

POLICY

**OF IDENTIFYING AND SETTLEMENT OF THE CONFLICT OF
INTERESTS**

Karaganda

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1 Scope

1.1 The policy of identifying and settlement of the conflict of interests (hereinafter referred to as Policy) of the Non-profit Joint-stock Company “Abylkas Saginov Karaganda Technical University” (hereinafter referred to as Company) determines situations of the conflict of interests and establishes the obligations of dutyholders and employees of the company on prevention of formation of the conflict of interests and the procedure of settling the conflict of interests.

1.2 The company understands that the dutyholders and the employees of the company can have legal personal interests beyond performance of their duties/job duties in the company, but any conflict of interests between such personal interests and duties/the job duties in the company must be disclosed and settled in accordance with the policy.

2 Normative references

This policy uses references to the following normative documents:

ST RK ISO 9000-2017 (ISO 9000:2015) Quality Management System. General provisions and glossary.

DP V-01 Control of documented information.

3 Terms, definitions and abbreviations

Terms, definitions and abbreviations are used in this policy, according to the Standard of the Republic of Kazakhstan ISO 9000-2017 (ISO 9000:2015) “Quality Management System. General provisions and glossary”, in addition to them, the following terms and their definitions are established:

Close relatives are individuals, who are closely related (parents (parent), children, adoptive parents, adopted children, full brothers and sisters, half-brothers and sisters, grandfather, grandmother, grandchildren), married and affined with a dutyholder or an employee of the company;

AWD – Administrative Work Department of the company;

A dutyholder is a member of the Board of Directors or the Management Board of the company;

DP – documented procedure;

Confidential information is any information, including official information, which has an actual or potential commercial value because of being unknown to the third parties, access to it is legally restricted and an owner of the information takes measures to protect its confidentiality. Information, which is the confidential information, is determined by the current legislation, internal documents of the company;

A conflict of interests is a situation, where a personal interest of the employee or the dutyholder of the company affects or can affect the unprejudiced execution of his duties/job duties;

Personal interests are personal property benefits or interest in obtaining personal benefits from the company, not related to the receipt of salary and other payments,

determined by internal documents of the company;

PD – Personnel Department of the company;

Management Board – Management Board of the company;

QMR – quality management representative;

An employee is a person, who has labour relationships with the university and directly performs a work, as per a labour contract;

RK – Republic of Kazakhstan;

QMS – Quality Management System;

Board of Directors – Board of Directors of the company;

CQM&A – Center for Quality Management and Accreditation of the company;

LD – Legal Department of the company.

4 Responsibility and authority

4.1 This policy is approved by the Chairman of the Management Board – Rector of the company on the title page.

4.2 A developer of the policy is responsible for content, structure and drawing up an approved policy. A decision of the final version of the policy is made by QMR.

4.3 A compliance officer and leaders of the structural divisions are responsible for informing the employees of the company about requirements of the policy. A familiarization record must be made in the “Familiarization sheet” (Appendix B).

4.4 Leaders of the divisions are responsible for preservation, unauthorized copying the documents of quality management system (QMS), including this policy, situated in the division, and the leakage of official information.

5 General provisions

5.1 This policy has been developed in accordance with the Law of the Republic of Kazakhstan “On Joint-stock Companies” [1], the Charter of the Company [2], the Code of Corporate Management [3], the Code of Business Ethics of the Company [4] and the best corporate management practices.

5.2 The purpose of the policy is:

- ensuring a fair, objective and independent process of making decisions in the interests of the company and sole shareholder;
- minimization of the risks of making managerial, financial and economic decisions under the influence of private interests and connections;
- creation of the unified system of managing the real and potential conflicts of interests.

6 Situations of the conflict of interests

6.1 For the purposes of the policy, the situations of the conflict of interests include the following situations:

- 1) a situation, where the dutyholder or the employee of the company holds a position, which is directly subordinated to the position, held by his close relative;

2) a situation, where the dutyholder, the employee of the company or their close relative are a party in the project or deal, related to the company;

3) a situation, where the dutyholder, the employee of the company or their close relative are an affiliated person of the organization, that is a party in the project or deal, related to the company;

4) a situation, where the dutyholder, the employee of the company or their close relative are the affiliated person, an independent director or an employee of the organization, that competes with the company in terms of providing services, realization of the project or making the deal with the third party;

5) any commercial interest or another interest (direct or indirect) in the projects, deals, related to the company;

6) a situation, where the dutyholder, the employee of the company or their close relative receive remuneration in the form of money, services and in other forms from individuals and/or organizations due to the performance of their duties/job duties in the company;

7) a situation, where the dutyholder or the employee of the company takes gifts due to the performance of his duties/job duties in the company or from people, who depend on him in terms of work, except for symbolic tokens of appreciation and symbolic souvenirs in accordance with generally accepted norms of politeness and hospitality or when holding protocol and other official events;

8) a situation, where the dutyholder, the employee of the Company or their close relative receive personal discounts or other exceptional benefits, being not generally available for other dutyholders, employees of the company or their close relatives from suppliers, contractors or other counterparties of the company;

9) a situation, where the dutyholder or the employee of the company discloses the confidential information, which has become known to him because of the performance of his duties/job duties or any other information, the disclosure of which can have a negative impact on interests of the company, as well as any usage of the confidential information, related to the company by the dutyholder, the employee of the company or their close relative for deriving a personal profit;

10) a situation, where the dutyholder or the employee of the company takes part in discussion or decision-making in terms of evaluation of his work, reappointment (re-election), payment of the remuneration or other issues in relation to himself;

11) a situation, where the dutyholder or the employee of the company uses resources, intellectual property and equipment of the company for personal purposes.

6.2 The situations of the conflict of interests, mentioned in the item No. 6.1 of the policy, are not comprehensive. To determine the existence of the conflict of interests, the dutyholders and the employees of the company must be guided by the term “conflict of interests”, given in the section No. 3 of the policy.

6.3 If the member of the Board of Directors has doubts about the existence of the conflict of interests, he must consult with the compliance officer/Compliance-Service of the company and provide the Chairman of the Board of Directors with necessary comprehensive information for solving an arisen issue by the Board of Directors.

6.4 If the member of the Management Board has doubts about the existence of the conflict of interests, he must provide the Chairman of the Management Board -

Rector of the company with the necessary comprehensive information for solving the arisen issue and, if it is necessary, consult with the compliance officer/Compliance-Service of the company.

6.5 If the employee of the company has doubts about the existence of the conflict of interests, he must provide his direct leader with the necessary comprehensive information for solving the arisen issue and, if it is necessary, consult with the compliance officer/Compliance-Service of the company.

7 Obligations of the dutyholders and employees of the company on prevention of formation of the conflict of interests

7.1 The compliance officer/Compliance-Service must monitor and eliminate potential conflicts of interests, if it is possible, at the level of the dutyholders, including unlawful usage of the company's property and abuse during performance of the job duties.

7.2 The dutyholders and the employees of the company must not participate in consideration and decision-making in terms of any deal between the company and themselves, as well as any of their close relatives, and are responsible for compliance with this requirement.

7.3 Members of the Board of Directors and the Management Board must:

- 1) prevent occurrence of the situations of the conflict of interests;
- 2) refrain from participating in the consideration of issues, where they have the conflict of interests and making the decisions on them;
- 3) inform the Chairman of the Board of Directors about an existing conflict of interests in accordance with the requirements of the policy;
- 4) provide the company with information about their affiliated people within the period, established by law.

7.4 The employees must:

- 1) prevent the occurrence of the situations of the conflict of interests;
- 2) refrain from participating in the consideration of issues, where they have the conflict of interests and making the decisions on them;
- 3) inform their direct leader about the existing conflict of interests in accordance with the requirements of the policy;
- 4) confirm familiarization with this policy and the standard of settling the conflict of interests of the company and the obligation of observing them in written form.

7.5 The dutyholders cannot speak on behalf and in the interests of the third parties, in relations with the company.

7.6 The employees of the company cannot make the deals on behalf of the company either in relation to themselves or in relation to another person, whose representative they are at the same time.

7.7 The dutyholders are prohibited to interfere in the activity of divisions, which are both directly subordinated and not subordinated to them in order to have influence on making the decisions of making the deal by the company in which there is an interest.

8 Procedure of disclosing the conflict of interests

8.1 The company establishes the following types (grounds) and timeframes of disclosing the conflict of interests:

- 1) initial disclosure of information about the conflict of interests during employment;
- 2) disclosure of information about the conflict of interests, when transferring to a higher position, another structural division, when changing functional duties and powers;
- 3) one-time disclosure of information as a situation arises, where existence of the personal interest can lead or has led to the formation of the conflict of interests;
- 4) the disclosure of information about the conflict of interests, based on the results of assessment of the corruption risks in the company's activity, carried out by the Compliance Officer/Compliance-Service of the Company;
- 5) the one-time disclosure of information due to approval of this policy.

8.2 Concealment and/or late, incomplete disclosure of information about the existence of direct or potential conflict of interests by the dutyholders and the employees of the company are reasons and conditions of formation of the corruption risks, which contribute to commission of the corruption offenses in the company.

8.3 A person, who is responsible for the receipt of information about arising (existing) conflicts of interests, informing the Compliance Control and Quality Assurance Committee, receipt and ensuring the storage of materials on the settlement of the conflict of interests, is the compliance officer/Head of Compliance-Service of the company.

9 Settlement of the conflict of interests

9.1 The body of settling the conflicts of interests in the company is the Compliance Control and Quality Assurance Committee.

9.2 In order to improve the efficiency of work of the prevention and settlement of the conflict of interests, the company aspires to create mechanisms for their timely and complete detection, as well as for clear coordination of the actions of all company's bodies to settle them.

9.3 In order to settle the conflicts of interests, arising in the company, the dutyholders must:

- identify arising conflicts of interests, determine their causes;
- clearly distinguish competence and responsibility of the company's bodies;
- ensure that the dutyholders and the employees of the company refrain from participating in the consideration of issues, where they have the conflict of interests and making the decisions on them.

9.4 The dutyholder of the company must immediately inform the Chairman of the Board of Directors about the existence or occurrence of the conflict of interests in written form by means of a corporate secretary of the company in order that the Board of Directors makes the decision of settling such a conflict.

9.5 The employee of the company must immediately inform his direct leader about the existence or occurrence of the conflict of interests in order to settle such the

conflict.

If it is impossible to settle the conflict of interests at the level of structural division, a leader of the structural division must provide the leader, who supervises this structural division with information about the conflict of interests, the reasons of its formation and taken measures during one working day. The leader, who supervises this structural division, takes all measures to settle the conflict of interests. If it is impossible to settle the conflict of interests, he raises the issue of settling such the conflict to be considered by the Compliance Control and Quality Assurance Committee of the company.

9.6 Measures, taken for settling the conflict of interests:

1) restriction of access of the dutyholder or the employee of the company to specific information, which can affect the personal interests of the dutyholder or the employee of the company;

2) suspension (permanent or temporary) of the dutyholder or the employee of the company from participation in discussion of the issues, where they have or can have the conflict of interests and making the decisions on them;

3) revision and change of the duties/job duties of the dutyholder or the employee of the company;

4) the dutyholder or the employee of the company alienates the property, belonging to him, which is a reason for the formation of the conflict of interests;

5) refusal of the dutyholder or the employee of the company from his personal interest, which causes the conflict of interests.

9.7 The list of measures, mentioned in the item No. 9.6 of the policy, is not comprehensive. In each specific case, other measures can be taken, depending on specific features of the existing situation, the degree of adequacy of the taken measures to the goals of settling the conflict of interests.

10 Responsibility

10.1 The dutyholders and the employees of the company are responsible for fulfillment of the policy.

10.2 The leaders of the structural divisions (direct leaders) of the company are responsible for:

- monitoring the observance of requirements by employees of the divisions, prescribed by the legislation of the Republic of Kazakhstan and the policy;

- detection, immediately informing the compliance officer/Compliance-Service of the company about the real and potential conflict of interests, revealed facts of violation of the policy;

- taking/realization of the measures of settling the conflict of interests;

- giving feedback to the employee.

10.3 The employees of the company are responsible for:

- observance of the requirements, prescribed by the legislation of the Republic of Kazakhstan and the policy;

- timely disclosure of information about the real and potential conflict of interests, providing complete and reliable information.

10.4 If violations of the requirements of the legislation of the Republic of

Kazakhstan and the policy, resulting in infliction of losses to the company, are committed in the work of preventing or settling the conflict of interests, the people, being guilty in such a violation, are brought to responsibility in accordance with the legislation of the Republic of Kazakhstan.

10.5 If it is impossible to settle the conflict of interests by means of negotiations, it is settled in court.

11 Agreement, approval and introduction

11.1 This policy is agreed by QMR, a director of AWD, a leader of LD, the chairman of the trade union committee of teachers and employees, and is drawn up in the “Approval sheet” (Appendix A).

11.2 The policy is translated into Kazakh and English for the purpose of further posting on the official website of the company.

11.3 The policy, having a signature of the developer and agreeing signatures, is submitted by the developer for approval.

11.4 This policy is approved by the Chairman of the Management Board – Rector of the company on the title page.

11.5 The date of introduction of the Policy is the date of approval/approval of the Policy. The policy comes into effect at the time of its approval.

11.6 The approved Policy is deposited in the CQM&A on paper.

12 Availability ensuring

Provision of departments with copies of the Policy is carried out by posting on the official website of the Company.

13 Storage

13.1 After posting the electronic version of this Policy on the official website of the Company, the executors get acquainted with it and put their signature on the familiarization sheet (Appendix B). At departments and divisions, the head of the department and/or the head of the department is responsible for familiarizing employees with the Policy.

13.2 The head of the department is responsible for the replication, accounting of copies, unauthorized use and preservation of the document.

13.3 The full version of the document is stored in electronic form, and the title page and the familiarization sheet are printed.

14 Analysis and updating

14.1 Verification, analysis and updating of the Policy:

- during the reorganization/renaming of the Company;
- when changing the Company's strategy, policy and goals in the field of quality;
- when nonconformity processes are detected, during internal and/or external audits;

- in case of changes in legislative, regulatory and contractual requirements on the settlement of conflicts of interest.

14.2 The review of the Policy should be carried out once a year.

14.3 The developer is responsible for the analysis and updating of the Policy.

14.4 Updating of the Policy should be carried out by the developer within no more than 5 working days from the date of receipt of new information.

14.5 The availability of appropriate versions of the Policy in the places of their application is provided by electronic versions.

14.6 The provision and responsibility for the availability of valid versions of documents at the workplace in the departments is assigned to the heads of departments.

15 Making modifications in the policy

15.1 Changes to this Policy must be made in accordance with DP V-01.

15.2 This Policy is reviewed in case of changes in legislation or as necessary.

15.3 In case of changes in the requirements of the legislation, this Policy is valid until the moment of its change in the part that does not contradict the current legislation at the time of its application.

15.4 Changes to the original Policy are made by the developer. CQM&A must post an updated version on the official website of the Company within no more than 5 days.