REGULATION

on the settlement of corporate conflicts and conflicts of interest
in the Non-Profit Joint-Stock Company
“Kazakh National Women’s Pedagogical University”

Almaty, 2021

CHAPTER 1. GENERAL PROVISIONS AND BASIC DEFINITIONS

1.1. Purpose

1. This Regulation on the settlement of corporate conflicts and conflicts of interest in the Non-Profit Joint-Stock Company “Kazakh National Women’s Pedagogical University” (hereinafter – the Regulation) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Non-Profit Joint-Stock Company “Kazakh National Women’s Pedagogical University” (hereinafter – the Company) and other internal documents of the Company and defines the procedures for the prevention and settlement of corporate conflicts and conflicts of interest, the activities of the Company’s bodies within the framework of measures for the settlement of corporate conflicts, and the conditions for the application of this Regulation.

1.2. Basic Definitions

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

Affiliated organizations – legal entities, fifty percent or more of the shares (participation interests) of which are directly or indirectly owned by the Company;

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

Sole Shareholder – the owner of 100% of the Company’s shares;

Interested party – an individual or legal entity with whom the Company has entered into 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 conflict between the personal interests of an Employee and their duties towards the Company, and in which the Employee’s personal interest affects or may affect the impartial performance of their official duties;

Corporate conflict – a disagreement or dispute between shareholders (the Sole Shareholder) and the Company’s bodies; members of the Board of Directors and the Management Board, the head of the Internal Audit Service, and the Corporate Secretary;

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

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

Ombudsman – a person who facilitates the implementation, compliance with and explanation of business ethics within the Company, as well as the identification of violations of legislation and internal documents of the Company. The functions of the Ombudsman are assigned to the Corporate Secretary of the Company. In the absence of the Corporate Secretary, the Ombudsman's functions are assigned by decision of the Board of Directors to another employee of the Company.
The Ombudsman does not make a final decision on the merits of a corporate conflict but only assists the Parties in finding a solution;

Supplier / Potential supplier – a person who has entered into a transaction for the supply of goods, performance of work, or provision of services / or has proposed to conclude such a transaction;

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

Principles and standards of corporate governance – principles and standards established in the legislation of the Republic of Kazakhstan and in relevant internal documents of the Company approved by its bodies;

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

Board of Directors – the governing body of the Company;

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

Parties to a corporate conflict – Company bodies and employees 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 Company's internal documents;
2. decisions taken by the Company's bodies that may lead to deterioration of 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 employees of the Company regarding positions held in governing bodies of other organizations and ownership of shares in other legal entities;
4. decisions or actions by officials and other employees of the Company that contradict the interests of the Sole Shareholder and the Company;
5. employees having financial interests in another legal entity with which the Company maintains business relations;
6. ownership by employees or their family members of shares (participation interests) in other legal entities;
7. holding positions by officials on a part-time basis or participation in governing bodies of other legal entities;
8. granting 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 (Avoidance) of Corporate Conflicts

4. The effectiveness of preventing and resolving corporate conflicts primarily involves their prompt identification if they arise or may arise in the Company and clear coordination of actions of all Company bodies.
5. The Company adheres to the principle of preventing corporate conflicts and giving them careful attention. In the event of a corporate conflict, the Company takes a position based on compliance with legislation and internal documents.

6. Prevention of corporate conflicts is facilitated by compliance of the Company, its Officials and Employees with legislation, as well as their good faith behavior in relations with the Sole Shareholder.
7. In order to prevent corporate conflicts, the Company shall:

1. comply with current legislation and internal regulatory documents;
2. refrain from actions and decisions that may lead to conflicts;
3. not enter into major or interested-party transactions without approval in accordance with legislation and internal documents;
4. disclose information in accordance with legal requirements;
5. ensure reliability of financial reporting and other published information;
6. prevent misuse of internal information;
7. respond promptly to negative media information;
8. participate in identifying risks and internal control weaknesses;
9. promote business ethics;
10. respect the rights of the Sole Shareholder;
11. provide relevant information to the Sole Shareholder.

2.3. Settlement of Corporate Conflicts

8. The Company ensures timely identification and coordinated actions.
9. If disagreements arise regarding execution of obligations, the Company proposes settlement terms.
10. The main task is to find a lawful and justified solution that meets the Company’s interests.
11. A settlement agreement may be signed.
12. Competencies must be clearly delineated.
13. The Board of Directors resolves conflicts involving Officials.
14. Conflicts involving the Chairman or members of the Management Board are reviewed by the Board of Directors.

15–16. Interested persons must not participate.

2.4. Procedure for Settlement

17. Interested persons shall not participate in settlement.
18. Refusal to accept an application is allowed only if a decision already exists.
19. Within 10 working days, the parties are invited to appoint a Mediator (Ombudsman).
20. Parties have equal rights and may present evidence.
21. The Agreement is valid if signed by all parties and the Mediator.

CHAPTER 3. PRINCIPLES OF CONFLICT OF INTEREST MANAGEMENT

22. Officials and Employees must follow the supremacy of law and Company interests.
23. Interested transactions require Board approval or Sole Shareholder approval if needed.

24–27. Restrictions apply to participation, representation, and interference.

28–30. Employees must avoid and disclose conflicts.

3.1. Conflict of Interest Situations

31. Conflicts arise from violations, ethics breaches, financial interests, dual employment, etc.
32. Employment contracts are not conflicts.
33. The list is not exhaustive.
34. Employees must comply, avoid conflicts, and disclose information.

3.2. Settlement of Conflicts of Interest

35. Procedures aim at lawful solutions.
36. Employees must report conflicts within 5 working days.
37. Conflicts involving the Chairman are referred to the Board.

38. Measures are not exhaustive.

CHAPTER 4. REQUIREMENTS FOR INTERESTED-PARTY TRANSACTIONS

39–43. Supplier checks, disclosure, approval, and responsibility rules apply.

CHAPTER 5. FINAL PROVISIONS

44. Procedures are conciliatory and do not limit legal rights.

45. Unresolved conflicts are settled in court.

Appendix 1

Sample Agreement (recommended)

AGREEMENT

Place: _____
Date: _____

Subject of the agreement

Participants:
Parties (names and representatives)
Ombudsman: _____

Agreement text with obligations and enforcement measures.

Satisfaction:

- substantive
- procedural
- psychological

(Sign “satisfied” / “not satisfied”)

Signatures:
Parties: _____ Date: _____
Ombudsman: _____ Date: _____