

"APPROVED"
by decision of the Board of Directors
"Fund for Problem Loans" JSC
(Minutes No. 10 dated 12.10.2023)

POLICY
for identification and settlement
of officials and employees' conflict of interests
"Fund for Problem Loans "Joint Stock Company

2023

TABLE OF CONTENTS

Chapter 1. General provisions	page 3
Chapter 2. Scope of application	page 3
Chapter 3. Terms and definitions	page 4
Chapter 4. Basic principles of conflict-of-interest management	page 4
Chapter 5. Conflict of interest situations	page 6
Chapter 6. Procedure for disclosure (declaring) conflict of interest	pp.6-7
Chapter 7. Conflict of interest prevention	pp.7-8
Chapter 8. Duties of officials and employees to prevent conflict of interest	page 8
Chapter 9. Procedure for consideration and settlement of conflicts of interest	pp.8-9
Chapter 10. Possible measures to resolve conflicts of interest	p.9-10
Chapter 11. Responsibility	page 10
Chapter 12. Final provisions	page 10
Annex	page 11

1. General provisions

1. This Policy on identifying and resolving conflicts of interests of officials and employees of "Fund for Problem Loans" Joint Stock Company (hereinafter referred to as the Policy) has been developed in accordance with Law of the Republic of Kazakhstan "On combating corruption", Model Regulation on Anti-Corruption Compliance Services in Quasi-Public Sector Entities, approved by order of Chairman of Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption service) dated March 31, 2023 No. 112 and internal documents of "Fund for Problem Loans" JSC (hereinafter referred to as the Fund).

2. This Policy has been developed in order to prevent conflicts of interest and is one of key anti-corruption mechanisms. Serious violations related to conflict of interest can damage Fund's business reputation and undermine confidence in it on the part of all interested parties. Personal interests of Fund's official or employee should not influence performance of their official and functional duties on basis of principles of impartiality, honesty and protecting Fund's interests.

3. This Policy defines conflict of interest situations, measures to prevent and resolve them, as well as responsibility of all participants in conflict-of-interest management process.

4. Fund's officials and employees may have legitimate personal interests outside their official duties, but any conflict of interest between such personal interests and official duties in the Fund must be disclosed and resolved in accordance with this Policy.

5. In relations with business partners, contractors and third parties, the Fund expects to establish and maintain trusting relationships in which the parties are obliged to act as honestly, conscientiously, fairly and loyally as possible, as well as to take exhaustive measures to prevent, identify and exclude conflicts of interest.

2. Scope of application

6. This Policy is mandatory for review and strict compliance by all officials and employees of the Fund.

7. This Policy must be posted at Fund's website <https://www.fpl.kz> .

3. Terms and definitions

8. The following terms and concepts are used in this Policy:

1) conflict of interests - contradiction between personal interests of officials and their official powers, in which personal interests of these persons may lead to non-performance and (or) improper performance of their official duties;

2) personal interests - personal property benefits or interest in obtaining personal benefits from the Fund, not related to receiving wages and other payments established by the internal documents of the Fund;

3) organizational and administrative functions - right granted in accordance with the procedure established by the law of the Republic of Kazakhstan to issue orders and instructions binding on subordinates, as well as to apply incentive measures and

disciplinary penalties against subordinates;

4) Fund's employee - individual who has employment relationship with the Fund.

9. The terms used, but not defined in this Policy, are used in the meaning in which they are used in the legislation of the Republic of Kazakhstan and internal documents of the Fund.

4. Basic principles of conflict-of-interest management

10. The Fund manages conflicts of interest based on the following key principles:

1) legality - compliance of this Policy with the legislation of the Republic of Kazakhstan and Fund's internal documents;

2) protecting Fund's interests – Fund's officials and employees are obliged to make decisions based only on legislation of the Republic of Kazakhstan and Fund's internal documents, and not based on personal preferences;

3) transparency and accountability - open declaration of personal interests and performance of official duties within prescribed procedures, that contributes to prevention or settlement of conflicts of interest.;

4) objectivity and individual consideration - each case of a conflict of interest is considered individually with assessment of potential risks for the Fund and is subject to timely settlement. Fund's officials and employees should strive to minimize subjectivity that distorts real situation of the conflict of interests, including any influence of personal and other interests, as well as various factors on the process and results of conflict-of-interest consideration;

5) confidentiality - strict observance of confidentiality: from disclosure of information about conflict of interests and further settlement of conflict of interests to summing up and making a final decision on situation under consideration;

6) involvement - awareness of Fund's officials and employees about provisions of anti-corruption legislation and their active participation in formation and implementation of anti-corruption standards and procedures, including prevention, identification and settlement of conflicts of interest;

7) intolerance and internal culture - Fund forms a culture and a high degree of intolerance to conflicts of interest in its activities. Fund welcomes disclosure by its officials and employees of possible conflicts of interest and develops internal culture of open communication aimed at their understanding of the provisions of this Policy;

8) personal example - Fund's officials by their actions serve as a personal example of integrity and ethical behavior, demonstrate commitment to professionalism and strictly comply with requirements of this Policy;

9) personal responsibility and inevitability of punishment - line manager of official or employee who has admitted conflict of interest is personally responsible for untimely identification and disclosure, as well as for improper settlement of a conflict of interest. All Fund's officials and employees are personally responsible for

maintaining balance between personal interests and interests of the Fund, and must also be responsible for declaring and identifying their personal interests in performance of official duties.

5. Conflict of interest situations

11. For the purposes of this Policy, situations that may lead to a conflict of interest include the following situations in which:

1) Fund's official or employee holds positions that are directly subordinate to positions held by their close relatives, spouse;

2) Fund's officials, employees or their close relatives, spouses has or may have any commercial or other interest (direct or indirect) in transactions or projects related to the Fund;

3) Fund's officials, employees or their close relatives, spouses are affiliated with organization that is a party to a project or transaction related to the Fund;

4) Fund's official or employee combines executive and control functions, allowing them to use their official duties in order to obtain personal benefits.

12. Conflict of interest situations provided for in paragraph 11 of this Policy are not exhaustive. To determine whether there is a conflict of interest, Fund's officials and employees must be guided by term "conflict of interest" given in clause 8 of this Policy.

13. If Fund's official or employee has doubts about existence of a conflict of interest, he needs to consult with Fund's Compliance Service and provide his line manager with necessary comprehensive information to resolve the issue.

6. Procedure for disclosure (declaration) of a conflict of interest

14. Disclosure of information about conflict of interest by Fund's officials and employees is carried out immediately in writing, with detailed justification and documentary confirmation of existence or occurrence of a conflict of interest.

15. The Fund establishes the following procedure for disclosure (declaration) of a conflict of interest:

1) initial disclosure of information about a conflict of interest when applying for a job;

2) disclosure of information about a conflict of interest when transferring to a higher position or to another structural unit, as well as when changing functional duties;

3) annual disclosure of conflict of interest associated with high level of corruption risk in Fund's business processes and business operations, realization or execution of which is most likely to create conditions for a conflict of interest;

4) one-time disclosure of information as situations arise provided for in paragraph 11 of this Policy, in which personal interest may or has led to a conflict of interest. One-time disclosure is carried out by filling out notification in accordance with the annex to this Policy.

16. The annual disclosure of conflicts of interest by Fund's officials and

employees is carried out based on results of assessing corruption risks in Fund's business processes and business operations, conducted by Fund's Compliance Service on an annual basis.

17. Concealment and/or untimely, incomplete disclosure of information about direct or potential conflict of interests by Fund's officials and employees are the causes and conditions of corruption risks that contribute to corruption offenses in the Fund.

7. Conflict of interest prevention

18. In order to prevent conflict of interests, Fund's responsible structural units are obliged to:

1) when applying for a job, promotion or change of job responsibilities - avoid appointments to positions of employees who are directly related to line manager or a person performing related functions;

2) when checking Fund's counterparties at procurement procedures and registration of contractual relations with them, study their founders and managers for signs of affiliation;

3) carry out preventive measures and official inspections aimed at identifying and suppressing illegal, unfair or incompetent activities of Fund's officials and employees, including those receiving additional income in the form of material benefits as a result of misuse of their official position;

4) ensure that each official and employee of the Fund is familiarized with this Policy when applying for a job;

5) conduct regular explanatory work aimed at bringing provisions of this Policy to attention of Fund's officials and employees;

6) ensure safety of confidential information, as well as personal data of Fund's officials and employees.

8. Duties of officials and employees to prevent conflict of interest

19. Fund's Board of Directors and the Chairman of Fund's Management Board monitor and eliminate potential conflicts of interest at the level of Fund's officials, including misuse of the Fund's property and abuse in conclusion of transactions in which there is an interest.

20. The issue of making a decision on concluding transaction with interest, in cases where all members of Fund's Board of Directors are interested parties, and (or) impossibility of Fund's Board of Directors to make a decision on concluding such a transaction due to absence of number of votes required for making a decision, falls within the competence of the Sole Shareholder.

21. Fund's officials and employees are prohibited from taking part in consideration and decision-making on any transaction between the Fund and themselves, as well as any of their close relatives and spouses.

22. Fund's officials and employees are obliged to:

- 1) avoid conflict of interest situations;
 - 2) refrain from participating in consideration of issues in which they have a conflict of interest, and making decisions on them;
 - 3) bring information about existing conflict of interests to their line managers in accordance with the requirements of this Policy;
 - 4) confirm in writing familiarization with Fund's procedures for resolving conflicts of interest and obligation to comply with them;
 - 5) report information about violations of requirements of this Policy;
 - 6) observe procedure for protecting insider and confidential information.
23. Fund's officials may not act on behalf of and in the interests of third parties in relations with the Fund.

9. Procedure for consideration and settlement of conflicts of interest

20. To improve effectiveness of identification, prevention and settlement of conflicts of interest, the Fund seeks to create mechanisms for their timely and complete identification, as well as for clear coordination of Fund's structural unit's actions to resolve them. Fund's officials, in order to resolve conflicts of interest arising in the Fund, are obliged to:

- 1) identify emerging conflicts of interest, determine their causes;
- 2) clearly delineate competence and responsibility of Fund's structural divisions;
- 3) take measures in which Fund's officials and employees refrain from participating in consideration of issues in which they have a conflict of interest and making decisions on them.

25. Fund's official is obliged to immediately inform Chairman of the Fund's Board of Directors or Chairman of the Management Board in writing about existence or occurrence of a conflict of interest in order for them to make a decision on settlement of such a conflict.

26. Fund's employee is obliged to immediately inform his/her line manager about existence or occurrence of a conflict of interest in order to resolve such a conflict.

27. If it is impossible to resolve a conflict of interest at the level of a structural subdivision, head of structural subdivision is obliged to submit information about the conflict of interest, reasons for its occurrence, and measures that have been taken to the member of Fund's Management Board in charge of this structural subdivision within one working day. Member of Fund's Management Board in charge of this structural unit takes all measures to resolve conflict of interests, and if it is impossible to resolve it, resolving such a conflict is submitted by him/her to the Chairman of the Fund's Management Board or the Board of Directors.

28. Chairman of the Fund's Management Board determines procedure for resolving conflicts of interest, appoints an authorized person. If necessary, Chairman of the Fund's Management Board creates a working group to resolve conflicts of interest, which includes representatives of Compliance Service, Human Resources

Department of Activities Coordination Department, and Legal Department. Composition of working group is formed in such a way that possibility of a conflict of interest that may affect decisions taken by the working group is excluded.

10. Possible measures to resolve conflicts of interest

29. By defining measures to resolve conflicts of interest, the Fund ensures their proportionality with negative consequences that may affect Fund's interests.

30. Possible measures and methods taken to resolve the conflict of interests:

1) transfer of an official or employee of the Fund with his consent to another position in accordance with procedure established by the legislation of the Republic of Kazakhstan, involving performance of functions that exclude a conflict of interests;

2) termination of official's powers or termination of employment contract of Fund's employee in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

3) voluntary refusal, suspension (permanent or temporary) of Fund's official or employee from participating in discussion of issues in which they have or may have a conflict of interest, and making decisions on them;

4) changing official duties of Fund's official or employee;

5) elimination by Fund's official or employee of personal interest that generates a conflict of interest (for example, alienation of property belonging to him/her, that is the basis for a conflict of interest).

31. The list of measures given in paragraph 34 of the Policy is not exhaustive. In each specific case, other measures may be applied depending on specifics of current situation, adequacy of the measures taken to resolve the conflict of interests.

11. Responsibility

32. Fund's officials and employees are responsible for non-compliance with the requirements of this Policy.

33. In the event that violations of the requirements of the legislation of the Republic of Kazakhstan, as well as this Policy, resulting in losses to the Fund, are committed in the prevention or settlement of conflicts of interest, the persons responsible for such violation are held liable in accordance with the legislation of the Republic of Kazakhstan.

12. Final provisions

34. Amendments and additions to this Policy are made by decision of the Fund's Board of Directors.

35. If, as a result of changes in the legislation of the Republic of Kazakhstan, certain norms of this Policy come into conflict with them, then before making

appropriate changes and additions to this Policy, it is necessary to be guided by the relevant norms of the legislation of the Republic of Kazakhstan.

Appendix to Policy on settlement and identification of
conflicts of interest of officials and employees of
"Fund for Problem Loans" JSC

Attn _____
(position, full name)

From _____
(Full name, position, contact phone number)

**NOTIFICATION
about presence or occurrence of a conflict of interest**

Hereby, in accordance with the requirements of the Policy for Identification and Settlement of Conflicts of Interests of Officials and Employees of "Fund for Problem Loans" Joint Stock Company, I inform you that I have a personal interest in performance of my official duties, which leads or may lead to a conflict of interests.

1. Circumstances that are the basis for occurrence of a conflict situation (personal interest):

(describe a situation in which a conflict of interest has arisen or may arise with a detailed justification)

2. Job responsibilities that are influenced or may be influenced by personal interest:

(list specific job responsibilities)

3. Measures taken (proposed) to prevent or resolve conflicts of interest:

(indicate what measures official/employee has taken or is proposed to take to prevent or resolve conflicts of interest)

4. List of documents confirming existence or occurrence of a conflict of interest, as well as measures taken (proposed to be taken) to prevent and resolve a conflict of interest:

- 1)
- 2)
- 3)
- 4)

Person sending the notification:

____ «_ _» _ _ 20 .
(signature, transcript of signature)

Person who accepted the notification:

«_ _» _ _ 20 .
(signature, transcript of signature)