

Approved by Resolution  
of Board of Directors  
«Tau-Ken Samruk» NMC JSC  
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**Anti-Corruption Policy in the Joint Stock Company National  
Mining Company Tau-Ken Samruk and its affiliate subsidiaries**

**Nur-Sultan, 2019**

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## 1. Terms, definitions and abbreviations

<b>Company</b>	Joint Stock Company National Mining Company Tau-Ken Samruk
<b>Policy</b>	Anti-Corruption policy in Tau-Ken Samruk NMC JSC and its affiliate subsidiaries
<b>Corruption</b>	Illegal application of the official powers and related capabilities by the officials in line to obtain or extract the property (non-property) benefits and advantages for themselves or third parties personally or through any intermediaries, as well as bribery of these persons providing them any benefits and advantages
<b>Corruption offense</b>	Any act (action or negligence) with any elements of corruption identified as administrative, criminal, civil or disciplinary liability by the legislation of the Republic of Kazakhstan.
<b>Corruption risk</b>	Risk of corruption.
<b>Company employees</b>	Individuals employed by the Company under Labor Contract.
<b>Bribe</b>	The gratuity received by the official, foreign official or official of the public international party personally or through any intermediary in the form of money, securities, other property or in the form of illegal provision of property services, provision of other property rights (including when the bribe is transferred to another natural person or legal entity as directed by any official) for any actions (inaction) committed in favor of the bribe giver or the persons represented by him, if these actions (inaction) included in the official authority of the official or if, by virtue of his official position, he can

contribute to these actions (inaction), as well as for general patronage or connivance in the service.

**Anti-corruption**

Activities of the Company's employees and its subsidiaries, Management bodies of the Company within their powers to prevent corruption, including identification and subsequent removal of the corruption causes (corruption prevention); to minimize and / or eliminate the corruption offenses effects.

**Conflict of interest**

This is situation where any trustworthy employee has any competing professional or personal interest. Such competing interests may prevent the employee from the fulfillment of his duties impartially.

**Anti-corruption legislation**

Anti-corruption law of the Republic of Kazakhstan, regulations, the main requirements of them are the prohibition of bribery, prohibition of receiving bribes, prohibition of commercial bribery, prohibition of mediation in bribery, as well as other legal anti-corruption acts.

**Board of Directors**

Management Body of Tau-Ken Samruk NMC JSC

**Management**

Executive body of Tau-Ken Samruk NMC JSC

**AS**

Affiliate subsidiaries

The definitions applied, but not disclosed in this Policy, correspond to the definitions used in the legislation of the Republic of Kazakhstan, the Charter and other internal regulatory documents of the Company.

**2. General Provisions**

1. Present Policy of the Company is an internal regulatory document defining the key anti-corruption principles and requirements aimed to mitigate the corruption risk, as well as ensuring the Company, its Management bodies, employees, subsidiaries and other persons authorized to act on behalf and in the interests of the Company to comply with applicable anti-corruption law.

2. The Policy has been developed in accordance with the legislation of the Republic of Kazakhstan, Charter of the Company and subsidiaries, as well as other internal documents of the Company.

3. The provisions of this Policy apply to all employees of the Company regardless of their position, status and time operation in the Company, subsidiaries, as well as the persons acting on behalf of the Company. All employees of the Company and subsidiaries shall be guided by present Policy and strictly observe its principles and requirements.

4. The Company declares the corruption rejection and intolerance of corrupt behavior in any forms and manifestations, monitors compliance with the principles and requirements of the Policy by the members of Management Bodies, employees of the Company and subsidiaries.

### **3. Goals and Objectives of the Policy**

5. The anti-corruption goal in the Company and its subsidiaries is to minimize the risk of the officials and employees of the Company and subsidiaries involvement in the corruption activities regardless of their position.

6. The main goals and objectives of this Policy are as follows:

1) consolidation and explanation of the basic requirements of the anti-corruption legislation of the Republic of Kazakhstan that may be applied to the Company, employees of the Company and its subsidiaries;

2) ensuring the Company's and subsidiaries activities compliant with the anti-corruption legislation of the Republic of Kazakhstan, standards of business ethics;

3) regulation of the Company and subsidiaries anti-corruption activities, formation the unequivocal understanding of the Company position on the corruption rejection and intolerance of corrupt behavior in any form and manifestation by the members of governing bodies, employees of the Company and subsidiaries, customers, counterparties during the Company' and its subsidiaries activities execution;

4) establishment of the mandatory procedures to prevent the corruption in the Company and its subsidiaries;

5) mitigation the risk of the Company, members of Management bodies, employees of the Company and its subsidiaries involvement in the corruption offenses;

6) ascertain the obligation to be familiar and comply with the anti-corruption legislation of the Republic of Kazakhstan for the members of Management bodies

and employees of the Company, subsidiaries and related parties of the Company, agents, partners, as well as other persons related to / or to be related to the Company.

#### 4. Anti-Corruption Principles

7. The main anti-corruption principles in the Company, subsidiaries are as follows:

1) «zero tolerance to any corruption» – the Company, Subsidiaries adhere the complete corruption rejection principle in any forms and aspects during operation. This principle means the strict prohibition to participate in corruption actions, regardless of the practice of doing business in any country for all the officials, employees of the Company, subsidiaries, as well as other persons acting on behalf of the Company or in its interests, directly or indirectly, personally or through any mediation;

2) top management commitment and establishment of the “tone from the top” - Board of Directors of the Company performs the key role creating the corruption intolerance culture and developing the preventive anti-corruption system in the Company. Members of the Board of Directors and Management Board of the Company shall declare the irreconcilable attitude to any form of corruption, demonstrate, comply with and implement this principle upon their own personal experience;

3) employee involvement - the Company informs its officials, employees of the Company and Subsidiaries on the provisions of anti-corruption legislation of the Republic of Kazakhstan and encourages their active participation in the formation and implementation of anti-corruption standards and procedures;

4) unavoidability of punishment - the Company declares the unavoidability of punishment for employees of the Company, as well as its Subsidiaries regardless of their position, work experience and other conditions if they persist any corruption offenses during their duty's execution;

5) legality and compliance of this Policy with the legislation of the Republic of Kazakhstan and international legislation - Company and its Subsidiaries strictly comply with anti-corruption legislation of the Republic of Kazakhstan and other countries where the activities are planned / conducted;

6) efficiency of anti-corruption procedures - Company and its Subsidiaries attempt to make the procedures as transparent, clear, feasible as possible, in line to ensure the simplicity of their implementation and significant result achievement. The Company assesses the existing control procedures efficiency and improves them in case of any inefficiency observed;

7) interaction and coordination - the Company and Subsidiaries ensure the anti-corruption interaction and cooperation with government agencies, partners, customers, counterparties of the Company and its Subsidiaries;

8) implementation of the organizational measures aimed to identify and manage the conflict of interest;

9) adoption of comprehensive measures to prevent any crime proceeds legitimization (laundering), including those as a result of corruption;

10) publicity and openness of activities, including publication of all necessary documents in framework of the Company activities and its subsidiaries in the official websites of the Company and its Subsidiaries respectively.

## **5. Scope of the Policy**

8. The Policy principles and requirements are covered when the Company and its subsidiaries establish any contractual and other business relations with individuals and legal entities.

9. The Company places this Policy in the official website of the Company [www.tks.kz](http://www.tks.kz), thereby confirming its corruption rejection in all its forms and consequences.

10. The Compliance Officer of the Company monitors the compliance of the Company and its subsidiaries and affiliates with any anti-corruption laws of the Republic of Kazakhstan.

11. The Company, members of the Management bodies, employees of the Company and its Subsidiaries are prohibited to involve or use any intermediaries, partners, agents or other persons in order to perform any actions contrary to the Policy principles and requirements or any other norms of applicable anti-corruption legislation.

12. Employees of the Company, Subsidiaries and members of the Management bodies of the Company shall:

1) be guided by the Policy and strictly observe its principles and requirements;

2) refrain from committing and (or) participating in any corruption offenses in the interests of or on behalf of the Company / Subsidiary;

3) immediately inform the direct line manager, chief executive officer, the Compliance Officer and (or) the Management Board of the Company about any cases of incitement of an employee of the Company or Subsidiaries to commit any corruption offenses, about information known to the employee about any cases of corruption offenses committed by other employees, selecting any of the methods of communication in accordance with the Company Whistleblowing Policy;

4) inform the direct line manager or authorized official about any potential conflict of interest arising or arisen, when the employee is one of the parties.

13. In case of any doubts in the correctness of their actions or upon any other codes of conduct, the officers and employees of the Company, Subsidiaries may contact the Compliance Officer of the Company and obtain all necessary explanations.

## **6. Corruption actions. Anti-Corruption Management**

14. Corruption offenses (actions or omissions) are prohibited:

1) in any form, including receipt or provision of cash, valuables, services or any other benefits;

2) in respect of the Company or its Subsidiary or on behalf of and in the interests of the Company or its Subsidiary, in respect of any third parties, including in relation to the state and regulatory bodies and their employees, other legal entities and their employees, management bodies and representatives of these legal entities;

3) personally, or via any mediation of third parties, regardless of purpose, including simplification of administrative and other procedures, and providing any benefits.

15. Members of the Management bodies, employees of the Company and Subsidiaries are strictly prohibited directly or indirectly, personally or via third parties, from any corruption offenses, including simplification of the administrative and other formalities.

16. Members of the Management bodies, employees of the Company and its Subsidiaries shall comply with anti-corruption legislation of the Republic of Kazakhstan, national anti-corruption legislation of foreign states (when the Company or its subsidiaries operate in foreign countries), norms and requirements of international anti-corruption legislation during their duty's execution.

17. Company and its Subsidiaries shall prevent the corruption by:

1) formation of the personal corruption rejection position and corrupt behavior intolerance among the employees of the Company and its Subsidiaries in all forms and impacts, inform them on the basic Policy principles, responsibility for its violation and demand the compliance with the Policy from the employees of the Company and its Subsidiaries;

2) keeping the reliable financial (accounting) recordings of the Company and its Subsidiaries, preventing any deliberate distortion or falsification of the reporting and forged documents used. The workers in charge for the records keeping are responsible for the preparation and submission of the complete and reliable reports;

3) the regular external audit of financial and economic activities, monitoring compliance with the requirements of the current legislation of the Republic of Kazakhstan and internal regulatory documents of the Company and its Subsidiaries, including the principles and requirements established by present Policy;

4) prevention and settlement of conflicts of interest;

5) introduction of special counterparties examination procedures in order to reduce the risk of the Company and subsidiaries involvement in the corruption activities and other unfair practices in the relations with counterparties (collecting and analyzing the information available in public about potential counterparties: their reputation in the business community, duration of the market activity, involvement in the corruption scandals, etc.), include the provisions on compliance with anti-corruption standards (anti-corruption clause) in the agreements concluded with counterparties.

18. Members of the Management bodies of the Company and its Subsidiaries take the lead of corruption rejection, corrupt behavior intolerance in all the forms and effects in all levels.

19. Company, its employees and Subsidiaries are prohibited to use any form of incentives, including cash, valuables, services or other benefits, in favor of any persons and organizations in order to impact the actions (inaction) of any officials in order to simplify, speed up or overcome the bureaucratic, administrative and other formalities.

20. The Company will take all necessary measures to conduct internal audit or investigation of all elements of bribery, corruption and abuse of the official position identified with the employees of the Company or its Subsidiaries.

21. The Compliance Officer monitors the procedures execution in the Company, its Subsidiaries, aimed to mitigate the corruption risk specific for the Company and its Subsidiaries operation:

1) initiates the revision of the internal documentation in the Company and its Subsidiaries in connection with any amendments made in anti-corruption legislation;

2) carries out regular revision and assessment of the corruption risks;

3) receives and processes the reports from the Company employees and its Subsidiaries about any breaches of this Policy, about suspicions of any corruption offense, initiates an internal audit or internal investigation in consequence of that, if necessary;

4) conducts internal audits and official investigations for the appeals of third parties regarding any extortion, prejudice in servicing, preference for one client over other and other factors of the potential illegal corrupt actions of the Company employees and subsidiaries;

5) performs other functions assigned to its competence by this Policy, other internal regulatory documents of the Company.

22. Direct Managers of the Company employees and its Subsidiaries check the compliance with the Policy provisions by the Company employees and its Subsidiaries. Direct Managers provide immediate information to the Compliance Officer of the Company about any facts revealed of this Policy breach.

## **7. Preventive and anti - corruption measures**

23. Corruption risk may occur in some fields of the Company and subsidiaries activities, including, but are not limited to:

1) involvement of third parties and payments to third parties;

2) gifts and entertainment expenditures;

3) sponsorship and charity support;

4) transactions concluded within the Company's investment activities in respect of any acquisition and disposal of assets, mergers and acquisitions and other transactions;

5) Human Resource Management.

## **7.1. Involvement of third parties and payments to third parties**

24. The Company and its Subsidiaries refrain from any involvement the third parties and participation in the joint ventures with the partners breaching the principles and requirements of anti-corruption legislation of the Republic of Kazakhstan or making the risk of business reputation loss for the Company and its Subsidiaries.

25. Prior to making any decision on commencement or continuing business cooperation with any third parties or participating in the joint venture, the relevant structural divisions of the Company and its Subsidiaries initiating the third parties' involvement shall:

1) comply with the procedures established by the Procurement Rules of Goods, Work and Services of Samruk-Kazyna JSC and parties holding fifty or more percent of voting shares (ownership interest) that directly or indirectly belong to Samruk-Kazyna JSC by the right of ownership or trust management;

2) monitor the operations of the third parties and partners in the joint ventures to any corruption effects conducting the following procedures (including, but not limited to):

2.1) check their own anti-corruption policies and procedures available, willingness to comply with the requirements of this Policy and carry out mutual anti-corruption cooperation;

2.2) business reputation verification and absence of the conflict of interest;

2.3) checking for the false business, trustworthiness, tax and other debt available, source of funds.

3) anti-corruption clause to be included in the transactions finalized.

26. The Company and its Subsidiaries encourage the anti-corruption policies and procedures, as well as codes of conduct adopted by the third parties and joint venture partners.

## **7.2. Gifts and entertainment expenditures**

27. The Company and its Subsidiaries admit the exchange of business gifts and entertainment expenditures, including business hospitality, as the necessary part of doing business and common accepted business practices.

28. Exchange of business gifts and entertainment expenditures, including business hospitality of the Company and its Subsidiaries with any third parties, shall meet the following criteria:

1) completely match with the legislation of the Republic of Kazakhstan, as well as internal regulatory documents of the Company and its Subsidiaries in the part of entertainment expenditures;

2) to be reasonably justified, proportionate, not to be cash and non-cash, securities, precious metals and not to represent other types or equivalents of cash, and not to be any luxury item;

3) not constitute any hidden fee for the service, action, inaction, patronage, provision of certain rights, adoption of decision on the transaction, agreement, permit, etc.

4) not create any risk might cause any loss of the business reputation for the Company and its Subsidiaries, its officers and employees.

29. It is forbidden to accept any presents and hospitality from any potential bidder of the Company and its Subsidiaries. In case of any doubt about compliance of the business gift or event with the requirements of present Policy, the official or employee of the Company or subsidiaries shall consult the direct manager or Compliance Officer of the Company thereof.

### **7.3. Sponsorship and charity support**

30. The Company, being the subsidiary of Samruk-Kazyna JSC, carries out its activities in respect of sponsorship and charity support exclusively within the corresponding internal regulatory documents of Samruk-Kazyna JSC.

31. The Company and its Subsidiaries do not prohibit its officials and employees from any charity support and / or sponsorship provided on their own behalf.

### **7.4. Transactions within the Company investment activities**

32. The Company follows the Corporate Standard for the Investment Activities of Samruk-Kazyna JSC and legal entities holding more than fifty percent of the voting shares (ownership interest) that are directly or indirectly owned by Samruk-Kazyna JSC, as well as internal regulatory documents of the Company during investment activities execution.

33. The Company performs the due diligence audit of the entity's activities including the transaction reliability when planning any transactions for the acquisition and disposal of assets, mergers and acquisitions, and making a preliminary decision on such transactions appropriateness in order to identify the corruption risk elements available.

34. Irrespective of the corruption risk rate in the asset acquired, the Company will introduce anti-corruption policy, procedures and codes of conduct similar to those adopted by the Company in the acquired asset after the relevant decision adopted by the Management body of the Company in respect of any transaction.

### **7.5. Human Resource Management**

35. The Company and its Subsidiaries are committed to the objectivity and honesty concepts when taking any human resource decisions. In order to avoid any corruption risks while employment, evaluation, promotion and termination of staff, the Company and its Subsidiaries:

1) develop and approve the procedures transparent for the selection and employment of personnel and relevant qualification requirements to the position in the manner prescribed;

2) check the applicants for their reliability and lack of conflict of interest prior to commencement or continuation of the labor relations;

3) assess the staff performance and remuneration to be paid based on the key performance indicators and professional achievements;

4) take the promotion decision based on the employee's business qualities and qualifications;

5) carry out the labor relations termination procedure under the grounds provided for by the Labor Code of the Republic of Kazakhstan.

36. Officials accept the anti-corruption restrictions in the form of consent to accept anti-corruption restrictions in accordance with Appendix 1 to present Policy during employment or extension of the labor relationship with the Company or its Subsidiaries.

37. Non-acceptance of anti-corruption restrictions by the officials of the Company and its Subsidiaries entails the refusal to employ / transfer to any other position.

## **8. Prevention and settlement of the conflict of interest**

38. Conflict management is one of the most important anti-corruption tools. The Company and its Subsidiaries are keenly focused to prevent any conflicts related risks implementation as well as their settlement.

39. The officials, employees of the Company and its Subsidiaries shall be guided by the Company and its Subsidiaries interests during execution of their official duties in order to avoid any situations or circumstances when their personal interests conflict with the Company's or its Subsidiaries' interests. In the event of any conflict of interest (or its potential occurrence), officials, employees of the Company and its Subsidiaries shall inform the line manager or the senior management of the Company thereof in writing.

40. The Chairman of the Board of Directors / Management Board of the Company shall timely take appropriate response measures in accordance with the internal regulatory papers of the Company upon the request of officials or employees of the Company or its Subsidiaries, or when receiving any information from other sources.

## **9. Corruption Reporting**

41. If there is any evidence of the fact or conditions for any official or employee of the Company or its Subsidiaries to commit any corruption offense, that shall be immediately reported to the Company's "hot line", information about that is

available in the Company's corporate website or to the line manager or superior manager and (or) Compliance Officer of the Company.

### **10. Internal audit, internal investigation on the corruption offenses commitment or creating the conditions for that**

42. Internal audit or internal investigation is conducted for all reports of the corruption elements found in the Company and its Subsidiaries involving relevant structural divisions of the Company and its Subsidiaries, respectively.

43. If any corruption elements or corruption facts are found in course of the internal audit or internal investigation, the corrective measures are to be adopted upon the audit or investigation completion based on the zero tolerance concept for any corruption elements, up to the employment termination and transfer the papers to the relevant state authorities, as well as control procedures improvement.

### **11. Cooperation with the law enforcement**

44. Cooperation of the Company and its Subsidiaries with law enforcement agencies in the anti-corruption issues is one of the indicators of the Company's true and its Subsidiaries commitment to the declared anti-corruption code of conduct.

45. Anti-corruption cooperation may take place as follows:

1) sending papers to the relevant law enforcement authorities concerning any elements or facts of corruption offenses, the Company or its Subsidiary was reported;

2) supporting the authorized representatives of the control and supervisory and law enforcement agencies during their anti-corruption inspections of the Company or its Subsidiaries.

### **12. Responsibility**

46. All employees of the Company and its Subsidiaries, regardless of their position, are liable for observing the principles and requirements of present Policy, as well as for the actions (inaction) of their subordinates who violate these principles and requirements under the current laws and internal regulatory documents of the Company and its Subsidiaries, respectively.

47. The Persons guilty of violating the anti-corruption legislation and requirements of present Policy may be brought to the disciplinary, administrative, civil or criminal liability in the manner and on the grounds provided for by anti-corruption legislation, internal regulatory documents of the Company and its Subsidiaries.

### **13. Final Provisions**

48. The approval of this Policy, as well as any amendments and additions to be made, is within the competence of the Board of Directors of the Company.

49. If, in the event of any amendments in the legislation of the Republic of Kazakhstan, in the Charter of the Company and its Subsidiaries, certain rules of present Policy come into conflict with them, these rules of the Policy shall cease to be valid and officers and employees of the Company and its Subsidiaries are to be guided by the applicable legal acts of the Republic of Kazakhstan.

Appendix No.1  
to Anti-Corruption Policy  
in «Tau-Ken Samruk» NMC JSC  
and its subsidiaries

## ANTI-CORRUPTION RESTRICTIONS

1. Herewith undersigned, \_\_\_\_\_,  
(Full Name)

in order to prevent any actions might cause my powers to be used in the personal, group and other unofficial interests, subject to the provisions established by the articles 13, 14 and 15 of the Law of the Republic of Kazakhstan "On Combating Corruption" dated November 18, 2015 No. 410-V ZPK (hereinafter - the Law), I accept the anti-corruption restrictions concerning:

- 1) the operations incompatible with the state functions performance;
- 2) the inadmissibility of joint service (work) of close relatives, spouses and relatives;
- 3) disclosure of confidential and other information of the Company (AS), not subject to the official distribution, in order to obtain or extract property and non-property benefits and advantages;
- 4) the acceptance of presents in connection with the official duty execution in accordance with the legislation of the Republic of Kazakhstan.

2. Get acquainted with the requirements established in the Articles 13, 14 and 15 of the Law:

1) The official is a person who constantly, temporarily or by special authority performs the functions of public agent or performs organizational-administrative or administrative functions in government bodies, quasi-public sector entities, local self-government bodies, as well as in the Armed Forces, other troops and military units of the Republic of Kazakhstan (hereinafter - the person / persons) that violates the requirements, if they don't eliminate it voluntarily within three months from the date of violation detection, shall be transferred to positions excluding such subordination, and if such a transfer is not possible, one of these employees subject to the termination of the services or other dismissal from the functions specified.

Close relatives are deemed as parents, children, adoptive parents, full and half brothers and sisters, grandfather, grandmother, grandchildren, as relatives are deemed the brothers, sisters, parents and children of the spouse.

2) Persons holding important official position, persons authorized to perform public functions, persons equated to the persons authorized to perform public functions, officials are prohibited from performing any official duties if there is a conflict of interest.

3) Persons holding important official position, persons authorized to perform public functions, persons equated to the persons authorized to perform public functions, officials shall take the measures to prevent and settle the conflict of interest.

4) Persons holding important official position, persons authorized to perform public functions, persons equated to the persons authorized to perform public functions, officials shall notify in writing the line manager or chief executive officer of the entity where they work about any conflict of interest or its potential occurrence, as soon as they become aware of that.

3 Nonacceptance of anti-corruption restrictions shall entail the refusal of employment or dismissal from the office (termination), their non-compliance in case when there are no any indications of the criminal offense and administrative offense shall be deemed as the basis for termination of public service or other related activities.

I undertake to comply with the anti-corruption restrictions \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)