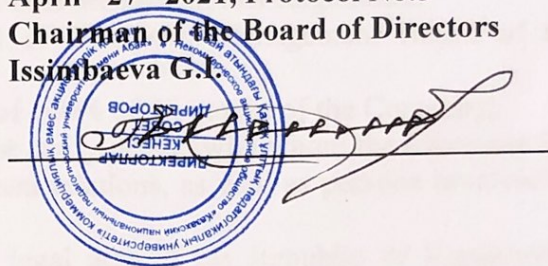


**NON-PROFIT JOINT STOCK COMPANY
"ABAI KAZAKH NATIONAL PEDAGOGICAL UNIVERSITY"**



APPROVED
by the decision of the Board of Directors
non-profit joint stock company "Abai
Kazakh National Pedagogical University"
April "27" 2021, Protocol No.5
Chairman of the Board of Directors
Issimbayeva G.I.



REGULATION
on the settlement of corporate conflicts and conflicts of interest of a Non-
profit Joint Stock Company
"Abai Kazakh National Pedagogical University"

Almaty, 2021

CHAPTER 1. GENERAL PROVISIONS AND BASIC CONCEPTS

1.1. General provisions

1. This Regulation on the settlement of corporate conflicts and conflicts of interest in (hereinafter - the Regulation) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter, the Corporate Governance Code and other internal documents of the Company and determines the procedures for the prevention and settlement of corporate conflicts and conflicts of interest, activities of the Company's bodies within the framework of measures to resolve corporate conflicts and the conditions how to apply the Regulations.

1.2. Basic concepts

1. B The following terms and definitions are used in this Regulation:

Official – member of the Board of Directors, Management Board of the Company;

The sole shareholder – the owner of 100% of the stocks of the Company;

Interested person – an individual or entity person with whom the Company has entered or intends to enter into contractual relations, as well as persons involved in transactions related to the Company;

Legislation – a set of regulatory legal acts of the Republic of Kazakhstan, adopted in the prescribed manner;

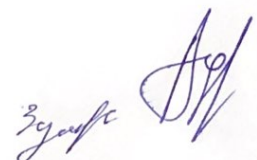
Conflict of interest – a situation in which there is a collision of the personal interests of the Employee and his duties in relation to the Company and in which the personal interest of the Employee affects or may affect the impartial performance of his duties;

Corporate conflict – disagreement or dispute between shareholders (sole shareholder) and the bodies of the Company; members of the Board of Directors and the Management Board, Head of the Internal Audit Service, Corporate Secretary;

Corporate Secretary – an employee of the Company who is not a member of the Board of Directors, who is appointed by the Board of Directors of the Company and is accountable to the Board of Directors of the Company, as well as, within the framework of his activities, controls the preparation and holding of meetings of shareholders and the Board of Directors of the Company, ensures the compilation of materials on the agenda of the general meeting shareholders and materials for the meeting of the Board of Directors of the Company, monitors access to them. The competence and activities of the corporate secretary are determined by the internal documents of the company;

Bodies of the Company – Sole Shareholder, Board of Directors, Management Board, Internal Audit Service;

Ombudsman - a person appointed by the Board of Directors of the Company whose role is to advise the employees of the Company who have applied to him and to assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in observing the principles of business ethics by the employees of the Company;



Management Board – the executive body of the Company, acting collegially;

Principles and norms of corporate governance – principles and norms enshrined in the legislation of the Republic of Kazakhstan and in the relevant internal documents of the Company, approved by the bodies of the Company;

Employee – an individual who has an employment relationship with the Company and is directly performing work under an employment contract;

Board of Directors – Management body in the Company, which is formed by electing its members at the general meeting of shareholders (sole shareholder) of the Company, responsible for general management and control over the activities of the Company and the Management Board;

Agreement – a document resulting from the settlement of a corporate conflict, signed by the Parties to the corporate conflict and the Ombudsman/Corporate Secretary in the form in accordance with Appendix 1 to this Regulation;

Parties to a corporate conflict – Bodies and employees of the Company or interested persons of the Company participating in a corporate conflict.

CHAPTER 2. CORPORATE CONFLICTS

2.1. Causes of corporate conflicts and conflicts of interest

3. Corporate conflicts and conflicts of interest may arise as a result of:

- 1) non-compliance with the legislation of the Republic of Kazakhstan and the requirements of the internal documents of the Company;
- 2) adoption by the bodies of the Company of decisions that may lead to a deterioration in the financial condition and damage to the Company;
- 3) non-disclosure of information in accordance with the legislation of the Republic of Kazakhstan or provision of incomplete information by the employees of the Company about the positions held in the management bodies of other organizations, about the ownership of shares (shares) of other legal entities;
- 4) making decisions by officials and other employees of the Company or taking actions that contradict the interests of the Sole Shareholder and the Company;
- 5) the employees have financial interests in another legal entity with which the Company maintains business relations;
- 6) ownership by employees or members of their families of shares (stocks) of other legal entities;
- 7) part-time work as an official or participation in the work of bodies of other legal entities;
- 8) providing business opportunities to other legal entities, to the detriment of the interests of the Sole Shareholder and the Company due to personal property interests.

2.2 Prevention of corporate conflicts

4. Efficiency of work on prevention and settlement of corporate conflicts presupposes, first of all, their early identification, if they have arisen or may arise in the Company, and clear coordination of actions of all bodies of the Company.



5. With regard to corporate conflicts, the Company adheres to the principle of preventing their occurrence and being attentive to them. In the event of a corporate conflict, the Company takes a position based on compliance with legislation and internal documents of the Company.

6. The prevention (prevention) of corporate conflicts is facilitated by the observance of the legislation by the Company, Officials and Employees of the Company, as well as their conscientious behavior in relations with the Sole Shareholder.

7. In order to avoid and prevent corporate conflicts, the Company must:

1) comply with the norms of the current legislation and the provisions of the internal regulatory documents of the Company;

2) refrain from taking actions and making decisions that may lead to corporate conflicts;

3) not to conclude major transactions and transactions in which there is an interest, without receiving a positive decision from the body of the Company in the manner prescribed by the Legislation and internal documents of the Company;

4) disclose information on the activities of the Company in accordance with the requirements of the legislation;

5) ensure the reliability of financial statements and other published information provided to the Sole Shareholder, the authorized state body of the Republic of Kazakhstan for regulation and supervision of the financial market and financial organizations and interested parties;

6) take measures to prevent the use of information available in the Company for personal purposes by persons who have access to such information;

7) timely consider negative information about the Company in the mass media and other sources and carry out a timely response to every fact that such information appears;

8) participate in the identification of risks and deficiencies in the internal control system of the Company;

9) promote compliance with the principles of business ethics;

10) observe the rights of the Sole Shareholder in accordance with the legislation, charter and internal documents of the Company;

11) provide the Sole Shareholder with information on issues that may become the subject of a corporate conflict.

2.3. Settlement of corporate conflicts

8. 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 HR and Remuneration Committee.

9. 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 the possible awareness of the Board of Directors about the

nature of the corporate conflict and the role of an intermediary in resolving the corporate conflict.

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

11. The Company ensures the earliest possible identification of corporate conflicts and clear coordination of the actions of the Company's bodies, namely:

1) ensures the identification of corporate conflicts at early stages of development;

2) as soon as possible, determine its position on the merits of the corporate conflict, make an appropriate decision and bring it to the attention of the Parties to the corporate conflict;

3) entrusts the Ombudsman and/or Corporate Secretary of the Company with the accounting of corporate conflicts, registration of appeals, letters and letters received from the Sole Shareholder and the Company, whose competence is to consider this conflict. The Ombudsman/Corporate Secretary ensures proper consideration by the Company of appeals of the Sole Shareholder and resolution of conflicts related to violation of the rights of the Sole Shareholder;

4) the position of the Company in a corporate conflict should be based on the provisions of the legislation, namely:

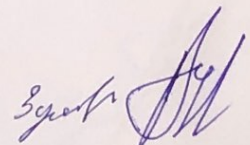
- the response of the Company to the appeal of the Sole Shareholder must be complete and detailed, and the message on the refusal to satisfy the request or demand of the Sole Shareholder, motivated and based on the provisions of the law;

- if the consent of the Company to satisfy the requirement of the Sole Shareholder is associated with the need for the Sole Shareholder to perform any actions provided for by legislation, the Charter or other internal documents of the Company, in the response to the Sole Shareholder, the Company exhaustively indicates such conditions, and also provides the information necessary for their implementation.

12. In cases where there is no dispute between the Sole Shareholder and the Company on the merits of their obligations, but disagreements have arisen about the procedure, method, timing and other conditions for their fulfillment, the Company proposes to the Sole Shareholder to settle the disagreements that have arisen and sets out the conditions on which the Company is ready to satisfy the requirements of the Sole Shareholder ...

13. The main task of the bodies of the Company in the process of settling a corporate conflict is to find a solution that, being legal and reasonable, would meet the interests of the Company.

14. If necessary, an agreement on the settlement of a corporate conflict may be signed between the Company and the Sole Shareholder. A decision on the settlement of a corporate conflict agreed with the Sole Shareholder can also be made and formalized by the relevant body of the Company in the order in which this body makes its other decisions.



15. In order to comply with the principles of corporate governance and the procedure for considering and settling corporate conflicts, the competences of the Company's bodies must be clearly delineated.

16. The Board of Directors settles corporate conflicts with the participation of the Company's Officials.

17. Corporate conflicts, the subject of which is the actions (inaction) of the Chairman of the Management Board or members of the Management Board, or their decisions, are considered by the Board of Directors.

18. Members of the Board of Directors, whose interests are or may be affected by a corporate conflict, should not participate in the settlement of this corporate conflict.

19. In order to ensure the objectivity of the assessment of a corporate conflict and its effective settlement, persons whose interests are or may be affected by a corporate conflict should not take part in its settlement.

2.4. Procedure for the settlement of corporate conflicts

20. In order to effectively resolve corporate conflicts, persons whose interests are or may be affected by a corporate conflict should not take part in its settlement.

21. Refusal to accept the Application is possible only if an appropriate decision was made on this corporate conflict.

22. The body of the Company or an official who is responsible for resolving a corporate conflict according to the submitted Application, within 10 (ten) business days from the date of receipt of the Application, invites the Parties to the corporate conflict to determine the Mediator. The role of the Mediator in resolving a corporate conflict within the competence of the Board of Directors is assigned to the Ombudsman/Corporate Secretary. At the same time, the Ombudsman/Corporate Secretary must inform the Board of Directors about the essence of the corporate conflict. If the Ombudsman/Corporate Secretary is one of the parties to a corporate conflict and/or the Ombudsman/Corporate Secretary has a conflict of interest in relation to the role of the Mediator, the role of the Mediator, by decision of the Board of Directors, can be performed by an authorized committee of the Board of Directors, if this does not contradict the current legislation of the Republic of Kazakhstan, internal documents of the Company and these Regulations.

23. Representatives of the Parties to a corporate conflict present at the meetings have the rights of a Party to a corporate conflict, including the right to sign the Agreement. When considering corporate conflicts, all Parties enjoy equal rights. It is the right of the Parties to a corporate conflict to present evidence in favor of its position, however, an unmotivated refusal of a Party to a corporate conflict to provide evidence may be qualified by the Mediator as an unfair action of a Party to a corporate conflict.

24. An agreement on the settlement of a corporate conflict is considered accepted if it is drawn up in writing and signed by the Parties and the Mediator.



CHAPTER 3. BASIC PRINCIPLES AND REGULATIONS CONFLICT OF INTEREST MANAGEMENT

25. All Officials and Employees of the Company must be guided in their activities by the principle of the supremacy of legislation and the interests of the Company.

26. All interested party transactions can be carried out only if there is a positive decision of the Board of Directors. If all members of the Board of Directors are interested parties or the Board of Directors cannot make a decision to conclude such a transaction due to the lack of votes, the decision is made by the Sole Shareholder of the Company.

27. An official and other employee of the Company should not take part in the consideration and decision-making on any transaction between the Company and himself, as well as any of his close relatives. Responsibility for compliance with this requirement is borne by the above employees of the Company who took part in the consideration and decision-making on the transaction.

28. Officials cannot act on behalf of and in the interests of third parties in relation to the Company.

29. Employees of the Company may not conclude transactions on behalf of the Company either in relation to themselves personally or in relation to another person whose representative they are at the same time.

30. Interference by Officials in the activities of subdivisions, both included and not directly subordinated to the purpose of influencing the decision to conclude a transaction by the Company, in which there is an interest, is prohibited.

31. Members of the Management Board and employees of the Company are obliged to refrain from actions that may lead to a conflict of interest, making decisions on transactions in which they have a conflict of interest.

32. Members of the Management Board of the Company are obliged to disclose to the Board of Directors information about any real or potential conflict of interest. Other employees of the Company are obliged to disclose this information to their immediate supervisor.

33. Employees of the Company are obliged to avoid personal interests in the course of their activities.

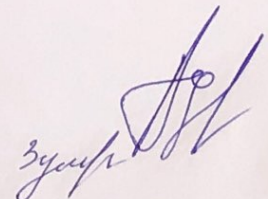
3.1. Conflict of interest situation

34. Conflicts of interest can arise from:

1) violation/non-compliance with the requirements of the legislation, constituent and internal documents of the Company;

2) non-compliance with the norms of business communication and the principles of professional ethics;

3) the presence of financial interests in another company with which the Company maintains business relations;



4) work of an Official or Employee of the Company in another company competing with the Company in terms of rendering services, as well as combining work under an employment contract in more than one organization, if such combination has not been approved (agreed) by the authorized body of the Company;

5) providing business opportunities to other companies to the detriment of the interests of the Company due to personal interests.

35. It is not a conflict of interest for cases of conclusion between the Company and its Employee, a member of the Board of Directors of labor contracts and other agreements and for the performance of the Company's employees and members of the Board of Directors of their functional duties.

36. The situations listed in clause 31 of these Regulations are not exhaustive. Officials and employees of the Company in all cases must be guided by the requirements of the current legislation of the Republic of Kazakhstan, the Charter, these Regulations and other internal documents of the Company.

37. In order to prevent any types of conflicts of interest, the Officials and Employees of the Company are obliged to:

1) comply with the requirements of the legislation, the Charter and internal documents of the Company, including these Regulations;

2) refrain from taking actions and making decisions that may lead to a conflict of interest;

3) carry out internal and external control in accordance with the Charter and internal documents of the Company;

4) provide the Board of Directors with information on all interested party transactions;

5) ensure the accounting of information about the affiliated persons of the Company;

6) disclose information on the activities of the Company in accordance with the requirements of the current legislation, the Charter and internal documents of the Company;

7) develop and improve measures to prevent the use of information available in the Company for personal purposes by persons who have access to such information.

3.2. Settlement of conflicts of interest

38. To resolve conflicts of interest arising in the Company, the Board of Directors, Officials and Employees of the Company carry out procedures in order to find a solution that, being legal and reasonable, would meet the interests of the Company.

39. The employee is obliged to inform the head of the subdivision about the presence and occurrence of a conflict of interest in the course of his activities in the Company within 5 (five) working days from the moment the relevant circumstance arises. If it is impossible to resolve the conflict at the level of a structural unit, the head of the unit is obliged, within one working day, to provide the person in charge of this structural unit with information about the conflict, the reasons for its occurrence, the measures that have been taken.



If it is impossible to resolve the conflict of interests, the issue of its settlement is submitted for consideration by the appropriate body of the Company, depending on the competence.

The collection and provision of the necessary materials to the body of the Society is carried out by the Ombudsman/Corporate Secretary.

40. Information about a conflict that, at any stage of its development, affects or may affect the interests of the Chairman of the Management Board, is transferred to the Board of Directors for making a decision on the procedure for resolving the conflict.

41. The list of measures to resolve conflicts of interest specified in this Regulation is not exhaustive. In each specific case, there may be other forms of conflict settlement, depending on the scope of the conflict of interest.

Chapter 4. GENERAL REQUIREMENTS FOR CONCLUSION OF TRANSACTIONS IN THE PERFORMANCE OF WHICH THERE IS AN INTEREST

42. The initiator, if there is information about a possible conflict of interest in order to check the supplier/potential supplier for affiliation with the Company, has the right to request from the supplier/potential supplier information about its affiliates, participants, shareholders, its constituent and other necessary documents.

43. If affiliation is revealed, the Initiator, in accordance with the procedure established by the internal documents of the Company, ensures that the issue of concluding an interested party transaction is submitted to the Board of Directors for consideration, and if it is impossible for the Board of Directors to make a decision, for consideration by the Sole Shareholder of the Company.

44. When considering the issue of concluding a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the timing and conditions of the transaction, the nature and amount of participation interests of the parties involved.

45. The initiator ensures the conclusion of an interested party transaction only after receiving a positive decision from the body of the Company in accordance with the requirements of the Charter and legislation.

46. All structural divisions and employees of the Company are responsible to the Company when concluding transactions in which there is an interest.

Chapter 5. FINAL PROVISIONS

47. The procedure for resolving corporate conflicts and conflicts of interest, as well as the procedures provided for by this Regulation, are conciliatory in nature and do not prevent persons from protecting their rights provided for by the current legislation of the Republic of Kazakhstan.

48. In case of impossibility of pre-trial settlement of a corporate conflict through negotiations, they are resolved in court.



Appendix 1
to the Regulation on the Settlement of Corporate
conflicts and conflicts of interest

Sample form of the Agreement
(recommended)
AGREEMENT

Place _____

Date (date of suspension of the signature of the last of the Parties)

Subject of the agreement (corporate conflict)

The parties to the agreement, including:

Parties to the agreement (the names of the Parties to the corporate conflict and their authorized representatives are listed)

Ombudsman/Corporate Secretary: _____

The following is the text of the agreement, which provides for the obligations of the Parties to the corporate conflict and measures to ensure the fulfillment of obligations.

Satisfaction of the parties:

- in essence;
- by procedure;
- psychological.

(Each party should indicate “satisfied” or “dissatisfied” and explanations can be added). In this section, the Parties in free form fixes the degree of satisfaction with various aspects of the corporate conflict resolution process.

Participants' signatures:

Parties:

Signature date:

Ombudsman/Corporate Secretary:

Signature date:

