

<b>NAC Kazatomprom JSC</b>	<b>Compliance Service</b>	<b>Compliance</b>
<b>Policy</b>	<b>K 07-23</b>	<b>p. 1 of 16</b>

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

**1 Aim**

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 behaviour 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.

<b>Developed by</b>	<b>Approved by</b>
Head of Compliance Service - S. Sarbassov	Decision of the Board of Directors of NAC Kazatomprom JSC NO. 9/23 dated August 24, 2023

### 3 Terms and definitions

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

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, local self-government bodies, and also in the Armed Forces, other troops and military units of the Republic of Kazakhstan, quasi-state and private sector businesses.

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 rendering to him/her of services of pecuniary nature for the use of his/her official position, for general patronage or connivance at work in the interests of the person committing the bribe.

3.1.4 **Control Environment** – a set 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 affects the other its components.

3.1.5 **Conflict of interest** - a situation in which, in the performance of his/her official duties, an employee of the Company makes a decision, participates in decision-making or performs other actions related to his/her position that affect or may affect the personal or material interests of the employee himself/herself, his/her close relative, spouse, relative, and affect or may affect the interests of the Company.

3.1.6 **Corporate Fraud** – actions or inaction of physical and/or legal entities (in cases stipulated by the Applicable Law) for the purpose of receiving personal benefit and/or benefit of other person to the detriment of the Company, and/or causing material and/or non-material damage to the Company by way of deception, confidence abuse, mislead or otherwise. Corporate Fraud shows itself in the form of financial statements distorting, corruption actions, as well as stealing and other violations, including wilful damage and other breaches with respect to assets of the Company. Examples of corporate fraud are listed in Annex 2 to this Policy.

3.1.7 **Corruption offense** - an unlawful guilty act (action or omission) that has signs of corruption, for which administrative or criminal liability is established by law. Examples of corruption offenses are given in Appendix 2 to this Policy.

3.1.8 **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.

3.1.9 **Material damage** – an actual decrease of the Company’s property or worsening of the state of such property, 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 the third parties.

3.1.10 **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 labour disputes, conflicts, issues of a social and labour 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.

3.1.11 **Applicable Law** – laws of the of the Republic of Kazakhstan, as well as of other jurisdictions, where their own anti-corruption 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 market.

3.1.12 **Employee** – an individual in labour relations with the employer (Company) and directly performing work under an employment contract.

3.1.13 **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 (actual damage), as well as unreceived income, which the Company would 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 the Republic of Kazakhstan, other Applicable Laws and internal documents of the Company.

#### 4 General provision

4.1 This Policy was developed in accordance with the existing anticorruption, administrative and criminal legislation of the Republic of Kazakhstan, applicable international laws, in particular the UK Bribery Act, the Code for Ethics and Compliance of NAC Kazatomprom JSC, Code of Corporate Governance, and other internal 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 are regulated in accordance with the legislation of the Republic of Kazakhstan, the UK (if applicable to the offense of the UK Bribery Act) 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 business, include:

1) persons who permanently, temporarily or by special authority performs the organizational-and-management or 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 gaining material (non-material) benefits personally or via intermediaries for themselves or for third parties, as well as bribing persons who hold responsible state positions, persons authorized to perform state

functions, persons equated to the persons authorized to perform 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 the Republic of Kazakhstan, Code of the Republic of Kazakhstan on Administrative Offences, other laws of the Republic of Kazakhstan, and other Applicable Law.

5.2 The administrative corruption offences stipulated by the Code of the Republic of Kazakhstan on Administrative Offences, include the ones when:

1) individuals provide the persons authorized to perform public functions or persons equated to them with illegal material remuneration, gifts, benefits or services if these actions do not contain signs of a criminal offence;

2) a person authorized to perform public functions, or a person equated to him/her, personally or through an intermediary, receives illegal material remuneration, gifts, benefits or services for actions (inaction) in favour of the persons who provided them, if such actions (inaction) are included in the official powers of the person authorized to perform public functions, or a person equated to him/her, if these actions do not contain signs of a criminal offence;

3) legal entities provide the persons authorized to perform public functions or persons equated to them with illegal material remuneration, gifts, benefits or services if these actions do not contain signs of a criminal offence;

4) state bodies, local self-government bodies carry out entrepreneurial activity besides the functions assigned to them by law or the acceptance of material benefits and advantages, in addition to established sources of financing;

5) the heads or responsible secretaries or other officials determined by the President of the Republic of Kazakhstan, government bodies of the Republic of Kazakhstan, the Armed Forces of the Republic of Kazakhstan, other troops and military units of the Republic of Kazakhstan, within their powers, fail to take measures on elimination of the violations of the law of the Republic of Kazakhstan on anti-corruption, or take measures in violation of anti-corruption legislation, or fail to provide relevant information to state revenue authorities at the place of residence of the guilty persons;

6) the heads of state bodies, institutions and enterprises, or the head of the national company, national management holdings, national holdings, national development institutions, as well as their subsidiaries hire persons previously committed a corruption crime.

5.3 According to the Criminal Code of the Republic of Kazakhstan, the following crimes are recognized as the corruption ones:

1) misappropriation or embezzlement of someone else's entrusted property by a person using official position thereof;

2) fraud committed by a person authorized to perform public functions, or a person equated thereto, or an official, or a person holding a responsible public position, if it involves the use of official position thereof;

3) legalization (laundering) of money and (or) other property obtained by criminal means by a person using official position thereof;

4) economic smuggling committed by a person authorized to perform public functions, or a person equated thereto, or an official, or a person holding a responsible public position, if they involve the use of official position thereof;

5) raiding committed by a person authorized to perform public functions, or a person equated thereto, or an official, or a person holding a responsible public position, if they involve the use of official position thereof;

6) abuse of power;

7) excess of official powers;

8) appropriation of powers of the official;

9) illegal participation in business activities;

- 10) interfering with business activities;
- 11) bribetaking;
- 12) giving a bribe;
- 13) mediation in bribery;
- 14) forgery;
- 15) omission;
- 16) negligence.
- 17) abuse of power in order to extract benefits and advantages for oneself or other persons or organizations, or to harm other persons or organizations;
- 18) inaction of the authorities.

5.4 The following actions are considered by the Company as unacceptable and incompatible with the activities of the Company:

- 1) direct or indirect promise, offer or permission to purchase or to receive any value, position, assistance in procurement of goods, works and services, other material or non-material benefits or advantages;
- 2) offer to/by any individuals and legal entities or acceptance by persons specified in paragraph 5.1 of the Policy of any material benefits not provided for by the law and/or internal documents of the Company (including the so-called “kickback”, loan, fee, remuneration, discount or other benefit);
- 3) payments to dummy organizations or organizations whose ownership structure is not transparent;
- 4) illegal payments to legal entities, which belong to or controlled by persons authorized to perform public functions and persons equated to them, their close relatives, spouses, relatives by marriage;
- 5) transfer and/or acceptance of illegal remuneration in the form of cash, bonds and other securities;
- 6) receiving unreasonable discounts;
- 7) giving and/or receiving gifts, including in the form of cash;
- 8) hiring persons who committed corruption offences;
- 9) misappropriation of tangible and intangible assets by fraud or breach of trust;
- 10) illegal actions using illegal cheques, bonds, promissory notes or dummy exchange transactions;
- 11) information technology fraud.

## 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 a set 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 shall demonstrate uncompromising attitude to any types of corporate fraud, timely response to the messages on corporate fraud, as well as bring the persons guilty of corruption and fraud or breach of control procedure to liability.

6.4 **Incompatible duties separation:** the Company ensures separation of duties in an appropriate manner (i.e., the simultaneous functions of development, approval, application, monitoring and evaluation by one employee is not allowed) in order to minimize the risks of occurrence and / or concealment of corporate fraud.

**6.5 Prevention of conflicts of interests:** the Company believes that employees of the Company should not directly or indirectly influence decision-making in the Company in the event of a conflict of interest with the interests of the Company. In case of a conflict of interest, the Company's employees must inform this information to their direct supervisor, the structural subdivision of the Company responsible for ensuring economic and personal security, the Ombudsman or the Compliance Service of the Company (by messaging to the Ethics and Compliance hotline of the Company).

**6.6 Due diligence:** The Company shall exercise due care in the event of building / continuation of business relations with counterparties, applicants and other third parties, carrying out timely checking of their reliability and absence of a conflict of interest.

**6.7 Involvement of employees and stakeholders:** the Company encourages employees and stakeholders to report as soon as possible that there are signs of possible violations of the requirements of this Policy and facts that indicate corporate fraud and 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 states that unreasonable sanctions will not be applied to an employee who in good faith reports signs of corporate fraud and corruption, alleged violations of control procedures and other abuses in connection with the specified message about signs of corporate fraud and/or corruption, including dismissal, non-payment of a bonus or refusal in promotion.

## **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.

For the purposes of better understanding by the Company's employees and third parties (in the case of their interaction with the Company or the Company's enterprises), the Company has compiled a non-exhaustive list of examples of corporate fraud and corruption provided in Appendix 2 to this Policy.

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 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 implementation of the principle of due diligence and risk-based approach when choosing a counterparty and selecting candidates for a job;
- 4) implementation of principle of non-compatible functions segregation, and control over its compliance;
- 5) identification of positions in the Company most exposed to corruption risks to ensure the effectiveness of corruption risk management measures;
- 6) implementation of a set of educational measures, including continuous improvement of the employee training system, as well as retraining in anti-corruption and corporate fraud issues for employees holding positions most exposed to corruption risks;
- 7) undertaking internal audits / checks and investigations.

### **9.2 Detecting signs of corporate fraud and corruption**

a) An employee of the Company, an enterprise of the Company or any third party, if they become aware of non-compliance with anti-corruption legislation, regulatory requirements and/or internal procedures, must report this through one of the channels provided for by the Company's Confidential Information Policy.

The appeal in accordance with the Confidential Information Policy can be left anonymously, but, if desired, an individual can specify the surname, initials and/or contact details so that he (she) can be contacted to clarify the details and inform about the results of the consideration of the

message. The Company guarantees confidentiality to all persons who have conscientiously reported signs of corruption and fraud, including by concluding a non-disclosure agreement in accordance with the procedure provided for by law.

b) In the event that an employee of the Company has information about an impending, being committed or committed corruption offense, he/she informs about it, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, the superior head and/or the Chair of the Management Board of the Company and/or authorized state bodies carrying out detection, suppression, disclosure, investigation and prevention of corruption offenses and bringing those responsible for their commission to justice.

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 Company guarantees confidentiality to all persons who have conscientiously reported signs of corruption and fraud, including by concluding a non-disclosure agreement in accordance with the procedure provided for by law.

In case of a report of a corruption offense to a state body authorized to take anti-corruption measures, the corresponding state body is responsible for maintaining the applicant's confidentiality, including by concluding a non-disclosure agreement in accordance with the procedure provided for by law. Further response measures to the message specified in this paragraph are taken by the relevant state body.

### **9.3 Actions after reporting signs of corruption and fraud**

Immediate supervisor, 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 the structural subdivision of the Company responsible for ensuring economic and personal security 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, the structural subdivision of the Company responsible for ensuring economic and personal security 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 structural subdivision of the Company responsible for ensuring economic and personal security shall inform the Chief Executive Officer about the need for holding the investigation.

#### **9.5 Official investigations of corporate fraud and corruption**

Official investigations of corporate fraud and corruption shall be undertaken by a commission formed/approved by the order of the Chair of the Management Board of the Company or by a person authorized to issue such an administrative document, 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**

Based on the results of the official investigation, the commission (or the person who carried out the official investigation) develops recommendations for improving the internal control system. If needed, amendments to the internal documents based on the developed recommendations are initiated 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, in accordance with the distribution of responsibilities provided for by the Company's internal documents.

## **10 Responsibility and authorities**

10.1 All officials 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;
- promptly inform the structural subdivision of the Company responsible for ensuring economic and personal security or the Compliance Service of the Company about all signs of corporate fraud and/or corruption or attempts to commit them in its area of responsibility.

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.

## **11 Enforcement procedure**

11.1 This Policy is effective from the date of its approval by the Decision of the Board of Directors of NAC Kazatomprom JSC.

11.2 This Policy is introduced to replace the Policy of NAC Kazatomprom JSC on Prevention of Corruption and Fraud, approved by the decision of the Board of Directors of the Company dated 21 June 2022 (Minutes No. 5/22).

## **12 Appendices**

- 12.1 Appendix 1 Anticorruption standard of NAC Kazatomprom JSC
- 12.2 Appendix 2 Examples of corporate fraud and corruption

## **Appendix 1** (mandatory)

### **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 behaviour 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 behaviour 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) To report to the immediate supervisor or to the Compliance Service about the occurrence of a conflict of interest, personal interest in the performance of official duties, about inducement by third parties or other employees of the Company to corrupt behaviour and receiving gifts;
  - 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 to the Compliance Service, or – in accordance with the procedure established by the legislation of the Republic of Kazakhstan – to the state body authorized to carry out anti-corruption work on known facts of corruption, including inducement to receive any benefit for expedited consideration of materials or facts of bureaucratic delays;
  - 13) Immediately report in writing to the line manager or the Compliance Service about doubts in legitimacy of an instruction received for execution;
  - 14) Apply to the higher management, to the Compliance Service or use the available communication channels and means of communication of the Company provided for by the Confidential Information Policy, or – in accordance with the procedure established by the legislation of the Republic of Kazakhstan – to the state body authorized to carry out anti-corruption work, if the immediate supervisor himself/herself is involved in a 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 behaviour, for the subordinate employees.
- 7 Managers as all levels shall ensure compliance with this Anticorruption Standard, and arrange anticorruption work among their subordinate employees.

## Appendix 2 (mandatory)

### 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;
- fraud with financial statements, to attract benefits by selling shares, receiving bonuses based on the results of work, to conceal other fraud and other risks of corporate fraud;
- 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.);  
–theft of funds or other assets and concealment of theft by changing accounts;  
–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 labour contract, including combined work in another organization during the work time paid by the Company and/or the Company's entities;  
–falsification of data in order to achieve KPIs goals in order to receive a bonus or retain a position;  
–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 labour 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 for expenses not provided for by the internal documents of the Company or the Company's enterprise, as well as in the absence of instructions from the Chair of the Management Board of the Company or the Company's enterprise, 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;

–a third-party organization associated with an employee of the Company or an enterprise of the Company became a participant in the transaction only at the direction or insistence of an employee of the Company or an enterprise of the Company, 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.

–election of an employee of the Company to the management body of the Company's enterprise in which his/her spouse, close relative and (or) relative works.

**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 a reasonable economic or social effect for the person to whom sponsorship is provided, etc.