

**APPROVED**  
**with resolution of the Board of Directors**  
**of Baiterek National Managing Holding**  
**Joint Stock Company**

**Annex 7**  
**to resolution of the Board of Directors**  
**of Baiterek National Managing Holding**  
**Joint Stock Company JSC #04/15**  
**dated April 21, 2015**  
**(with amendments approved by**  
**Resolution of the Board of Directors of**  
**the Holding dated June 24, 2017 #06/17,**  
**April 27, 2018 #04/18 and**  
**October 17, 2019 #10/19)**

**CODE OF BUSINESS ETHICS**  
**OF BAITEREK NATIONAL MANAGING HOLDING**  
**JOINT STOCK COMPANY**

**Astana, 2015**

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## Chapter 1. GENERAL PROVISIONS

1. This Code of Business Ethics (hereinafter – the Code) of Baiterek National Managing Holding Joint-Stock Company (hereinafter – the Holding) has been developed in accordance with the statutes of the legislation of the Republic of Kazakhstan, Charter and internal regulations of the Holding, including the Code of Corporate Governance of the Holding, considering recognized international standards of business conduct and corporate governance and represents a code of rules regulating the fundamental values and principles of corporate (business) ethics which shall be governing the Officials and Staff of the Holding.

2. The purpose of this Code is:

- development of a single corporate culture based on high ethical standards;
- support the atmosphere of trust, mutual respect and honesty within the Holding;
- secure of the fundamental values and principles, norms of corporate (business) ethics and conduct which shall govern performance of the Officials and Staff of the Holding
- building an efficient interaction with Stockholders by way of applying the best practice of corporate (business) conduct

3. The Code shall be applied along with other internal regulations and shall reflect actions of the Officials and Staff of the Holding with respect to application of norms and principles of corporate (business) ethics and conduct.

For the purposes of this Code, the terms and abbreviations shall mean as follows:

**Officials** – member of the Board of the Holding, member of the Management of the Holding;

**Subsidiary organization** – legal entity where the Holding has formed the predominant part of charter capital, or if in accordance with the concluded agreement (or otherwise) the Holding has a right to define decisions adopted by this organization;

**Sole Shareholder** – the Government of the Republic of Kazakhstan or the authorized body of respective industry assigned thereby, which exercises rights of possession and use of the governmental stake of shares of the Holding;

**Stakeholder** – person that exercises rights under the law and Charter, and the rights thereof are related to the Holding’s performance;

**law of the Republic of Kazakhstan** – composition of legal acts of the Republic of Kazakhstan adopted in due order;

~~**Committee for HR Policy** – permanent collective, consultative advisory body established for recommending the Management of the Holding on issues managing and developing human resources;~~ (deleted as amended on October 17, 2019 Minutes #10/19)

**conflict of interests** – situation where contradiction arises between personal interest of an employee and (or) official of the Holding and due execution of his/her

authorities or legal interests of the state, the Sole Shareholder, the Holding, individuals and corporates, which may lead to harm or damage to these legal interests;

**business ethics** – code of moral principles and norms of business conduct which govern performance of the Officials and Staff of the Holding;

**corporate culture** – composition of behavior models of staff, norms and methods of governance, which is based on employees-shared values and aimed at achievement of strategic goals of the Holding;

**corporate conflict** – controversies or disputes between:

- the Sole Shareholder and bodies of the Holding; or

- bodies of the Holding and their members/staff of internal audit; or

- a body of the Holding and Stakeholders of the Holding on issues of the Holding's corporate governance which shall negatively impact interests of the Sole Shareholder and performance of the Holding;

**Reputation of the Holding** – public opinion about advantages and disadvantages of the Holding's performance, conduct of Officials and Staff of the Holding;

**Staff** – individual who is in labor relationships with the Holding and who indirectly performs work under a labor contract or outsourcing contract;

**Charter** – charter of Baiterek National Managing Holding Joint Stock Company;

**Ombudsman** – ~~employee of the Holding, who is not a Board member or the Management member of the Holding being nominated by the Board of Directors of the Holding, who within the activities thereof explains the provisions of this Code, and on a confidential basis collects and considers data about breach of the Code provisions.~~ person nominated by the Board of Directors of the Holding or its subsidiary, whose role is to advise the employees of the Holding or its subsidiary who have applied to him/her, and to assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in compliance with the principles of business ethics by employees of the Holding or its subsidiary (stated as amended on April 27, 2018, Minutes #04/18)

## **Chapter 2. MISSION, VALUES AND PRINCIPLES OF BUSINESS ETHICS**

4. Provisions of this Code have been developed considering the mission and values of the Holding.

Mission of the Holding is to promote sustainable economic development of Kazakhstan through funding and support of priority sectors of the economy for implementation of public policy and State programs, finding solutions for socially-oriented tasks and reaching goals set by the "Strategy 2050".

Vision of the Holding – main financial agent of the Government of the Republic of Kazakhstan that supports diversification, modernization and

sustainable development of the economy and provides solutions for socially-oriented tasks of the state.

~~5. The main values of the Holding are:~~

~~Meritocracy—just and objective evaluation of individual efforts, skills and achievements of each employee;~~

~~Responsibility—execution of set goals, compliance with the Holding's mission and achievement of objectives with high level of responsibility, rigorous fulfillment of undertaken obligations, compliance with the law of the Republic of Kazakhstan, contract relationships and moral and ethical principles;~~

~~Professionalism and development—deep knowledge of specialty, timely and qualitative fulfillment of set goals, continuous improvement of professional knowledge and skills;~~

~~Initiative—the initiative and active desire of employees to optimize the performance processes;~~

~~Mutual respect and trust—confidence, friendliness and cooperation in process of solving set tasks;~~

~~Honesty and openness—all operations in the Holding are built on principles of honesty and openness. Honesty inside the Holding and towards partners. Openness to contacts and partners;~~

~~Team spirit—cooperation for achieving high results from joint actions and single intentions.~~

5. The main values of the Holding are:

Responsibility: for intentions and actions;

Professionalism: high readiness to perform tasks of professional activity;

Team: collaboration to achieve better results from joint activities;

Honesty: honesty inside the Holding and towards partners;

Social responsibility: responsibility for the impact of the Holding's performance on public sector stakeholders. (stated as amended on October 17, 2019 Minutes #10/19)

6. In operations, the Holding shall:

1) comply with the law of the Republic of Kazakhstan, resolutions of the Sole Shareholder, as well as other documents which refer to the Holding's performance;

2) ensure maintaining and respecting rights, honor and dignity of human and citizen regardless of origin, social, titular or property-based positions, gender, race, nationality, language, attitude to religion, views, place of residence or other circumstances;

3) strive to mutually beneficial relationships with Stakeholders;

4) create equal conditions for improvement of professional qualification of employees who desire self-education and professional development in accordance with the programs for education and professional training of staff;

5) ensure payment of labor compensations to employees of the Holding dependent on qualification level, complexity and quality of job, key performance results;

6) undertake all measures for ensuring labor security and protection in accordance with the law, as well as create safe labor conditions for employees;

7) ensure non-disclosure of confidential information within the limits set by the law of the Republic of Kazakhstan and internal regulations of the Holding;

8) create conditions for open and trustworthy dialogue between the Holding's Officials and Staff;

9) evaluate and stimulate initiative ideas and suggestions of Staff, which if implemented shall have positive effect for the Holding;

10) not allow provision of any preferences and benefits to any Official or Staff other than by legal basis, while ensuring equal possibilities to everyone;

11) be responsible for decision-making free of conflicts of interests at each stage of this process, from an Official to a Staff member who makes decisions.

### **Chapter 3. ETHICAL STANDARDS OF BUSINESS RELATIONS**

#### **3.1. Officials and Staff of the Holding**

7. Holding's Officials and Staff shall:

1) treat with respect the state symbols – the State Flag, the State Emblem, the State Anthem;

2) treat with respect the corporate symbols;

3) comply with recognized moral and ethical norms, treat with respect the state language and other languages, traditions and customs of nations;

4) be polite and correct;

5) show no tolerance to indifference and rudeness;

6) provide support and assistance to colleagues;

7) always thank for assistance, even if it has been provided not in full;

8) be perceptive to other's opinion;

9) ensure unity of word and deed, fulfill promises;

10) not hide/acknowledge own mistakes;

*11) be honest, fair, modest;*

*12) ensure the legality and fairness of their decisions;*

*13) resist actions detrimental to the interests of the Holding that hinder or reduce the efficiency of the Holding and its subsidiaries;*

*14) improve their skill level and qualifications for the effective performance of official duties, to comply with the restrictions and prohibitions, if any, established by the laws of the Republic of Kazakhstan, if any;*

*15) give no cause to criticism from the society by their actions and behavior, to prevent victimization for criticism, use constructive criticism to eliminate shortcomings and improve their activities;*

*16) not distribute information that does not correspond to reality;*

*17) strictly observe official discipline, diligently, impartially and competently perform the official duties, rationally and effectively use working hours;*

*18) observe business etiquette and rules of official conduct. (stated as amended on October 17, 2019 Minutes #10/19)*

8. Officials and Staff of the Holding shall accept the following obligations with respect to the Code:

1) thoroughly read, understand and honestly follow the rules of business ethics and business conduct set by this Code. In case of consent, the Officials and Staff of the Holding shall fill-out the respective form (annex 1) and follow the checklist (annex 2);

2) honestly, professionally, efficiently and fairly carry out their job functions and duties;

3) be responsible for undertaken obligations regardless of status and title;

4) provide assistance in investigations on issues of breach in business ethics principles and rules of conduct;

5) comply with requirements and procedures of data protection.

9. Officials of the Holding shall:

1) make management decisions which comply with the requirements of the Code, on principles of transparency and fair judgment;

2) show personal example in adherence to the Code, including by way of forming the culture of conduct where Staff of the Holding shall freely express concerns about incompliance with the business ethics and conduct rules;

3) allocate time to formation of team spirit among staff, building of team of the Holding united by the joint mission, values and principles;

4) consult and edify the staff;

5) timely provide, including in cases stipulated by the law of the Republic of Kazakhstan, authentic information, without breach of confidentiality and considering decisions of the Sole Shareholder and internal documents of the Holding.

*9-1. Employees of the Holding, including those holding senior positions, may not openly demonstrate their religious beliefs in the team, force subordinate employees to participate in the activities of public and religious associations and other non-profit organizations. (stated as amended on October 17, 2019 Minutes #10/19)*

Officials of the Holding shall be responsible for establishment of a system for prevention, detection and resolution of situations related to breach of business ethics and conduct rules.

*10-1. The appearance of the employee of the Holding during the execution of their duties shall comply with the generally accepted business style, which is distinguished by officialism, moderation, and accuracy. (stated as amended on October 17, 2019 Minutes #10/19)*

*10-2. Employees of the Holding in work relationships with colleagues shall:*

*1) contribute to the establishment and strengthening of business and friendly relations and constructive cooperation in the team;*

2) *prevent or take other measures to prevent violations of the norms of professional ethics by other employees;*

3) *refrain from discussing personal and professional qualities of colleagues, discrediting their honor and dignity in the team;*

4) *not allow the actions (negligence) interfering performance by colleagues of their official duties. (stated as amended on October 17, 2019 Minutes #10/19)*

*10-3. Managers in relations with subordinates shall:*

1) *serve as an example of impartiality, justice, unselfishness, respect for the honor and dignity of the individual;*

2) *ensure compliance with the principles of meritocracy, when dealing with personnel issues, without prioritizing on the grounds of kinship, fraternity, and personal loyalty;*

3) *show fairness and objectivity in assessing the results of their activities, as well as the application of incentives and penalties;*

4) *take measures aimed at the protection of labor, health, creation of safe and necessary conditions for effective performance, as well as the creation of a favorable moral and psychological atmosphere, excluding any forms of discrimination and infringement on the honor and dignity of employees;*

5) *not use job position to influence on their activity when handling non-official business;*

6) *not force illegal acts, as well as acts incompatible with generally accepted moral and ethical standards;*

7) *not allow unjustified accusations, facts of rudeness, the humiliation of dignity, tactlessness and incorrect behavior in relation to them. (stated as amended on October 17, 2019 Minutes #10/19)*

*10-4. The employees occupying junior positions, shall:*

1) *provide only objective and reliable data when carrying out an assignment for the senior officers;*

2) *not allow the actions (negligence) interfering performance of lawful assignments of the senior officer;*

3) *not allow demonstration of personal devotion in relation to the senior officer, aspirations to gain benefits and advantages due to their job opportunities. (stated as amended on October 17, 2019 Minutes #10/19))*

### **3.2. Sole Shareholder**

11. Relationships with the Sole Shareholder are based on principles of transparency, reporting and responsibility in accordance with the Law of the

Republic of Kazakhstan On Joint-Stock Companies, the Holding's Charter, Code of Corporate Governance and other internal regulations of the Holding.

12. Corporate governance in the Holding is based on the principle of protection and respect of rights and legal interests of the Sole Shareholder.

13. Procedure for exchange of information between the Management of the Holding, the Board of Directors of the Holding and the Sole Shareholder shall be regulated by the law of the Republic of Kazakhstan, Charter and internal documents of the Holding.

### **3.3. State bodies**

14. Relationships of the Holding with the state bodies shall be carried out in accordance with the law of the Republic of Kazakhstan, Charter and internal documents of the Holding, based on independence of the parties, with compliance with the principle of barring corruption and other illegitimate actions on behalf of both the state bodies and the Officials and Staff of the Holding.

### **3.4. Subsidiary organizations**

15. In order to exercise its shareholder rights, the Holding shall carry out relationships with subsidiary organizations in accordance with the law of the Republic of Kazakhstan, Charter and internal documents of the Holding, and charters of the subsidiary organizations.

16. The main purposes of relationships of the Holding with subsidiary organizations shall be:

1) ensuring stable development, financial sustainability, efficient management of subsidiary organizations;

2) ensuring protection of rights and legal interests of the Sole Shareholder of the Holding and execution of goal set thereby;

3) harmonization of relationships between the Sole Shareholder, the Holding, as well as subsidiary organizations, undertaking systematic measures for prevention of conflicts between them and within the mentioned groups;

4) development and implementation of coordinated and efficient strategy and investment policy of the Holding and subsidiary organizations.

### **3.5. Business partners**

17. The Holding shall relate with business partners on principles of mutual benefit, transparency and full responsibility for taken obligations in accordance with conditions of contracts, on principles of legality honesty and efficiency.

18. The Holding shall comply with the conditions of the contracts with business partners and fulfill its liabilities before them.

19. Selection of vendors of goods, works, services shall be done by the Holding on transparent basis in accordance with the requirements of the law of the Republic of Kazakhstan and internal documents, and is based on predominant best price, quality and conditions of delivery of goods, works and services, as well as good reputation of the counteragent.

20. In operations, the Holding shall not grant business partners unreasonable benefits and privileges.

## **Chapter 4. ETHICAL NORMS**

### **4.1. Responsible investment**

21. Criteria for investment decisions made in the Holding, shall not be exclusively economical in their essence, they also take into account implementation of state programs and social tasks.

22. The Holding shall ensure dissemination of the principles of responsible investment for subsidiary organization of the Holding.

23. The Holding shall strictly comply with laws of foreign countries and requirements of global capital markets in case of operations outside the Republic of Kazakhstan.

### **4.2. Confidentiality**

24. Officials and Staff of the Holding shall bear a specific extent of responsibility when working with data which represent confidential information, including the personal data as prescribed by the law of the Republic of Kazakhstan, internal regulations of the Holding, and shall undertake all necessary measures for protection of such data.

25. Officials and Staff of the Holding shall mandatorily be aware of the Holding's internal regulations regarding confidentiality of information. When carrying out functions, Officials and Staff shall comply with these rules and procedures.

26. Officials and Staff of the Holding shall concern about prevention of unauthorized access and disclosure of confidential information to other staff who do not have access to the confidential information, as well as any third parties outside the Holding, and also shall not allow loss or deletion of data.

27. Officials and Staff of the Holding shall be obliged not to disclose confidential information during carrying out their job functions except for the cases stipulated by the law of the Republic of Kazakhstan, as well as after termination of their job functions in the Holding in accordance with undertaken obligations.

28. When obtaining data on breach of confidentiality rules or breach of systems or devices security, an employee shall immediately report on such fact in the order prescribed by the internal documents of the Holding

### **4.3. Conflict of interests and corporate conflict (conflicts)**

29. Prevention of conflict of interests is an essential condition for ensuring protection: of interests of the Sole Shareholder, the Holding, Officials and Staff. All Officials and Staff of the Holding shall be responsible for making transparent, timely and adequate decisions free of conflict of interests.

30. In order to prevent conflict of interest, Officials and Staff of the Holding shall:

- avoid any activity and relationships that would potentially cause conflict of interest or the appearance of such a conflict;
- evade providing preferences to legal entities which are managed or belong to close relatives;
- immediately report about any commercial or other interest (direct or indirect) in transactions, contracts, projects related to the Holding, or in relation to other issues in the order prescribed by internal documents of the Holding;
- timely inform about execution of functions and/or taken position(s) in other organizations, about change of permanent (main) place of work (service, entrepreneurial activities, etc.);
- prior to consent to job or taking position in third company outside the Holding's Group, to obtain in due order the respective permission under the competency from the Board of Directors/the Management of the Board of the Holding/ the Chief Executive Officer of the Holding;
- not participate in discussion and voting on issues where there is interest;
- not use for personal purposes the resources, intellectual property, equipment and communications of the Holding (including the corporate email and software);
- in case when an employee is not sure about a right decision, to consult with the direct supervisor.

31. In case of arising conflict of interests, Officials and Staff of the Holding shall inform in writing the direct supervisor thereof or the management of the Holding about the conflict of interest or its possibility, as soon as they are aware of such.

32. In case when corporate conflicts occur, parties should negotiate and find ways to resolve it to protect effectively both interests of the Sole Shareholder and business reputation of the Holding.

The main aim of the Holding bodies while managing corporate conflict is to take such a decision that being legal and reasonable, would meet the Holding interests.

*32-1. The Board of Directors carries out adjustments of corporate conflicts on matters within its competence. In this case, the Corporate Secretary and/or the Ombudsman shall be responsible for ensuring the maximum possible awareness of the Board of Directors about the essence of the corporate conflict and the role of the mediator in the settlement of the corporate conflict. Corporate conflicts with the assistance of the Corporate Secretary and/or Ombudsman are considered by the Chairman of the Board of Directors of the Holding. In case of involvement of the Chairman of the Board of Directors in a corporate conflict, such cases are considered by the Nominations, Remunerations and Social Issues Committee under the Board of Directors. (stated as amended on October 17, 2019 Minutes #10/19)*

#### **4.4. Corruption and other illegitimate actions**

33. The Holding shall do its best in preventing corruptive and other illegitimate actions aimed at receiving or securing unjustified benefits and preferences by both Stakeholders, Officials and Staff of the Holding.

34. Officials of the Holding who carry out managing functions, shall be treated as persons authorized for fulfillment of state functions, and shall be responsible for violations related to corruption, in accordance with the legal acts of the Republic of Kazakhstan.

35. Officials, Staff of the Holding or their close relatives are forbidden from receiving:

- remuneration in money, services or other form, for fulfillment of professional duties by an Official or Staff of the Holding, from organizations where they do not execute respective duties;

- gifts or services in relation to fulfillment of their professional duties, or from persons dependent therefrom by job, except for symbolic signs of attention and symbolic souvenirs in accordance with common norms of courtesy and hospitality, or when making protocol and other official events;

- other benefits and preferences, which are prohibited from receipt under the law of the Republic of Kazakhstan for prevention of corruption.

36. Staff of the Holding shall inform their supervisors about revealed cases of corruptive violations.

#### **4.5. Labor safety and protection**

37. The Holding shall comply with the labor safety and protection in accordance with the requirements of legislation in this field.

The Holding shall ensure correct labor organization at work places and shall create safe labor conditions in compliance with the law of the Republic of Kazakhstan in this sphere.

38. When fulfilling their job duties, as well as when being in the Holding's premises, the Staff shall strictly comply with the labor safety rules adopted and developed by the Holding in accordance with the policies of the Holding and on the basis of the law of the Republic of Kazakhstan. Breach of set safety rules done deliberately or by accident, and creation of danger in this respect both for own life and health and the surrounding people, shall be a rough breach of labor discipline.

#### **4.6. Corporate culture**

39. Aim of the Holding in formation of the corporate culture shall be in achieving the following conditions:

- managers shall create climate which stimulates staff in applying maximum efforts for achieving results;

- initiatives from bottom and innovations shall be encouraged;

- self-improvement and self-development shall be deliberate necessity;

- Official and Staff shall be focused on final result and common success;

- each Official and Staff shall understand the role and meaning thereof in achievement of strategic goals;

- each decision shall be made considering social direction of business and orientation to main Stockholders of the Holding.

40. Officials and Staff of the Holding shall form team spirit and support compliance with the Code requirements by the following ways:

- personal explanatory meetings with subordinates;
- personal example, use of own conduct as sample for employees;
- ensuring common understanding that compliance is an essential efficiency factor at work place.

41. Officials and Staff of the Holding shall comply with the rules of the Holding on documents flow and retain all necessary documentation in due order. All staff of the Holding shall maintain work places in accurate and presentable way.

42. When carrying out duties, Officials and Staff of the Holding shall be recommended to adhere the business style in dressing, footwear and hairdo, in order to maintain adequate and professional image of the Holding.

43. Officials and Staff of the Holding shall comply with the negotiation culture, including telephone. Business negotiations shall be done in respectful and calm tone, without negative emotions and raised voice.

44. There shall be no situations when outsiders are alone in work premises. In case of absence of the employee visited by the outsider, it is necessary to give polite directions providing detailed instructions on who can solve the visitor's problem.

45. The Holding welcomes initiative of Staff in public life, support in organizing corporate events by personal participation.

Staff shall comply with the common etiquette rules during the corporate events.

46. Staff shall realize impact of their conduct to the Holding's reputation and avoid actions which are not compatible with the image of the Holding's employee.

#### **4.7. ~~Public relations and mass media~~ Public relations and mass media communication, social media behavior (stated as amended on October 17, 2019 Minutes #10/19)**

47. The Holding is aiming at improving the level of public awareness about its performance both inside and outside Kazakhstan. This may promote the positive public opinion about the Holding and strengthen trust of investors and the public.

~~48. The Holding looks after compliance with the high ethical standards in relationships with the public and mass media. The Holding does not allow distribution of incorrect information, hiding and/or distortion of facts in public statements of Officials and Staff of the Holding, its informational advertising materials or other public events. The Holding ensures compliance of high ethical standards in public relations, mass media communication and social networks. The Holding does not allow the distribution of false information, concealment and/or distortion of facts in public speeches of Officials and Employees of the Holding, its information and advertising materials or other public relations activities. (stated as amended on October 17, 2019 Minutes #10/19)~~

~~49. The right to publicly state, comment events of the Holding or make any statements on behalf of the Holding in mass media, including Internet, shall be delegated only to the authorized Officials and Staff of the Holding.~~

Only authorized Officials and Employees of the Holding have the right to speak publicly, comment on the events of the Holding or make any statements on behalf of the Holding in the mass media and social networks. (stated as amended on October 17, 2019 Minutes #10/19)

50. When making statements on behalf of the Holding, Officials and Staff of the Holding shall comply with the common norms of professional conduct and business ethics, and distribute only authentic information, as well as not commit disclosure of confidential information.

~~51. Officials and Staff of the Holding should not publicly express their opinion on activities and the Holding's performance in general, if it:~~

~~– does not correspond with the main directions of the Holding's operations;~~

~~– discloses commercial information;~~

~~– contains non-ethical expressions in address of Officials or Staff of the Holding.~~

Officials and Employees of the Holding should not publicly, including through social networks, express their opinion on matters of performance and activities of the Holding in general, if it:

– does not correspond to the main activities of the Holding;

– discloses proprietary information;

– contains unethical statements towards Officials or Employees of the Holding.

(stated as amended on October 17, 2019 Minutes #10/19)

#### **4.8. Control measures**

52. Officials and Staff of the Holding shall strictly adhere to requirements of the Code and report about any breaches of the Code.

53. For achieving strategic targets of the Holding, Officials of the Holding shall make business decisions considering the fundamental values and principles of business ethics, and shall be fully responsible for implementation of tasks set for them.

54. Officials and Staff of the Holding, provided by their competencies, shall react to problems related to breach of business ethics, by way of:

– undertaking timely measures for resolving the situation and elimination of weaknesses;

– undertaking/suggesting effective measures of disciplinary character in legitimate order;

– holding consultations with respective structural divisions / bodies of the Holding with provision of necessary data.

55. The Holding encourages Staff eager to open discussion of the Code, and positively treats any constructive suggestions for its improvement.

~~56. On issues regarding the Code and/or arising ethical issues, as well as on facts of breaching the Code, corruptive and other illegitimate actions, the Officials and Staff of the Holding, as well as business partners and Stakeholders may address Ombudsman (facts of breaching business ethics and conduct by officials shall be considered by the Board of Directors of the Holding).~~ *(amended with the resolution of the Board of Directors of the Holding dated June 24, 2017 #06/17).*

*Officials and workers of the Holding, in line with business partners and related parties shall have a right to: address the Ombudsman on matters related to requirements of the Code and/or ethical issues arising in the course of works, as well as on labour conflicts, and to address the Compliance Service for cause of requirements of the Code, corruption and other illegal acts (violation of business ethics principles and rules of conduct by officials are considered by the Board of Directors of the Holding) (amended with resolution of the Board of Directors dated June 24, 2017 #06/17).*

In case of revealing circumstances of breaching business ethics by Staff of the Holding, materials for decision-making shall be forwarded to the Holding's Committee for HR Policy. Results of the consideration and made decisions shall be delivered to the applicant within 5 (five) business days since the decision of the Committee for HR Policy of the Holding. The Committee for HR Policy of the Holding shall guarantee confidentiality of consideration of information about breach of the Code.

## **Chapter 5. INSTITUTION OF OMBUDSMAN**

### **5.1. Status of Ombudsman**

57. Nomination and early termination of duties of Ombudsman shall be done by the Holding's Board of Directors. Presence of the candidate(s) for nomination to Ombudsman at the mentioned meeting is mandatory.

58. Ombudsman shall perform in accordance with the law of the Republic of Kazakhstan, Charter, Code of Corporate Governance of the Holding, this Code and other internal regulations of the Holding.

~~59. Terms of authorities of Ombudsman shall be two years. Ombudsman may be reelected for unlimited number of times. The Board's resolution on nomination of Ombudsman shall indicate the terms of authorities thereof. The Ombudsman is subjected to reelection every two years. The Board's resolution on nomination of Ombudsman shall indicate the terms of authorities thereof. The Board of Directors of the Holding evaluates the results of the activities of the Ombudsman and resolves on the extension or termination of the powers of the person, who hold the position of the Ombudsman.~~ *(stated as amended on April 27, 2018 Minutes #04/18)*

60. Proposals of a nominee for the position of the Ombudsman may be submitted by the Board of Directors of the Holding, the Management Board of the Holding, and the Sole Shareholder from among the ~~Officials and~~ Employees of the Holding.

*A candidate for the position of the Ombudsman should have an impeccable business reputation, high authority, and the ability to make impartial decisions.*  
(stated as amended on April 27, 2018 Minutes #04/18)

61. The main functions of Ombudsman shall be:

- collection of data on breaches of the Code;
- consultations to Staff, Officials on the Code provisions;
- ~~initiation~~ commencement (stated as amended on October 17, 2019 Minutes #10/19) in considering disputes on breaches of the Code and participation in their solution. With respect to corporate conflicts and conflicts of interests, Ombudsman shall coordinate actions with persons responsible for resolving corporate conflicts and conflicts of interests, as per the Policy on managing corporate conflicts and conflict of interest in the Holding.

62. When arising cases of breaching the Code, Staff of the Holding may appeal to Ombudsman both in writing and verbally.

Anonymous applications shall not be considered except for the cases when such an application contains data on preparing or carrying out criminal offences or about threat to state or public security, and which shall immediately be redirected to state bodies in accordance with their competencies.

## **5.2. Rights and obligations of Ombudsman**

63. Ombudsman is entitled:

- to initiate procedures for detecting breaches of the Code, both based on received appeals and by own initiative;
- to personally address Officials and Staff of the Holding on issues of incompliance with the Code;
- provide Officials and Staff of the Holding explanations and interpretation of the Code.

64. Ombudsman is obliged:

- to ensure protection to Staff (within the limits set by procedures under the labor law) for the period of procedures of disputes consideration on issues of the Code breaches, in case of situations of their forced dismissal due to such cases ~~initiative~~ commencement (stated as amended on October 17, 2019 Minutes #10/19);
- to maintain records of appeals of Staff, Officials, as well as business partners and Stockholders on issues of the Code breaches;
- to provide explanations of the Code provisions to Staff of the Holding within five business days in case of their appeal;
- to retain independence and open-mindedness when participating in consideration of Code breaches;
- to ensure anonymity of Staff, Official, who has appealed about the Code breach (in case of desire thereof to retain anonymous).
- *to submit to the relevant bodies and officials of the Holding the identified issues of concern that are systemic in nature and require the adoption of appropriate decisions (integrated measures);*

*at least once a year submit a report on the results of the work to the Nominations, Remunerations and Social Issues Committee, and the Audit Committee under the Board of Directors of the Holding, who assess the performance results thereof. (stated as amended on April 27, 2018 Minutes #04/18)*

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## **Chapter 6. PRACTICAL IMPLEMENTATION OF THE CODE**

65. The structural division of the Holding supervising issues of staff management, shall ensure:

- with respect to Officials and Staff of the Holding – awareness of the Code within 10 (ten) business days since its enter into force;
- with respect to newly hired Staff – awareness of the Code within one month since conclusion of the labor contract;
- in case of amendments to the Code – awareness of Officials and Staff of the Holding within 10 (ten) business days since adoption of the amendments.

## Annex 1

to the Code of Business Ethics  
of Baiterek National Managing Holding  
Joint Stock Company

### Form

*Please use this form to confirm that you have thoroughly read, understood and shall honestly follow the principles of business ethics and rules of conduct set by the Code of Business Ethics of Baiterek National Managing Holding Joint Stock Company (hereinafter – the Holding).*

*Filled-out and signed form-confirmation shall be retained in personal folder of each employee of the Holding since the moment of job commencement and/or official duties in the Holding.*

### CONFIRMATION

*Please fill-out  
this form, sign and deliver printed to  
the below postal address*

Since commencement of labor and/or job responsibilities, you are obliged to thoroughly read, understand and follow the principles of business ethics and rules of conduct set by the Code of Business Ethics of the Holding (hereinafter – the Code).

*Employees of the Holding:*

#### Your confirmation

*Republic of Kazakhstan  
Astana, Kunayev Street 8,  
~~block B~~, Nur Sultan, 55A Mangilik El  
Avenue (stated as amended on  
October 17, 2019 Minutes #10/19)  
Baiterek National Managing Holding  
Joint Stock Company,  
Human Resources Management  
Department*

I confirm that I have read and understood.

I shall honestly follow the principles of business ethics and rules of conduct set by the Code.

I agree to confirm at least once a year during my labor and/or job responsibilities in the Holding that I read, understood and shall follow the principles of business ethics and rules of conduct set by the Code.

*Board members of the Holding:*

*Republic of Kazakhstan, 010000,  
Astana, Kunayev Street 8,  
block B, Baiterek National Managing  
Holding JSC*

*Please sign here*

Full name \_\_\_\_\_ Signature \_\_\_\_\_  
Date \_\_\_\_\_

## **CHECKLIST**

### **How should I act in case of doubts on issues of business ethics?**

1. Officials and Staff of the Holding shall comprehend provisions of the Code as well as other internal regulations of the Holding, and always comply with them. Those who do not comply with the Code, shall expose themselves, colleagues and the Holding. It is necessary to always remember about the ethical side of undertaken acts.

2. In case of uncertainty about correctness of actions, each may appeal for advice / consultation / recommendation, but before that ask oneself the following simple questions:

- is the action under concern legal?
- does it comply with the Code? Does it comply with the Holding's values?
- does it expose the Holding to any unacceptable risks?
- does it correspond with our obligations?
- is there any other way of conduct which would not lead to an ethical conflict?
- will there be a sense of awkwardness if others learn about these actions?
- does it seem to be correct?

3. To determine whether a gift or event is acceptable, each should ask oneself the following questions:

- intention of the giver: "what purpose has the gift or event: solely to show common signs of courtesy, or to make impact to objectivity of a business decision?";
- price and frequency: "is the gift or event modest and not frequent, or it may impose any counter-obligations?";
- legality: "are you sure that the gift or event do not abuse the law of the Republic of Kazakhstan or the Code?"
- transparency: "will I feel shame if my management or others outside the Holding learn about it?".

At the same time, each should understand that the offences which make corruption possible, as well as the corruption itself related to illegal receipt of benefits and preferences, shall be liable to the law of the Republic of Kazakhstan.

4. When making decisions which may impact the ethical behavior of the person or the Holding in general, it is recommended to do the following acts:

- prior to acting, you must think and ask yourself the above questions.
- you should review respective norms of publicly available documents of the Holding and the law of the Republic of Kazakhstan.
- you should consider options for the issue solution, and their consequences.

- you should think whom it can impact.
- you should define your level of authorities.
- you should be aware of all facts, documents and information referring to the case.
- you shall assess risks and ways of their mitigation.
- you should think over the best scenario.
- you should consult with the others.
- you should ensure that you take into account all provisions of the Code and other internal regulations of the Holding.
- you should deliver your decision to all parties involved.
- you should analyze the acquired experience and share it with the others.