accusations.
- notifies Employee on outcomes of the complaint review and, if needed, indicates remedial actions that Employee will be required to implement.


27. It is worth noting that accusations brought against Employee may lead to disciplinary punishments. Whereupon, if a complaint is submitted in malign and bad intent, the Whistleblower who submitted it may be subject to disciplinary punishment.

6. Confidentiality

28. By reporting on suspicions pursuant to these Regulations, Whistleblower does not carry a risk of losing his/her job, being subject to any form of retaliation or harassment. Even if Whistleblower was wrong, the main thing is that he/she acted with a good faith and with the purpose to protect the interests of the Company. Nevertheless, these Regulations do not apply to those who maliciously report undoubtedly unreasonable suspicions.
29. The Company understands that when making a complaint Whistleblower may wish to keep it confidential. At this Whistleblower shall keep in mind that if the complaint is anonymous, it will be harder for the Company to investigate the case or inform Whistleblower on investigation outcomes if the complaint was submitted via a telephone message.
30. All Applications within the frames of these Regulations must be documented and all the documents be confidential.

7. Disciplinary punishments and other respond measures


31. If a report on violation of ethical standards, legislation or local acts of the Company is confirmed, corresponding disciplinary punishments or other measures shall be implemented towards guilty persons pursuant to applicable laws and/or internal standard documents and acts of the Company.
32. As to persons who were caught in any retaliation of Employees and have not informed on issues in a good faith, they will be imposed with disciplinary actions or other measures in accordance with applicable laws and/or internal norms and acts of the Company.
33. If Whistleblower informed on assumed violation in a good faith but his/her complaint was not confirmed in the course of further investigation, no actions shall be applied towards such Whistleblower.
34. However, it is important that the complaint review procedure is used in the Company in a proper manner to assist those who are experiencing real problems in their work. Therefore, the Company will not tolerate abuses or illegal use of these Regulations. If Whistleblower submits a complaint with bad and/or malicious purposes, the Company shall be entitled to impose disciplinary or other measures towards him/her in accordance with applicable law and internal normative documents of the Company. Similarly, if Whistleblower submits as per above procedure numerous complaints having no reasons or on insignificant matters which may be solved unofficially the

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Company will also be entitled to initiate a disciplinary action against the employee for useless loss of managerial time and resources.


8. Document filing and archiving

35. The original of effective Regulations shall be kept with Methodology, Standardization and Corporate Development Department and on the web-portal of the Company.
36. The original of annulled or amended Regulations shall be kept with Methodology, Standardization, and Corporate Development Department within 3 years upon expiry, annulment or substitution of this document.

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9. Approval Sheet

№	Full name	Position	Date	Signature
1	A.D. Markashov	Vice-President for Compliance		
2	M.Y. Nussipova	Vice-President for Human Resources		
3	A.Zh. Urazova	Vice-President for Corporate Culture and Communications		
4	K.S. Turekhanova	Head of Methodology, Standardization and Corporate Development Department		

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10.Acknowledgement Sheet

№	Full name	Position	Date	Signature

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11. Amendment Sheet

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