

Kcell JSC Anti-Corruption Policy

Kcell JSC Anti-Corruption Policy

1. Objectives and General provisions

1. This Anti-Corruption Policy of Kcell JSC (hereinafter referred to as ‘Policy’ and ‘Company’, respectively) has been developed in accordance with the anti-corruption laws of the Republic of Kazakhstan (hereinafter referred to as ‘the RoK’) and internal documents of the Company.
2. This Policy sets out:
 - 1) anti-corruption goals and objectives;
 - 2) the basic principles of combating corruption;
 - 3) requirements of the RoK anti-corruption legislation and compliance obligations;
 - 4) measures to prevent and combat corruption;
 - 5) responsibility for compliance with this Policy.
3. The goal of combating corruption in the Company is to minimize exposure of the Company’s officials and employees to corruption risks, regardless of their position.
4. To achieve this goal, this Policy will address the following:
 - 1) create awareness among the Company’s officials and employees of zero tolerance for corruption in any form of whatsoever;
 - 2) to summarize and clarify the main requirements of the RoK anti-corruption legislation, which may apply to the Company and its officials and employees;
 - 3) to make the Company’s officials and employees responsible to read and comply with the principles and requirements of the RoK anti-corruption laws, this Policy, as well as to have adequate procedures in place to prevent and combat corruption;
 - 4) to identify and implement anti-corruption measures aimed at preventing and combating corruption, mitigating corruption risks and (or) eliminating the consequences of corruption.
5. The main goal of this Policy is to create and promote a culture of compliance in the Company, the commitment of the Company and its officials and employees to high standards of conduct, conducting business in a fair and honest manner, strengthening the business reputation and building of trust in the Company.

2. Terms and definitions

6. The following terms and definitions are used in this Policy:
 - 1) RoK anti-corruption laws - the Law of the Republic of Kazakhstan ‘On Combating Corruption’ and other regulatory legal acts on combating corruption;
 - 2) anti-corruption monitoring - collection, analysis and assessment of the information related to effectiveness of the Company’s anti-corruption measures;
 - 3) anti-corruption standards - a system of recommendations established for a separate area of the Company's activities aimed at preventing corruption;
 - 4) internal analysis of corruption risks – activities conducted within the Company to identify and study the causes and conditions that contribute to corruption offenses;
 - 5) official (a Company official) - a person who on a continuous or temporary basis or by special authority performs organizational and administrative or administrative and economic functions in the Company;
 - 6) Code of Ethics and Conduct of Kcell JSC - an internal document of the Company that sets the values, basic principles and standards of conduct aiming to develop the corporate culture and strengthen the Company’s goodwill;
 - 7) conflict of interest - a contradiction between the personal interests of officials and their authorities, where the personal interests of these persons may lead to non-performance and (or) improper performance of their official duties;
 - 8) corruption - abuse by the Company officials of their powers and opportunities they give in order to obtain, directly or through intermediaries, tangible (intangible) benefits and advantages for themselves or third parties, as well as bribing them by providing unlawful advantages and benefits;
 - 9) a bribe - offering, providing, authorizing, requesting, accepting or receiving financial benefits and other advantages to encourage improper performance or misuse a person’s position. A bribe does not necessarily involve money;
 - 10) commercial bribery - unlawful giving of money, securities or other property to an official in a commercial or other organization, and unlawful rendering of services of a pecuniary nature or providing other

Kcell

property rights to such official in exchange for abuse of his official powers, as well as general patronage or connivance in the bribe giver's interests.

11) facilitation payments - payments to civil servants for carrying out or speeding up routine procedures. All employees are prohibited from making or accepting facilitation payments;

12) corruption offense - an unlawful act (action or inaction) that has signs of corruption, which is subject to liability under the RoK laws;

13) corruption risk - the possibility of occurrence of causes and conditions conducive to corruption;

14) combating corruption – activities carried out by the Company to prevent corruption, build an anti-corruption culture in the Company, detect and eliminate the causes and conditions conducive to corruption, as well as identify, suppress, reveal and investigate corruption offenses and their consequences;

15) preventing corruption - activities carried out by the Company to study, identify, limit and eliminate the causes and conditions conducive to corruption by developing and implementing a system of preventive measures;

16) employees - individuals employed by the Company;

17) close relatives - parents (parent), children, adoptive parent(s), adopted, siblings and half-siblings, grandparent(s), grandchild(ren);

18) in-laws - siblings and half-siblings, parents and children of a spouse;

19) official's family members - spouse, parents, children, including adults, and persons who are dependents and permanently residing with the official.

20) counterparty - an individual or legal entity with whom the Company has entered or intends to enter into a contract/agreement.

7. Other terms not defined in this Policy has the meaning ascribed to the by the RoK legislation, the Charter and other internal documents of the Company.

3. Scope

8. All officials and employees of the Company must read and strictly abide by this Policy.

9. This Policy is binding upon and applies in all Subsidiaries of the Company.

10. This Policy must be made available on the Company's website.

4. Responsibility

11. The officials, employees and structural divisions of the Company are responsible to abide by the requirements of this Policy within their competence.

12. The Chief Executive Officer, Chairman of the Management Board of the Company is subject to disciplinary liability in accordance with the RoK laws for a failure to perform or improper performance of his duties related to prevention of corruption among the subordinate employees.

12-1. The Chief Executive Officer, Chairman of the Management Board of the Company is subject to disciplinary liability for corruption offenses committed by his direct subordinates, provided that:

1. a connection has been established between a corruption offense committed by a subordinate and the Chief Executive Officer's failure to perform his duties related to prevention of corruption offenses; and

2. there is an enforceable court ruling against such a subordinate into legal force imposing criminal liability for a corruption offense or a criminal case for committing a corruption offense has been terminated by a criminal prosecution body or a court on the basis of para 3), 4), 9), 10), 11) and 12) of part one of Article 35 or Article 36 of the Criminal Procedure Code of the Republic of Kazakhstan.

12-2. The Company officials bear disciplinary responsibility in accordance with the RoK laws for failure to perform or improper performance of official duties to prevent the commission of corruption offenses by subordinate employees.

13. The Company officials and employees bear responsibility stipulated by the RoK legislation for committing corruption offenses.

14. The Company officials and employees, who have been brought to responsibility for committing corruption offenses, are not exempted from an obligation to compensate the Company for material damage, except by virtue of an enforceable court decision.

5. Identification and assessment of corruption risks

15. The Company identifies and evaluates corruption risks, as well as develops mitigation measures on an annual basis.

Kcell

16. Corruption risks are identified and evaluated in order to identify the types of activities and business processes of the Company that are prone to risks of non-compliance with anti-corruption laws, and where there is a high probability that the Company officials and employees are likely to commit corruption offenses, both for personal gain and for the Company's benefit.
17. Corruption risks are identified and assessed on the basis of anti-corruption monitoring and internal analysis of corruption risks.
Anti-corruption monitoring includes but is not limited to the following:
 - 1) conducting a compliance examination of the Company's essential policies and procedures and their drafts submitted for approval to ensure they contain no provisions that would cause and give rise to corruption (corruption factors), and making proposals for their elimination;
 - 2) monitoring of the anti-corruption legislation of the Republic of Kazakhstan, as well as anti-corruption legislation of foreign states that influence the Company's activities in order to promptly bring its policies and procedures in line with the changing requirements of anti-corruption legislation;
 - 3) maintaining the statistics of corruption offenses by the Company officials and employees reported by individuals and legal entities;
 - 4) monitoring of publications in mass media.
- 17.1. The object of the internal corruption risks analysis is the activity of a business unit of the Company. The analysis includes:
 - 1) identifying "critical points" of a business process that are most likely to be fraught with corruption offenses;
 - 2) description of corruption schemes that contain:
 - a description of the benefit or advantage that can be obtained by the Company or its individual officials and employees in the event of a corruption offense;
 - positions in the Company that are "key" for committing a corruption offense;
 - probable forms of corrupt payments;
 - 3) finding out if there are any internal control procedures in place, evaluation of the effectiveness of existing controls.
18. For any corruption scheme, a zero level of risk tolerance is adopted, and in each case the Company develops measures to mitigate corruption risks identified as the results of internal analysis.
19. The procedure for identifying and assessing corruption risks, developing mitigation measures is regulated by the internal documents of the Company.

6. Main anti-corruption principles

20. The main principles of combating corruption in the Company are:
 - 1) zero tolerance for any form of corruption – in its activities the Company adheres to the principle of complete intolerance of corruption in any form whatsoever. The principle of zero tolerance for any manifestations of corruption means a strict prohibition for the Company's officials and employees acting on behalf of the Company or in its interests, directly or indirectly, personally or through mediation, of involvement in corrupt practices, regardless of the business practices in a particular country;
 - 2) the commitment of top management and the establishment of a "tone at the top" - the Board of Directors of the Company plays a key role in shaping a culture of intolerance towards corruption and creating a system for preventing and combating corruption in the Company. Members of the Board of Directors and the Management Board of the Company must declare an uncompromising attitude to any form of corruption and at all levels, demonstrate, comply with and implement this principle by personal example;
 - 3) engagement of employees - the Company informs its officials and employees about the provisions of the RoK anti-corruption laws and encourage them to actively participate in the development and implementation of anti-corruption standards and procedures;
 - 4) inevitability of punishment - the Company declares the inevitability of punishment of the Company's employees, regardless of their position, length of service and other conditions if they commit corruption offenses while carrying out their official duties;
 - 5) the validity and compliance of this Policy with the current legislation of the Republic of Kazakhstan and generally accepted standards - the Company strictly complies with the anti-corruption legislation of the Republic of Kazakhstan and other countries in which it operates or plans to conduct business, and any of its actions or inaction does not go against the norms of the applicable anti-corruption legislation;
 - 6) proportionality of procedures for preventing and combating corruption - the Company develops and implements oversight procedures to reduce the likelihood of engagement of the Company, its officials and

Kcell

employees in corrupt activities, in proportion to the corruption risks that may arise in the activities of the Company;

7) the effectiveness of anti-corruption procedures - the Company strives to make the procedures as transparent, clear and feasible as possible, to ensure the simplicity of their implementation and obtaining meaningful results. The Company assesses the effectiveness of existing oversight procedures and, if necessary, improves them;

8) due diligence – before starting/continuing business with a counterparty, the Company performs due diligence to make sure that the counterparty is a reliable partner who rejects corruption and that there is no conflict of interest;

9) monitoring and control - the Company monitors the state of corruption risks, controls compliance with the implemented anti-corruption procedures and evaluates their effectiveness.

7. Requirements of the RoK anti-corruption laws and implementation obligations

21. In accordance with the RoK anti-corruption legislation, corruption crimes / offenses that are subject to liability are the following (but not limited to those listed):

- 1) misappropriation or embezzlement of entrusted property, committed by an official as a result of his abuse of his position;
- 2) legalization (laundering) of money and (or) other property obtained by criminal means, committed by an official, if this act is associated with the use of his official position;
- 3) extortion;
- 4) abuse of official powers, excess of power or official authority;
- 5) receiving a bribe, giving a bribe, mediation in bribery;
- 6) official forgery;
- 7) fraud;
- 8) illegal material remuneration by individuals and legal entities;
- 9) receiving illegal material remuneration by an official;
- 10) commercial bribery.

22. The Company, its officials and employees are under an obligation to comply with the norms of anti-corruption legislation, as well as the principles and requirements stated in this Policy, in any countries where the Company operates or plans to operate. When implementing this Policy, the Company proceeds from the fact that its officials and employees, directly or indirectly, personally or through third parties, are prohibited from participating in corrupt practices, as well as:

- 1) offer, promise or give a bribe, that is providing or promising to provide any financial or other benefit/advantage with the intent to induce any person to perform his official duties improperly;
- 2) demand, agree to accept or accept bribes, that is to receive or agree to receive any financial or other benefit/advantage for the improper performance of their official duties;
- 3) offer, promise or make payments, except as provided for by applicable law, present gifts to public servants as well as persons of similar status, including foreign officials, for speeding up or simplifying established procedures;
- 4) offer, promise or make payments to counterparties if there is a suspicion that payments can be used to speed up or simplify established procedures;
- 5) offer, promise or provide employment in the Company (including on a temporary basis) in exchange for personal gain;
- 6) facilitate or accept inflated or fictitious payments from counterparties;
- 7) give or receive gifts or hospitality that are contrary to the requirements of the RoK anti-corruption laws and internal policies and procedures of the Company.

23. While carrying out their professional activities, the Company's officials must strictly adhere to the following standards of conduct:

- 1) comply with the requirements of the RoK legislation and this Policy;
- 2) maintain honest and decent business relations, refrain from any dishonest methods of conducting official duties;
- 3) avoid behavior that can discredit the Company;
- 4) do not use official position, confidential and inside information, tangible and intangible assets of the Company for personal gain;
- 5) prevent illegal actions, or actions that may give rise to suspicions about their legality and ethics;
- 6) promote and encourage colleagues to adhere to a high legal anti-corruption culture;

Kcell

7) refrain from assisting anyone in the course of business and (or) other activities related to obtaining income;

8) do not induce other employees to commit corruption offenses and do not encourage such actions;

9) do not to perform official duties if there is a conflict of interest;

10) work to develop an anti-corruption culture in a supervised business unit of the Company;

11) do not to hold positions that are reporting directly to those occupied by their close relatives, spouse and (or) in-laws, as well as do not have close relatives, spouse and (or) in-laws as direct reports.

Officials who violate the requirements of this subparagraph, if they fail to correct such violation immediately once it has been detected, must be transferred to other positions where such subordination is excluded, and if this is not impossible, then one of these employees must resign or be otherwise released from managerial functions.

24. Company employees must:

1) avoid committing and (or) participating in corruption offenses in the interests or on behalf of the Company;

2) refrain from behavior that can be interpreted by others as a willingness to commit or participate in the commission of a corruption offense in the interests or on behalf of the Company;

3) inform their immediate supervisor about the conflict of interest, whether potential or existing. If there is any doubt about the correctness of their actions or any other norms of conduct, the Company's officials and employees should contact the Compliance Control Section.

8. Measures to prevent and combat corruption

25. The Company develops anti-corruption standards with a view to establish a system of recommendations aimed at preventing corruption in a separate area of activity. The anti-corruption standards should be taken into account when developing internal policies and procedures of the Company.

26. The objectives of working out the anti-corruption standards are:

1) to form sustainable anti-corruption behavior among the Company employees;

2) to timely detect any form of corruption and to prevent their negative consequences.

27. Building an anti-corruption culture within the Company is carried out through a set of educational, informational and organizational measures.

28. The Company takes measures to inform and explain the principles and norms of the applicable anti-corruption legislation, the Code of Ethics and Conduct of Kcell JSC, this Policy and other internal anti-corruption documents to its employees, including training and examination в области противодействия коррупции, включая проведение обучения и тестирование работников Общества.

29. The Company encourage its employees to actively participate in the development of anti-corruption policies and procedures.

30. Certain areas of the Company's activity may be prone with corruption risks. These areas include, but are not limited to:

1) personnel management;

2) facilitation payments;

3) prevention and resolution of conflicts of interest;

4) gifts and hospitality;

5) sponsorship and charity;

6) engagement of counterparties;

7) payments to public officials, persons authorized to carry out state functions and those of similar status, including foreign officials;

8) inviting a third party to a business conference, site visit or similar business trip.

8.1 Personnel management

31. The Company respects international human rights and the dignity of all employees in accordance with the UN declaration and the main conventions of the International Labor Organization.

32. The Company adheres to the principles of objectivity and honesty when making personnel-related decisions.

33. To eliminate corruption risks when hiring, evaluating, promoting and dismissing personnel, the Company:

1) develops and approves in the prescribed manner transparent procedures for the selection and recruitment of personnel and the relevant qualification requirements for the position;

2) prior to hiring/renewing employment contracts, performs screening of the candidate for their reliability and the absence of a conflict of interest;

Kcell

3) evaluates personnel performance and pays remuneration based on their key performance indicators and professional achievements;

4) makes a decision on promotion to a higher position based on the business qualities and qualifications of the employee;

5) terminating employment on the grounds provided for by the RoK legislation and internal policies and procedures of the Company.

8.2 Facilitation payments

34. The Company does not make facilitation payments, directly or through its agents, except for the official fees for public services, and information about such fee is publicly available.

8.3 Prevention and resolution of conflicts of interest

35. Conflict of interest management is one of the most important anti-corruption mechanisms. The Company pays great attention to the prevention of risks associated with a conflict of interest and their settlement.

36. If there is a potential or actual conflict of interest, the Company officials and employees must fill out the form in the Register of Declaration of Conflict of Interest and notify the Compliance Control Section to that effect.

37. While carrying out their official duties, the Company officials and employees must be guided by the interests of the Company and avoid situations or circumstances in which their personal interests would conflict with those of the Company. In the event of a conflict of interest (or the possibility of its occurrence), the Company officials and employees are required to fill out the form in the Register of Declaration of Conflict of Interest and notify the Compliance Control Section to that effect.

38. Based on the reports of the Company officials and employees or those received from other sources, the Chairman of the Board of Directors or the Chief Executive Officer, the Chairman of the Management Board of the Company must take appropriate response measures in a timely manner in accordance with the Conflicts of Interest Regulation in Kcell JSC.

39. The Company shall without fail keep records of the Company's affiliates in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company.

8.4 Gifts and hospitality

40. Employees and officials are NOT ALLOWED to receive gifts for actions (inaction) in favor of the gift givers, or in favor of any third parties, if such actions fall within the official powers of employees and officials, or if these employees and officials by virtue of their position can contribute to such actions (inaction).

41. It is forbidden to accept gifts and hospitality from any potential participant in the Company's procurement activity.

42. The following is not considered gifts:

1) gifts to employees on behalf of the Company.

43. In case accepting a gift could not be avoided, the official or employee must register the gift by creating a relevant request in the Company's portal SAP ESS (Gift Registration section) and handover it to the Compliance Control Section.

44. Hospitality expenses, including business hospitality, are a necessary part of doing business and a common business practice.

45. Hospitality expenses, including business hospitality with counterparties, must meet the following criteria:

1) fully comply with the norms of the current legislation of the Republic of Kazakhstan, internal documents of the Company related to hospitality expenses;

2) hospitality events should be open and transparent, without distortion or concealment of any aspects;

3) the hospitality must be relevant to the business with which it is associated and must have a legitimate business purpose;

4) hospitality expenses must be duly accounted for and reflected in the accounting documents of the Company;

5) hospitality expenses must not be a hidden reward for a service, action, inaction, connivance, patronage, granting rights, making a certain decision on a transaction, agreement, license, permit, etc. or attempt to influence the recipient for any other illegal or unethical purpose.

46. The Company expects that its employees will comply with the rules set forth in this Policy, not only to protect the Company's reputation, but also to prevent employees from being accused of illegal actions.

Kcell

8.5 Sponsorship and charity

47. The Company is not entitled to provide charitable (sponsorship) assistance, except in cases where it is stipulated by Charitable Program of the Samruk-Kazyna JSC group of companies, approved in the manner prescribed by the Law of the Republic of Kazakhstan 'On the National Welfare Fund'.

48. The Company does not prohibit officials and employees from providing charitable and/or sponsorship assistance on their own behalf.

8.6 Engagement of counterparties

49. The Company refrains from attracting counterparties and from participating in joint ventures with partners who violate the principles and requirements of the RoK anti-corruption laws and this Policy or expose the Company to the risk of loss of goodwill.

50. Prior to making a decision on whether to start or continue business cooperation with a counterparty or to participate in a joint venture, business units of the Company who intend to engage a counterparty must:

1) follow the procurement procedures established by the relevant internal documents of Samruk-Kazyna JSC and the Company;

2) monitor counterparties and joint venture partners for any signs of corruption by carrying out the following (but not limited to) procedures to identify "risk factors":

- check to ensure a counterparty has its own anti-corruption policies and procedures in place, and is willing to comply with the requirements of this Policy and cooperate to jointly combat corruption;
- verification of business reputation and absence of a conflict of interest and affiliation;
- check to ensure there is no false entrepreneurship, verify reliability, outstanding tax and other liabilities, the source of funds, as well as the bank and jurisdiction from where the proceeds of crime are received, by sending requests to the relevant authorized state bodies and organizations (Ministry of Finance of the Republic of Kazakhstan, National Bank of the Republic of Kazakhstan, Samruk-Kazyna JSC and others).

3) inform counterparties and joint venture partners about the principles and requirements of this Policy;

51. The Company expects that counterparties and joint venture partners will accept and adhere to the anti-corruption policies and procedures, as well as standards of conduct.

8.7 Payments to public officials, persons authorized to carry out state functions and those of similar status, including foreign officials

52. The Company does not pay, directly or through its employees and officials, any expenses for persons holding public positions, persons authorized to carry out state functions and those of similar status, including foreign officials and their relatives with a view to obtain commercial advantages for the Company, including travel expenses, accommodation expenses, meals, entertainment, PR campaigns, etc. or other benefits at the expense of the Company.

53. The Company's officials and employees are independently liable for corruption offenses when interacting with civil servants in accordance with the RoK anti-corruption legislation.

8.8 Inviting a third party to a business conference, site visit or similar business trip

54. Invitation of a third party to a business conference, site visits or similar business trip can only be accepted after approval of the head of the relevant business unit or its functional manager (in case the employee is the head of that unit), provided that all of the following requirements are met:

- 1) there is a relevant business purpose (for all days of the business trip);
- 2) a minimum number of the Company employees is sent on a business trip, and all are directly involved in their work;
- 3) the host third party offers to pay only the minimum associated costs (eg, admission ticket, meals) and moderate hospitality;
- 4) travel and accommodation expenses should be within the limits established in the Company; overseas trips must be approved by the Chief Executive Officer, Chairman of the Management Board of the Company;
- 5) flights/accommodation, if paid for by a host third party, may only be accepted if the cost does not exceed the limits established by the Company, if the trip is for business purposes only and the employee does not spend any additional days of travel for leisure, whether jointly with or separately from the host third party.

9. Reporting non-compliance

55. Information about alleged misconduct in the Company can be sent to the Manager - Chief Compliance Controller, either via Hot Line (8-800-080-47-47) or by e-mail speakup@kcell.kz.

Kcell

A report of alleged misconduct should contain sufficient detail and supporting information to ensure a clear understanding of the issues raised.

56. The procedure for filing and consideration of reports and other provisions are set out in the Instructions for reporting non-compliance of Kcell JSC.

10. Conducting internal audits/investigations

57. In respect of each reported misconduct in the Company an internal audit or internal investigation must be carried out with the participation of the relevant business unit and within the time limits prescribed by law.

58. If, as a result of the internal investigation / audit, misconduct was detected, then such investigation / audit should be finalized by taking appropriate corrective measures, up to termination of employment and bringing the case to the attention of competent state bodies, as well as improvement of controls.

11. Control and compliance with requirements

59.59. The Compliance Control Department is responsible for ensuring a structural and holistic approach to risk management in the field of combating corruption. This responsibility includes monitoring, follow-up and reporting to the Board of Directors on the work done, problems, violations, etc.

12. References

RoK Law 'On Combating Corruption' of November 18, 2015;

Guidelines for organization of the institution of anti-corruption compliance in the subjects of the quasi-public sector, dated December 30, 2020;

Reference model for the compliance function in portfolio companies of NWF Samruk-Kazyna JSC dated April 5, 2021;

Criminal Code of the Republic of Kazakhstan dated July 3, 2014;

Code of Administrative Offenses of the Republic of Kazakhstan, dated July 5, 2014;

UN Universal Declaration of Human Rights of December 10, 1948;

Concepts of the anti-corruption policy of the Republic of Kazakhstan for 2022 - 2026 and amendments to some decrees of the Republic of Kazakhstan dated February 2, 2022;

Labor Code of the Republic of Kazakhstan dated November 23, 2015