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**Policy
of NAC Kazatomprom JSC on Prevention of Corruption and Fraud**

1. Purpose

This Policy of NAC Kazatomprom JSC on Prevention of Corruption and Fraud (hereinafter – the Policy) determines the main directions for operations of NAC Kazatomprom JSC (hereinafter – the Company) and general behavior rules for the officials and employees of the Company on anticorruption and antifraud.

2. Scope

Principles and requirements of this Policy shall apply to all structural divisions of the Company.

3. Terms and definitions

3.1 For the purpose of this Policy, the following terms and definitions shall mean:

Editi on #	Pages changed *	Developed by	Considered by	Approved by
0.		Director of Security Department Elubaev B.Y. «19» February 2015	Resolution of the Management of JSC NAC Kazatomprom # 181 dated «17» March 2015	Resolution of the Board of Directors of JSC NAC Kazatomprom # 7/15 dated «30» April 2015
1.	1-9	Head of Compliance Sarbassov S.M. “__” ____ 2019	Resolution of the Management of JSC NAC Kazatomprom # 33/19 25 October 2019	Resolution of the Board of Directors of JSC NAC Kazatomprom # 11/19 28 November 2019

3.1.1 **Anticorruption Standard** – the system of recommendations set for the Company’s operations, which is aimed at prevention of corruption. The Anticorruption Standard of the Company is presented in Annex 1 to this Policy.

3.1.2 **Official** – a person who permanently, temporarily or by special authority performs the functions of a representative of authorities or performs organizational-and-management, administrative-and-economic functions in state bodies, quasi-public entities, local self-government bodies, and also in the Armed Forces, other troops and military formations of RK, subjects of quasi-state sector.

3.1.3 **Commercial bribery** – illegitimate transfer to a person discharging managerial functions in a commercial or other organization, of cash, securities or other property, as well as illegal provision hereto of services of property character for the use of his/her official position, as well as for the general patronage or connivance at service in the interests of the person committing the bribe.

3.1.4 **Control environment** – the complex of internal control procedures functioning within the system of risk management and internal control. The control environment is the basis for the efficient internal control system and impacts other its components.

3.1.5 **Conflict of interests** – a situation when private interests of an employee (including members of his/her family) contradict their official responsibilities and/or the interests of the Company, and may affect the due performance of the job responsibilities by such employee, as well as result in a damage to the interests, property or business reputation of the Company.

3.1.6 **Corporate compliance system** – the set of measures and preventive actions aimed at non-admission of breaches of laws, industry regulations and internal documents of the Company.

3.1.7 **Corporate fraud** – action or inaction of natural persons and/or legal entities (in cases stipulated by the Applicable Laws) for the purpose of receiving personal benefit and/or benefit of other person in damage to the interests of the Company, and/or cause material and/or non-material damage to the Company by way of deception, confidence abuse, mislead or otherwise. Corporate fraud appear in the forms of distorting financial reports, corruption actions, as well as stealing and other violations, including intentional spoilage and other breaches with respect to assets of the Company. Examples of corporate fraud are listed in Annex 2 to this Policy.

3.1.8 **Corruption offence** – an unlawful culpable act (action or inaction) with elements of corruption, for which administrative or criminal liability is established by law, proposal of a bribe, including giving, promise, extortion or receiving of bribes, acting as intermediary in bribery, making payments for simplification of administrative, bureaucratic and other formalities in any form, including cash, other valuables, services or provision / receipt of unjustified tangible or intangible benefit from any persons / organizations or to any persons / organizations, including representatives of state bodies.

3.1.9 **Corruption** – illegal use by persons holding a responsible civil service position, persons authorized to perform public functions, persons equated to persons authorized to perform public functions, officials of their official powers (powers of office) and related opportunities to obtain or derive, personally or through intermediaries, material (non-material) benefits and advantages for themselves or third parties, as well as bribery of the said persons through benefits and advantages provided to them.

3.1.10 **Material damage (tangible damage)** – the real decrease of property of the Company or worsening the state of such property, occurring as a result of culpable actions (inaction) of an employee of the Company, as well as additional costs or other payments for procurement, recovery of property, or for recovery of damage caused by the employee to third parties.

3.1.11 **Ombudsman** – the person appointed by the Company’s Board of Directors whose role is to advise the employees of the Company who seek the advice, provide them with assistance

to resolve labor disputes, conflicts, issues of a social and labor nature, and issues in the area of compliance with the principles of business ethics on behalf of employees of the Company and its subsidiaries and affiliates.

3.1.12 **Applicable Law** – laws of RK, as well as of other jurisdictions, where their own anticorruption rules apply, at the territory of which the corruption offences were committed, including the jurisdictions where securities of the Company are admitted to trades at the organized markets.

3.1.13 **Employee** – a natural person being in labor relationships with the employer (the Company) and directly operating under the labor contract.

3.1.14 **Losses** – expenses which have been incurred or should be incurred by the Company in case of breach of its rights, loss or damage to its property (real damage), as well as unreceived income, which the Company should have received in the normal way of business, if its rights had not been violated (lost profit).

3.2 Other terms and definitions used in this Policy, shall have the meanings set forth by the laws of RK, other Applicable Laws and internal regulatory documents of the Company.

4. General provisions

4.1 This Policy was developed in accordance with the existing anticorruption, administrative and criminal legislation of RK, applicable international laws, in particular the UK Bribery Act, the Code for Ethics and Compliance, Code of Corporate Governance, and other internal regulatory documents of the Company.

4.2 This Policy was developed for the purposes of:

- 1) implementation of efficient measures for preventing corruption and fraud in the Company;
- 2) creation of the unilateral understanding at the officials and employees of the Company, its counteragents, investment community about the Company's position on non-acceptance of corruption and fraud offences and actions in any form and appearance;
- 3) decrease of risks for arising of corruption and fraud in the Company.

4.3 Achievement of goals in the sphere of preventing corruption and fraud shall be ensured by way of:

- 1) summarizing, explaining and informing the officials and employees of the Company about the principles and requirements of the anticorruption legislation;
- 2) adoption of measures for minimization of risks of the Company's involvement into corruption and fraud activities, as well as application of preventive measures for preventing corruption and fraud;
- 3) ensuring available communication channels for reporting about cases of corruption and fraud;
- 4) establishment of responsibility of the Company's officials and employees to know and comply with the provisions of this Policy, norms of anticorruption law.

4.4 Issues not regulated by this Policy, shall be governed in accordance with the laws of RK and internal documents of the Company.

5. Subjects and types of corruption offences

5.1 The potential subjects of corruption offences in relation to the Company's performance, include:

- 1) persons who permanently, temporarily or by special authority perform organizational-and-management, administrative-and-economic functions in the Company;

2) individuals and legal entities acting on behalf of the Company, illegitimately using their official (job) authorities and opportunities related thereto for the purpose of obtaining or retrieval property (non-property) benefits personally or via intermediaries for himself/herself or for third parties, as well as bribing persons who hold responsible state positions, persons authorized for discharging state functions, persons equal to the persons authorized for discharging state functions, by way of providing benefits and privileges;

3) other persons whose liability for committing corruption offences is stipulated by the Criminal Code of RK, Code of RK on Administrative Offences, other laws of RK, and other Applicable Laws.

5.2 The administrative corruption offences stipulated by the Code of RK on Administrative Offences, include:

1) provision by natural persons the illegal tangible remuneration, gifts, benefits or services to the persons authorized for discharging state functions, or persons equal thereto, if such actions do not have signs of a criminally prosecuted action;

2) receipt by a person authorized for discharging state functions, or person equalized thereto, personally or via an intermediary, of an illegal tangible remuneration, gifts, benefits or services for action (inaction) for the benefit of persons who provided them, if such actions (inactions) fall within the official duties of the person authorized for discharging state functions, or the person equalized thereto, if such actions do not have signs of a criminally prosecuted action;

3) provision by legal entities to the persons authorized for discharging state functions, or persons equalized thereto, of the illegal tangible remuneration, gifts, benefits or services, if such actions do not have signs of a criminally prosecuted action;

4) carrying out business activities by the state bodies, local governments, outside the functions allocated thereto by the laws or acceptance of tangible benefits and preferences, outside the established sources of financing;

5) inactions by the heads or responsible secretaries or other officials, defined by the President of RK, state bodies of RK, Army Forces of RK, other armies and military units of RK within their authorities with respect to elimination of violations of the laws of RK on prevention of corruption, or with respect to their subordinate persons guilty of commitment of corruption offences, or taking measures with violations of the law of RK on prevention of corruption, or non-submission of respective information to the bodies of state revenues at the place of living of the guilty persons;

6) hiring of persons who previously committed corruption offences, by the heads of state bodies, institutions and enterprises, or by the managers of the national companies, national managing holdings, national holdings, national development institutions, as well as their subsidiaries.

5.3 Corruption offences stipulated by the Criminal Code of RK, are acknowledged:

- 1) abusing official authorities;
- 2) exceeding authorities or official powers;
- 3) appropriation of duties of an official person;
- 4) illegal participation in business activities;
- 5) hindering legal business activities;
- 6) receipt of a bribe;
- 7) giving of a bribe;
- 8) intermediaries in bribery;
- 9) forgery;
- 10) inaction at service;
- 11) negligence.

5.4 The following actions are considered by the Company as unacceptable and incompatible with the Company's operations:

- 1) direct or indirect promise, proposal or permit for procurement of a valuable, job position, assistance in procurement of goods, works or services, other tangible/intangible benefit or preference, which contradict interests of the Company;
- 2) proposal by any natural persons and legal entities or acceptance by persons, listed in clause 5.1 of the Policy, of any property benefits, not stipulated by laws and/or internal documents of the Company (including so-called “graft”, loan, reward, remuneration, discount or any other benefit);
- 3) payments to fictitious organization or organizations whose structure of ownership is not transparent;
- 4) payments to legal entities belonging to or controlled by persons authorized for discharging state functions, or persons equalized thereto, their close relatives;
- 5) transfer and/or receipt of illegal remuneration in form of cash, bonds or other types of securities;
- 6) receipt of unjustified discounts;
- 7) giving and/or receiving gifts, including cash;
- 8) hiring persons who previously committed corruption offences;
- 9) illegal appropriation of tangible and intangible assets by way of mislead or abuse of trust;
- 10) illegal actions with use of non-allowed cheques, debt liabilities, bills of exchange, or fictitious exchange transactions;
- 11) fraud actions with use of information technologies.

6. Main principles of preventing corruption and fraud

6.1 **Unacceptability of corporate fraud:** the Company does not accept any form of corporate fraud and carries out the complex of actions and preventive measures aimed at prevention of corporate fraud.

6.2 **Tone at the Top:** managing employees of the Company and of the Company’s entities must demonstrate the irreconcilable attitude to any forms and types of fraud and corruption at all levels.

6.3 **Inevitability of punishment:** the Company must demonstrate the irreconcilable attitude towards any type of corporate fraud, timely react to received allegations on corporate fraud, as well as call to account the persons guilty of corruption and fraud or breach of control procedures.

6.4 **Segregation of incompatible duties:** the Company ensures segregation of official duties in the respective way (i.e. it is not acceptable to simultaneously allocate functions of development, approval, application, monitoring and evaluation to one and the same employee) for the purpose of minimization of risks of arising and/or hiding corporate fraud.

6.5 **Prevention of conflicts of interests:** the Company believes that employees of the Company should not directly or indirectly influence the decisions of the Company in case of a present conflict of interests with the interests of the Company. In case of a conflict of interests, employees of the Company must deliver this information to their line managers, Security Department or Ombudsman (via a call to the hotline of the Company on ethics and compliance).

6.6 **Due circumspection:** the Company carries out due circumspection in case of arising/continuing business relationships with counteragents, employment candidates and other third parties, carrying out timely checks of their trustworthiness and absence of conflicts of interests.

6.7 **Involvement of employees and stakeholders:** the Company encourages employees and stakeholders to report shortly about signs of potential breaches of this Policy and facts witnessing about commitment of corporate fraud or corruption. The Company guarantees

confidentiality to all employees and other parties reporting about the signs of corporate fraud and corruption.

6.8 **Refusal from responsive measures and sanctions:** the Company declares that there will be no undue sanctions, including dismissal, denial of bonuses or promotion, applied to the employee who honestly reported about the signs of corporate fraud and corruption, assumed breach of control procedures and other abuses.

7. Basic principles for formation of system for prevention of corruption and fraud

7.1 **Legality:** the Company and the Company's entities shall strictly comply with the Applicable Laws, and any their action or inaction shall not contradict the provisions of the Applicable Laws.

7.2 **Timeliness:** the Company shall strive to set the efficient system of corruption and fraud prevention by way of implementing control procedures, aimed at early detection of threats for security of the Company, including the signs of potential corporate fraud, and the fastest reaction to the detected signs.

7.3 **Complexness:** the Company shall strive to ensure the complex security of tangible and intangible assets.

7.4 **Centralized governance:** the Company shall ensure allocation of responsibilities and authorities in the process of preventing corporate fraud and corruption.

7.5 **Principle of systematic and continuous actions of the Company for prevention of fraud and corruption:** the Company shall strive to ensure that the antifraud and anticorruption procedures are maximally transparent, executable and reasonably responding to the detected risks.

7.6 **Interaction and coordination:** the Company and the Company's entities shall ensure coordination of actions of all interested structural divisions among themselves, as well as the efficient interaction with the state and law enforcement bodies in the process of preventing corporate fraud.

8. Basic types of violations and responsibility stipulated by the United Kingdom Bribery Act

8.1 The United Kingdom Bribery Act shall apply to all organizations having presence in the United Kingdom. This law considers corruption crimes in the form of corporate failure to prevent corruption. This law segregates liability for the breaches to "active" and "passive":

- 1) "active" breach includes giving bribes and grafts to the state / foreign civil servants;
- 2) "passive" breach includes receipt of bribes and inability of a commercial organization to prevent corruption, meaning absence of adequate procedures aimed at prevention of corruption in the organization.

8.2 Under the UK Bribery Act, when considering the cases of fraud, the following factors are NOT taken into account:

- 1) whether the organization knew about the bribe;
- 2) who paid the bribe: an employee or an agent – person carrying out activities in the interests of the organization or on behalf of the organization;
- 3) in which country the offence was committed.

8.3 Responsibility for the corruption offence committed by a natural person, related to giving (including foreign civil servants) or receiving of a bribe: up to 10 years of imprisonment and/or fine of an unlimited size.

8.4 Responsibility for the corruption offence committed by legal entities, related to inability of the organization to prevent the corruption offence: fine, the size of which is not limited by the UK Law.

9. Stages of the anticorruption and antifraud process

9.1 Improvement of the control environment:

The Company regularly develops measures for improvement of the control environment in accordance with the Applicable Laws and internal regulatory documents of the Company, including the following:

- 1) creation of zero tolerance to any types and signs of corporate fraud, including corruption actions, by way of informing about the norms and principles implemented by the Company, and by other methods;
- 2) establishment of a reporting system in the Company, including anonymous, about any offences and conflicts of interests, which guarantees confidentiality to the persons who reported about the offences;
- 3) practical application of reasonable caution principle when selecting counteragents and employment candidates;
- 4) implementation of principle of non-compatible functions segregation, and control over its compliance;
- 5) improvement of the training system for risk management and internal control, as well as prevention of corporate fraud and corruption;
- 6) undertaking internal audits / checks and investigations.

9.2 Detecting signs of corporate fraud and corruption:

An employee of the Company, of the Company's entity, or any third party, who detected or faced the signs of a potential or known case of corporate fraud, corruption or other breach of control procedures, shall report about it by one of the channels stipulated by the Policy for Confidential Reporting of the Company:

When reporting through the above listed channels of the Company, the employee of the Company shall note the following information (if available):

- 1) Information on the person inclining to the corruption offence, as well as on the witnesses or other persons involved into commitment of the corruption or fraud offence;
- 2) Subject of the assumed corruption offence, to which the employee of the Company is being inclined, the way of the incline (graft, blackmail, threat, extortion, proposal of bribes, etc.);
- 3) Date and other circumstances of inclining to a corruption offence.

The allegation can be left anonymously at the above mentioned channels, but, if desired, the natural person may note family name, name and/or contact details, so that he (she) might be approached for clarification of details, and to inform about the results of the allegation review. The Company shall guarantee confidentiality to all persons who honestly report about the signs of corruption and fraud.

9.3 Action after detection of signs of corruption and fraud:

Line manager, Ombudsman or Head of Compliance, who received the allegation on the signs of potential corporate fraud, corruption or other offence, shall compile the office memo to the head of Security Department with description of the potential corporate fraud or other offence, including the information about the assumed period of the offence, how the offence was detected, persons involved in the offence, size of damage (if it is determined), as well as undertaken actions within the functions thereof.

9.4 The preliminary check of information about the detected signs of corporate fraud or corruption:

Head of Compliance, Security Department and/or Ombudsman undertake the preliminary check of the received information about the signs of corporate fraud, corruption other offence of control procedures, including the ones received via the available at the Company channels of communication, for the purpose of determining the reasonableness of initiating the official investigation with involvement of a working group.

The preliminary check may also be initiated in the case of receiving information from the following sources about fraud, corruption, stealing, shortage, spoilage of material valuables, loss of confidential and inside information, and other facts of breaching the control procedures:

- office memos of employees of the Company and/or the Company's entities;
- appeals and letters of citizens forwarded to the Company and/or the Company's entities;
- messages and letters of the state bodies;
- messages in mass media;
- reports upon results of auditing financial-operational performance, inventory checks, revisions, etc.;
- reports on audits of the Internal Audit Service of the Company;
- other materials or documents.

In the course of the preliminary checks of the messages, the basic circumstances of the offence are determined, including the presence of absence of offence signs, main elements thereof, and presence of a damage. In case of determining the reasonableness for undertaking an official investigation, the Ombudsman, Head of Compliance or Head of the Security Department of the Company shall inform the Chief Executive Officer about the need for holding the investigation.

9.5 Official investigations of corporate fraud and corruption:

Official investigation of corporate fraud and corruption shall be undertaken by a commission assigned by the order of the Chief Executive Officer, in accordance with the procedures set forth by the internal documents of the Company.

Results of the investigation shall be delivered to the Chief Executive Officer. In case of present signs of corruption offence, the Company forwards the respective materials to the law enforcement bodies of the Republic of Kazakhstan.

Also, the results of the investigation shall be delivered by the Chief Executive Officer or the Compliance Service for consideration of the Board of Directors, in the cases when the detected corruption offence (including corporate fraud) was committed directly or with involvement of a member of the executive body.

9.6 Recovery of damage and bringing to account:

Recovery of tangible damage caused to the Company and (or) the Company's entity, and bringing the guilty person to account shall be done in the order stipulated by the Applicable Laws.

9.7 Development of recommendations for prevention of corporate fraud and/or corruption:

Upon results of the official investigation, Head of the Security Department in conjunction with the Internal Audit Service develop recommendations on improvement of the internal control system. If needed, Head of the Security Department and/or the Internal Audit Service initiate amendments to the internal regulatory documents based on the developed recommendations for the purpose of eliminating grounds for a repeated corporate fraud and/or corruption in the future.

9.8 Control and audit:

The Company holds regular assessments of the internal control system efficiency, in particular, systems of book-keeping and managerial reporting, as well as compliance system.

10. Responsibility and authorities

10.1 All official and employees of the Company shall bear a direct personal responsibility for prevention of corruption and fraud.

10.2 Head of a structural division of the Company shall also be responsible for taking necessary actions for ensuring compliance of the employees of his/her structural division with the anticorruption law and provisions of this Policy.

10.3 It is prohibited for the officials and employees of the Company, other persons acting on behalf of the Company or in its interests, directly or indirectly, personally or via any intermediary, to participate in the corruption and fraud actions regardless of the business practices in one country or another.

10.4 Senior management of the Company shall ensure support of actions for prevention of corporate fraud and corruption, in particular:

- carrying out necessary actions related to ensuring safe of assets and improvement of the internal control system;
- undertaking timely investigations of signs of corporate fraud and/or corruption;
- ensuring undertaking necessary measures for bringing to accounts of the employees of the Company and/or its entities, if the violations committed in their operations have led to a committed corporate fraud or corruption offences.

10.5 Managers and employees of the Company shall regularly detect and assess risks of fraud and/or corruption, develop and implement actions for minimization of risks of fraud and/or corruption within their zone of responsibility (business-processes). For this purpose, they shall:

- ensure efficient functioning of the internal control system;
- detect the processes and procedures weak on the standpoint of corporate fraud and/or corruption;
- assist to employees / commissions who carry out the preliminary checks and/or official investigation, by way of timely provision of inquired documents, or access to the premises / objects;
- timely inform the Security Department of the Company about all signs of corporate fraud and/or corruption, or attempts of their commitment, within the zones of their responsibilities.

10.6 In case of arising doubts with respect to legitimacy of their actions and compliance with this Policy, the employees of the Company should consult on this issue with the line manager or the Company's employee responsible for corporate ethics – the Ombudsman.

10.7 Persons guilty of breaching this Policy, may be called for disciplinary, administrative, civil or criminal liability in the order and under the reasons stipulated by the laws of the Republic of Kazakhstan and Applicable Laws.

Annex 1
to Policy of NAC Kazatomprom JSC on
Prevention of Corruption and Fraud

Anticorruption standard of NAC Kazatomprom JSC

1. This Anticorruption standard of NSC Kazatomprom JSC (hereinafter – the Company) was developed in accordance with Article 10.2 of the Law of the Republic of Kazakhstan “On Combating Corruption”.

2. The Anticorruption standard is aimed at achievement of atmosphere of zero tolerance to any demonstrations of corruption in the Company by way of creating the system of values and moral anticorruption behavior guidelines for the Company’s employees, when performing their job functions.

3. Name of sphere of the business relationships: extraction, production and selling mineral resources and production therefrom.

4. The principles of the Anticorruption standard include:

- 1) Lawfulness;
- 2) Transparency;
- 3) Ethics;
- 4) Safeguarding rights and legitimate interests of individuals and legal entities, and their protection from corruption developments;
- 5) Prevention of conflicts of interests.

5. The Anticorruption standard stipulates the following behavior norms for the employees of the Company:

1) Comply with the principle of lawfulness, requirements of the Constitution, laws and other legal acts of the Republic of Kazakhstan, and the laws of other countries applicable to the Company’s operations, strictly comply with the anticorruption laws;

2) Ensuring safeguard and protection of rights, freedoms and legitimate interests of individuals and legal entities;

3) Not admit actions able to discredit the Company;

4) Report to the line manager or the Compliance Service on arising conflicts of interests, personal interest when performing job functions, on compassing to a corruption behavior and gifts receiving;

5) Not follow personal and (or) self-interest when performing job functions;

6) Abstain from addressing colleagues and managers with undue requests, which breach the set order of interactions, and which may influence the objective job decision;

7) Not compass other employees to commitment of corruption deeds and not encourage such actions;

8) Not accept gifts in relation to job responsibilities, which may lead to a conflict of interests;

9) Not use official or other information which is subject to disclosure, for the purpose of receiving or earning property and non-property benefits and preferences;

10) Refuse from appointment to a position, if it is related to a direct subordination or control of persons being in close relative or family relationships (*parents, spouses, brothers, sisters, children, foster parents, foster children, relatives by marriage (brothers, sisters, parents and children of spouse), grandfather, grandmother, grandchildren*);

11) Be active in prevention of corruption, detection of corruption deeds;

12) Immediately report to the management or the Compliance Service about known facts of corruption, including compassing to receipt of any benefit for the faster consideration of documents, or the facts of undue bureaucracy;

13) Immediately report in writing to the line manager or the Compliance Service about doubts in legitimacy of an instruction received for execution;

14) Report to the line management, the Compliance Service, or use the available Company's channels and means of communication, stipulated by the Policy for Confidential Reporting, if the line manager is himself/herself involved in the conflict of interests;

15) Maintain and demand from colleagues to maintain the high legal anticorruption culture;

16) Undertake actions for elimination of reasons and conditions for a potential conflict of interests, corruption actions and their consequences;

17) Abstain from provision of assistance to anyone in carrying out business and (or) other activities related to earning profits;

18) Abstain from representation or lobbying of interests of third parties, as well as performance of actions on their behalf;

19) Misuse the means of material-technical, financial and information supplies, as well as other state-owned property and official information.

6. In relationships with subordinates, managers at all levels should:

1) Not allow cases of recruitment and location of human resources by signs of family relations, community origins, or personal devotion; ensure compliance with meritocracy principles;

2) Exactly define tasks and scope of official responsibilities of the subordinates;

3) Not allow misbalanced allocation of workload among subordinate employees;

4) Act fairly and objectively when evaluating performance results of the subordinates, as well as applying motivating and punishing measures;

5) Not give instructions which are deliberately non-executable or go beyond the job responsibilities, as well as the ones of non-legitimate character;

6) Not use their job position for influencing performance of subordinates when settling issues of non-official character;

7) Not make the subordinate employees commit corruption violations;

8) Not allow and prevent facts of breaching provisions of the anticorruption laws on behalf of subordinates and other employees;

9) Timely undertake extensive measures for settlement of conflicts of interests, arising at a subordinate employee in the course of their job functions;

10) Undertake exhaustive measures for prevention of corruption;

11) Eliminate causes and conditions allowing commitment of corruption violations by the subordinate employees;

12) Not exercise involvement of subordinates for execution of non-office or personal tasks;

13) Serve as example, by own blameless behavior, for the subordinate employees.

7. Managers as all levels shall ensure compliance with this Anticorruption Standard, and arrange anticorruption work among their subordinate employees.

Annex 2
to Policy of NAC Kazatomprom JSC on
Prevention of Corruption and Fraud

Examples of corporate fraud and corruption

The below examples of corporate fraud and corruption are based on the international and Kazakhstani practice. At the same time, it is understood that employees of NAC Kazatomprom JSC shall be responsible for such cases of corporate fraud in the result of their actions. In cases when employees of NAC Kazatomprom JSC committed mistakes, misprints, errors, based on intentionally distorted or incorrect data provided on behalf of subsidiaries or associated enterprises, third parties, the responsibility for such actions bearing the signs of corporate fraud, shall remain with the employees of such subsidiaries or associated enterprises and third parties respectively.

Investment activities:

- financing investments (projects), not referring to operations of the Company, not delivering useful effect for the Company's operations without respective justification and approval, or with a false justification and approval (except for the projects approved for implementation by the authorized collective body, based on needs of the Company);
- misuse of funds allocated for investment activities, without respective justification and approval, or with a false justification and approval;
- distortion of data on achieved economic effect from made investments, etc.

Intentional distortion of financial reporting:

- reflection of false assets, expenses, revenues, liabilities, or their concealment;
- capitalization of losses, without justification;
- manipulation with evaluation of assets and assessment indicators, reserves (fixed assets, capital expenditures, financial investments, inventory, etc.);
- reflection of facts of the reporting period in another period;
- undue disclosure of information on financial results, property position, cash flows, other facts of operations, in the notes to the financial reporting, etc.

Procurements:

- goods, works or services were ordered for personal needs or from the certain vendor in exchange to a benefit;
- goods, works or services were ordered from a counteragent which belongs to a close person or relatives, in avoidance of the due procurement procedure;
- goods, works or services were ordered at prices considerably exceeding the average market ones (by 30% or more), when procuring from single source (if the tool is available for determination of average market prices);
- external consultant performs work different from the one prescribed by the engagement contract;
- external organization is a false entity at the time of procurement, which is proven by the court ruling, including the organizations registered in an offshore jurisdiction, etc.;
- acceptance of less quantity of goods compared to invoiced, but with full payment made;
- compilation and provision of false invoices, where the respective order was not made;
- breaches in procurement procedures;
- orders for work/service not stipulated by the contract;
- contracts for consultancy, which include only general and indistinct description of the services.

Orders on payment of services, works:

- for services, works which were not rendered;
- for bigger volume of services, works than actually provided;
- repeated procurement of services, works from third parties, which were already paid or made by the Company on its own;
- excessive commission fees (20% or more) to external agents or consultants;
- external organization requests to remit payments to bank accounts in the jurisdiction different from the one where the services, works were provided, etc.

Property and assets:

- misuse and (or) stealing assets of the Company and/or the Company's entities (fixed assets, securities (derivatives), property rights, etc.);
- use of assets of the Company and/or the Company's entities for personal interests (abuse), etc.

Cash and cash inflows:

- acceptance of cash without respective records;
- amendment of documents for hiding stolen cash, etc.

Salary:

- receipt of cash for fictitious employees, which were input in justifying documents when the cash was paid;
- overstating hours without any justification for receipt of additional payment for overtime;
- performance of work not stipulated by the labor contract, including combined work in another organization during the work time paid by the Company and/or the Company's entities;
- receipt of salary from another organization for the work time paid for by the Company and/or the Company's entities, not stipulated by the labor contract, etc.

Advance reports on business trips:

- request for reimbursement of expenses at non-performed business trips;
- compensation of expenses for the trips which are not stipulated by the work assignment, etc.

Other advance report:

- understated, overstated or fictitious claims for compensation of representation expenses;
- submission of claims for compensation of expenses already paid by third parties;
- economically unjustified compensation of expenses, not stipulated by the local regulatory documents of the Company or of the Company's entity, as well as in case of absence of directions of the Chief Executive Officer of the Company or the Company's entity, etc.

Conflict of interests:

- employment of the employee, his/her close person and (or) relative in a competitor organization or counteragent of the Company or its entity, vendor or customer of the Company or its entity;
- employment of the employee, his/her close person and (or) relative, including combined work at a position similar to the position in the Company or the Company's entity, which may cause damage to the Company's interests;
- conclusion of a contract with a counteragent being at the direct or indirect management or ownership (direct or indirect) of a close person and (or) relative;
- external organization is related to the employee of the Company or of the Company's entity;
- external organization became a party to a transaction solely by instruction or insistence of the employee of the Company, the Company's entity, etc.;

- direct or indirect ownership by the employee, his/her close person and (or) relative (including via intermediaries) of a certain size of interest, contribution, investment, participation in the charter capital, securities or other rights (including options for securities (derivatives), property, rights) in a counteragent, with respect to a counteragent of the Company and (or) property of the noted person or an organization-competitor, with respect to an organization-competitor of the Company, its subsidiary company and (or) their property;

- concealment of information on abuses committed by an employee, representative of a counteragent, as a result of present business relationships therewith at the employee of the Company or the Company's entity, who revealed the breach;

- hiring to the Company, the Company's entity or setting benefits and (or) preferences to close persons and (or) relatives of the employee of the Company, the Company's entity, at absence of their competences required or in grievance to a more qualified candidate.

Charity and sponsorship:

- transfer of funds disguised as charity, without further reports on usage of the funds;
- payments for illegitimate decisions of civil servants, in type of sponsorship and charity;
- performance of the charity receiver is not related to the priority targets of the charity

giver;

- sponsorship without the justified economic effect, etc.