

**APPROVED**

**By decision of the Board of Directors**

**Non-commercial joint stock**

**Society «Eurasian National**

**University named after L.N. Gumilyov»**

**Decision № 10/22 dated 05.12.2022**



**Regulations**

**on the Settlement of Corporate Conflicts and Conflicts of Interests  
of the NJSC “The L.N. Gumilev Eurasian National University”**

## **1. Purpose of the Document and General Provisions**

1. These Regulations on the settlement of corporate conflicts and conflicts of interests of the NJSC “The L.N. Gumilyov Eurasian National University” (hereinafter referred to as the Regulations and the Company, respectively) have been developed in accordance with the Laws of the Republic of Kazakhstan “On Combating Corruption”, “On Joint Stock Companies”, the Corporate Governance Code and other internal documents of the Company.

2. These Regulations have been developed in order to prevent corporate conflicts and conflicts of interest (hereinafter referred to as conflicts of interest) and is one of the key mechanisms for combating corruption. Serious violations related to a conflict of interest can damage the business reputation of the Company and undermine the trust in it on the part of all interested parties. The personal interests of an official or employee should not influence the performance of their official, functional duties on the basis of the principles of impartiality, honesty and protection of the interests of the Company.

3. These Regulations define conflict of interest situations, measures to prevent and resolve them, as well as the responsibility of all participants in the conflict of interest management process.

4. The Company understands that officials and employees may have legitimate personal interests outside the scope of their duties/official duties in the Company, but any conflict of interest between such personal interests and duties/official duties in the Company must be disclosed and resolved in accordance with these Regulations.

5. In relations with business partners, contractors and third parties, the Company expects to establish and maintain fiduciary relations in which the parties are obliged to act towards each other 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. These Regulations are mandatory for familiarization and strict compliance with it by all officials and employees of the Company.

7. These Regulations are applied jointly with the Regulations on the Board of Directors, Regulations on the Corporate Secretary, Regulations on the Internal Audit Service, the Code of Corporate Culture of the Company’s Employees, approved in accordance with the established procedure.

8. Subsidiaries of the Company should develop and approve similar Regulations without violating the requirements of these Regulations, taking into account the specifics of their activities.

9. These Regulations are subject to posting on the Company’s corporate website.

## **3. Terms and Definitions**

10. The following terms and definitions are used in these Regulations:

1) administrative and economic functions – the right to manage and dispose of property on the balance sheet of the Company granted in accordance with the procedure established by the law of the Republic of Kazakhstan;

2) close relatives – parents (parent), children, adoptive parents, adopted, full and half siblings, grandfather, grandmother, grandchildren;

3) official – a person who permanently or temporarily performs organizational and administrative or administrative-economic functions in the Company;

4) The sole shareholder is the Ministry of Science and Higher Education of the Republic of Kazakhstan;

5) Internal Audit Service – the Company’s Internal Audit Service;

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

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

8) corporate dispute – disputes to which the Company and (or) its shareholders (participants, members), including former ones, are a party, related to: the creation, reorganization and liquidation of a legal entity; ownership of shares, the establishment of their encumbrances and the exercise of rights arising from them, including the recognition of transactions with them invalid; claims for damages caused to a legal entity by the actions (inaction) of officials, founders, shareholders, participants (hereinafter referred to as participants of the legal entity) and other persons; invalidation of transactions and (or) application of the consequences of the invalidity of such transactions; appointment or election, termination, suspension of powers and liability of persons who are or were part of the governing bodies of a legal entity, as well as disputes arising from civil relations between such persons and a legal entity in connection with the exercise, termination, suspension of their powers; by convening and holding meetings of the Board of Directors of the Company and decisions taken at it; challenging decisions, actions (inaction) of the Management Board of the Company.

9) organizational and administrative functions – the right granted in accordance with the procedure established by the law of the Republic of Kazakhstan to issue orders and decrees binding on subordinates in the service, as well as to apply incentive measures and disciplinary penalties against subordinates;

10) Management Board – the Management Board of the Company;

11) employee – an individual who is in an employment relationship with the Company;

12) relation – brothers, sisters, parents and children of the spouse;

13) Board of Directors – the Board of Directors of the Company;

14) Legal Service – the Legal Service of the Company.

11. The terms used, but not defined in these Regulations, are used in the sense in which they are used in the legislation of the Republic of Kazakhstan and internal documents of the Company.

#### **4. Basic Principles of Managing Conflict of Interest**

12. The Company manages conflicts of interest (prevention and settlement) on the basis of the following key principles of conflict of interest management:

1) the principle of legality – compliance of these Regulations with the legislation of the Republic of Kazakhstan and internal documents of the Company;

2) the principle of protecting the interests of the Company. Protecting the interests of the Company is the duty of every official and employee, who are obliged to make decisions based only on the legislation of the Republic of Kazakhstan and internal documents of the Company, and not based on personal preferences;

3) the principle of ensuring transparency and accountability – the open declaration of personal interests and the performance of official duties within the prescribed procedures form the basis for ensuring openness and accountability, which contributes to the prevention or settlement of conflicts of interest;

4) the principle of objectivity and individual consideration – each case of a conflict of interest should be considered individually with an assessment of potential risks to the Company and resolved in a timely manner. Officials and employees should strive to minimize any subjectivity that distorts the real situation of the conflict of interests, including any influence of personal and other interests and various factors on the process and results of the study of conflict of interest;

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

6) the principle of involvement – awareness of officials and employees of the Company about the provisions of anti-corruption legislation and their active participation in the formation and implementation of anti-corruption standards and procedures, including in the field of prevention, identification and settlement of conflicts of interest;

7) the principle of intolerance and internal culture – the Company forms a culture and a high degree of intolerance to the occurrence of conflicts of interest in its working environment. The Company welcomes disclosure by its officials and employees of possible conflicts of interest and develops an internal culture of open communication aimed at their understanding of the provisions of these Regulations;

8) the principle of personal example – senior management and officials by their actions serve as a personal example of integrity and ethical behavior, demonstrate commitment to professionalism and strictly comply with the requirements of these Regulations;

9) the principle of personal responsibility and the inevitability of punishment – the immediate supervisor of an official or employee who has admitted the fact of a conflict of interest is personally responsible for the untimely identification and disclosure, as well as for the improper settlement of a conflict of interest. All officials and employees are personally responsible for maintaining a balance between personal interests and the interests of the Company, and must also be responsible for declaring and identifying their personal interests in the performance of duties/job duties.

## **5. Situations of conflict of interest**

13. For the purposes of these Regulations, situations that may lead to a conflict of interest include the following situations in which:

1) an official or an employee holds positions that are directly subordinate to the positions held by their close relatives, spouse, as well as affinals;

2) an official, an employee or their close relatives, a spouse, as well as affinals, has or may have any commercial or other interest (direct or indirect) in transactions, projects related to the Company;

3) an official, an employee or their close relatives, a spouse, as well as affinals are an affiliated person, an independent director or an employee of an organization that competes with the Company in terms of providing services, implementing a project or concluding a transaction with a third party;

4) an official, an employee or their close relatives, a spouse, as well as affinals are a party to a project or transaction related to the Company;

5) an official, an employee or their close relatives, a spouse, as well as affinals are affiliated with an organization that is a party to a project or transaction related to the Company;

6) an official or employee discloses confidential information that has become known to them due to the performance of their duties/official duties, or any other information, the disclosure of which may have a negative impact on the interests of the Company, as well as any use by an official, employee or their close relatives, spouse, affinals of confidential information related to the Company, for personal gain;

7) an official or employee participates in the discussion or decision-making on the evaluation of their work, reassignment (re-election), payment of remuneration or other issues in relation to themselves;

8) an official or an employee combines executive and control functions that allow them to use his official duties for the purpose of obtaining personal benefits.

14. The situations of conflict of interest listed in paragraph 13 of these Regulations are not exhaustive. To determine whether there is a conflict of interest, officials and employees should be guided by the term of the conflict of interest given in paragraph 10 of these Regulations.

15. If a member of the Board of Directors has doubts about the existence of a conflict of interest, they should consult with the Internal Audit Service and provide the Chairman of the Board of Directors with the necessary comprehensive information to resolve the issue by the Board of Directors.

16. If a member of the Management Board has doubts about the existence of a conflict of interest, they should consult with the Legal Service and provide the Chairman of the Management Board with the necessary comprehensive information to resolve the issue.

17. If an official or employee has doubts about the existence of a conflict of interest, they should consult with the Legal Service and provide their immediate supervisor with the necessary comprehensive information to resolve the issue.

## **6. Procedure for Disclosure (Declaration) of a Conflict of Interest**

18. Disclosure of information about a conflict of interests by officials and employees is carried out immediately in writing, with detailed justification and documentary confirmation of the facts of the existence or occurrence of a conflict of interests.

19. The Company establishes the following procedure for disclosure (declaration) of a conflict of interests:

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, to another structural unit, when changing the functionality;

3) annual disclosure of a conflict of interest associated with a high level of corruption risk in the Company's business processes/business operations, during the implementation or execution of which, the highest probability of creating conditions for a conflict of interest;

4) one-time disclosure of information as the situations listed in paragraph 10 of these Regulations arise, in which the presence of personal interest may or has led to a conflict of interest. One-time disclosure is carried out by filling in the Notification given in the Appendix to these Regulations.

20. Sub-paragraphs 1) and 2) of paragraph 19 of these Regulations are regulated by the relevant internal documents of the Company in the field of personnel management approved in accordance with the established procedure.

21. The process of disclosure of information by candidates about the presence of a direct or potential conflict of interest in case of election to the Board of Directors, as well as to the position of the Chairman of the Management Board, is regulated by the internal documents of the Sole Shareholder.

22. Annual disclosure of conflicts of interest by officials and employees is carried out based on the results of risk assessment in the Company's business processes/business operations conducted by the Internal Audit Service on an annual basis. Officials and employees located in the high-risk zone, at the request of the Internal Audit Service, fill out a Declaration of Conflict of Interest in the form provided for by the company's internal documents in the field of personnel management. The completed Declaration is analyzed by the Internal Audit Service for the presence/absence of a possible conflict of interest and the preparation of appropriate recommendations.

23. Concealment and/or untimely, incomplete disclosure of information about the presence of a direct or potential conflict of interests by officials and employees are the causes and conditions of corruption risks that contribute to the commission of corruption offenses in the Company.

## **7. Prevention of Conflict of Interest**

24. In order to prevent a conflict of interests, the responsible structural units of the Company are obliged to:

1) when hiring, promoting or changing job responsibilities – avoid appointments to positions of employees who are directly related to the immediate supervisor or a person performing related functions;

2) when checking the Company's counterparties at the stages of procurement procedures and registration of contractual relations with them, to study the composition of their founders and managers for signs of affiliation with officials and employees, their close relatives, spouses, as well as affinals;

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

4) ensure that each official and employee is familiarized with these Regulations when applying for a job;

5) carry out regular explanatory work aimed at informing officials and employees of the provisions of these Regulations;

6) keep records of information about affiliated persons, insiders of the Company;

7) ensure the safety of confidential information, as well as personal data of officials and employees.

## **8. Duties of Officials and Employees to Prevent the Occurrence of a Conflict of Interest**

25. The Board of Directors and the Management Board should monitor and, if possible, eliminate potential conflicts of interest at the level of officials and the Sole Shareholder, including the misuse of the Company's property and abuse in the conclusion of transactions in which there is an interest.

26. An interested party transaction may be concluded only if there is a positive decision of the Company's body, whose competence includes the issue of concluding such a transaction.

27. Officials and employees are prohibited from taking part in the consideration and decision-making on any transaction between the Company and themselves, as well as any of their close relatives, spouses and affinals.

28. Members of the Board of Directors and the Management Board are obliged to:

1) prevent the occurrence of conflict of interest situations;

2) refrain from participating in the consideration of issues in which they have a conflict of interest, and making decisions on them;

3) not participate in decision-making related to their own appointment, election and re-election and remuneration;

4) inform the Chairman of the Board of Directors/Chairman of the Management Board in advance about the existing conflict of interests in writing and not participate in making a decision on the issue in accordance with the requirements of these Regulations;

5) monitor the possible loss of independence status and notify the Chairman of the Board of Directors of the Company in advance in case of such situations. If there

are circumstances affecting the independence of a member of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company shall immediately bring this information to the attention of the Sole Shareholder for making an appropriate decision;

6) provide the Company with information about its affiliated persons in accordance with the established procedure;

7) confirm in writing familiarization with the Company's procedures for resolving conflicts of interest and the obligation to comply with them;

8) introduce a culture of intolerance of conflicts of interest by personal example.

29. A member of the Board of Directors must obtain the consent of the Chairman of the Board of Directors to submit their candidacy or participate in the procedures for electing members of the boards of directors (supervisory boards) or executive bodies in other organizations.

30. A member of the Management Board has the right to work in other organizations only with the consent of the Board of Directors. At the same time, members of the Management Board should not be members of the boards of directors (supervisory boards) or executive bodies of the Company's competitor organizations, as well as have a financial interest in them.

31. The Chairman of the Management Board of the Company is not entitled to hold the position of the head of the executive body or a person solely performing the functions of the executive body, another legal entity.

32. Officials and employees are obliged to:

1) prevent the occurrence of situations of conflict of interest;

2) refrain from participating in the consideration of issues in which they have a conflict of interest, and making decisions on them;

3) bring information about the existing conflict of interests to their immediate supervisor/supervising supervisor in accordance with the requirements of these Regulations;

4) confirm in writing familiarization with the Company's procedures for resolving conflicts of interest and the obligation to comply with them;

5) report information about violations of the requirements of these Regulations or the potential possibility of such a violation;

6) comply with the procedure for protecting insider and confidential information.

33. Officials may not act on behalf of and in the interests of third parties in relations with the Company.

34. Interference of officials in the activities of the structural divisions of the Company, both included and not included in their direct subordination, in order to influence the decision-making on the conclusion of an interested party transaction by the Company is prohibited.

## **9. Procedure for Consideration and Settlement of Corporate Conflicts and Conflicts of Interest**

35. In order to increase the effectiveness of work on the identification, prevention and settlement of conflicts of interest, the Company strives to create mechanisms for their timely and complete identification, as well as for clear coordination of actions of all bodies of the Company to resolve them.

36. Officials, in order to resolve conflicts of interest arising in the Company, are obliged to:

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

37. An official is obliged to immediately inform the Chairman of the Board of Directors/Chairman of the Management Board/supervising head in writing about the presence or occurrence of a conflict of interest for adoption by the Board of Directors/the Management Board/supervising head of the decision on the settlement of such a conflict.

38. The employee is obliged to immediately inform their immediate supervisor about the presence or occurrence of a conflict of interest in order to resolve such a conflict.

39. If it is impossible to resolve a conflict of interest at the level of a structural unit, the head of the structural unit is obliged to provide the supervising member of the Management Board with information about the conflict of interest, the reasons for its occurrence, and the measures that have been taken within one working day. A member of the Management Board takes all measures to resolve the conflict of interests. If it is impossible to resolve a conflict of interests, the issue of resolving such a conflict is submitted by them to the Chairman of the Management Board, the Management Board or the Board of Directors.

40. The Chairman of the Management Board determines the procedure for resolving the conflict of interests, appoints an authorized person. If necessary, the Chairman of the Management Board creates a working group to resolve conflicts of interest, which includes representatives of the structural unit for Personnel Department, Legal Service, Finance Department, Internal Audit Service (as agreed). The composition of the working group is formed in such a way that the possibility of a conflict of interest that may affect the decisions made by the group is excluded.

41. In case of corporate conflicts, the participants find ways to resolve them through negotiations in order to ensure effective protection of the interests of the Company and interested parties.

The Company's officials promptly inform the Corporate Secretary and/or the Ombudsman about the presence (occurrence) of a conflict. The effectiveness of work on the prevention and resolution of corporate conflicts presupposes the full and speedy identification of such conflicts and coordination of actions of all bodies of the Company.

42. Corporate conflicts with the assistance of the Corporate Secretary and/or the Ombudsman are considered by the Chairman of the Board of Directors of the Company. If the Chairman of the Board of Directors is involved in a corporate conflict, such cases are considered by the Personnel and Remuneration Committee.

43. In order to ensure an objective assessment of the corporate conflict and create conditions for its effective settlement, persons whose interests are affected by the conflict or may be affected do not participate in its settlement. If it is impossible to resolve corporate conflicts through negotiations, they are resolved strictly in accordance with the legislation of the Republic of Kazakhstan.

44. The Board of Directors develops and periodically reviews the policy and rules for resolving corporate conflicts, in which their resolution will meet the interests of the Company and the Sole Shareholder.

45. The Board of Directors settles corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman are responsible for ensuring that the Board of Directors is aware of the essence of the corporate conflict and the role of an intermediary in resolving the corporate conflict.

46. The Chairman of the Management Board-Rector (the sole executive body) on behalf of the Company settles corporate conflicts on all issues, decision-making on which is not within the competence of the Board of Directors of the Company, and also independently determines the procedure for the settlement of corporate conflicts.

47. The resolution of a corporate dispute /corporate conflict is carried out in accordance with these Regulations by the relevant persons, depending on the level of occurrence of a corporate dispute (Founder, members of the Board of Directors of the Company, the Management Board, etc.) through negotiations or in court.

## **10. Possible Measures to Resolve Conflicts of Interest**

48. By defining measures to resolve conflicts of interest, the Company ensures their proportionality with the degree of negative consequences that may affect the interests of the Company.

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

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

2) termination of the powers of an official or employee in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

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

4) review and change of duties/job responsibilities of an official or employee;

5) elimination by an official or employee of a personal interest that generates a conflict of interest (for example, alienation of property belonging to them, which is the basis for a conflict of interest), followed by re-filling in the Declaration of a Conflict of Interest provided for by internal documents of the Company, and submission to the structural unit for human resources management/to the Head of the structural division.

50. The list of measures given in paragraph 43 of these Regulations is not exhaustive. In each specific case, other measures may be applied depending on the

specifics of the current situation, the degree of adequacy of the measures taken to resolve the conflict of interests.

## **11. Liability**

51. Officials and employees are responsible for the implementation of these Regulations.

52. In the event that violations of the requirements of the legislation of the Republic of Kazakhstan, as well as these Regulations, are committed in the work on the prevention or settlement of a conflict of interests, including in the case when the persons responsible for identifying a conflict of interests intentionally or in connection with improper performance of their official duties allowed a conflict of interests/ corporate conflict, as well as persons, in respect of which a conflict of interests has arisen, the existence of such a situation has been concealed or the person responsible for identifying the conflict of interests/corporate conflict or the higher management about such a situation has not been notified within the prescribed period, they are subject to disciplinary, and in case of damage or other negative consequences for the Company, they are brought to civil, administrative, or criminal liability in accordance with the procedure provided by the legislation of the Republic of Kazakhstan.

## **12. Final Provisions**

53. These Regulations come into force from the date of approval by the Board of Directors of the Company.

54. Amendments and additions to these Regulations are made by decision of the Board of Directors.

55. If, as a result of changes in the legislation of the Republic of Kazakhstan or the Company's Charter, certain provisions of these Regulations come into conflict with them, it is necessary to be guided by the norms of the legislation of the Republic of Kazakhstan or the Company's Charter before making appropriate changes and additions to these Regulations.

Appendix  
to the Regulations on the Settlement of  
Corporate Conflicts and Conflicts of Interest  
of the NJCS “The L.N. Gumilyov Eurasian  
National University”

To \_\_\_\_\_  
(position, full name)  
From \_\_\_\_\_  
(full name, position, contact number)

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

Hereby, in accordance with the requirements of the Regulations on the Settlement of Corporate Conflicts and Conflicts of Interests of the NJSC “The L.N. Gumilyov Eurasian National University”, I inform you that I have a personal interest in the performance of my official duties, which leads or may lead to a conflict of interests.

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

\_\_\_\_\_  
*(description of a situation in which a conflict of interest has arisen or may arise with a detailed justification)*

2. Job responsibilities, the performance of which is influenced or may be influenced by personal interest:

\_\_\_\_\_  
*(listing of specific job responsibilities)*

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

\_\_\_\_\_  
*(indication of measures the official/employee has taken or is proposed to take to prevent or resolve a conflict of interest)*

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

1)

\_\_\_\_\_  
2)

\_\_\_\_\_  
3)

**The person sending the notification:**

“ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_ (signature, decryption of signature)

**The person accepting the notification:**

“ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_ (signature, decryption of signature)

