

Conflict of interest

In accordance with the Code of Business Ethics and Conflict of Interest Policy KEGOC JSC, one of the necessary conditions for an employee to perform his/her job duties effectively is the absence of contradictions between the private interests of an employee or an official and the interests of the Company, and, if any, their timely disclosure and settlement. All employees and officials of KEGOC JSC shall behave in such a way as to avoid a situation in which a conflict of interest may arise either in respect of themselves (or persons related to themselves) or others.

In 2023, the Company's officials and employees did not report any cases of conflict of interest:

- There were no situations in which personal interest could influence the proper fulfilment of their duties;
- There were no situations with conflicts of interest that affect or could potentially affect impartial decision-making;
- Officials with an interest did not participate in the discussion and adoption of such decisions

As a preventive measure (warning), an addition was made to the Policy on Settlement of Conflict of Interest of KEGOC JSC officials and employees in 2023 and a form of declaration on disclosure of potential conflict of interest was approved. In 2023, only independent directors took part in the discussion and voting on the issues of entering into related-party transactions within the competence of the Board of Directors, which was recorded in the minutes of the Board of Directors' meetings. In the reporting year, the Board of Directors of KEGOC JSC made decisions to enter into related-party transactions by signing three (3) contracts for organization of works on the operational and maintenance of equipment between branches of KEGOC JSC and Batys Transit JSC for the total amount of KZT 335.9 million.

No major transactions were entered into in 2023.

2-15

Corporate ethics

Corporate ethics is a key element that unites our employees.

The purpose of corporate ethics is to regulate relations between employees within the framework of a single team and is formed on the basis of generally accepted human values:

- competence and professionalism (the Company's employees have quality education, work experience, decision-making skills, and aspiration to improve their professional level);
- honesty and impartiality (an important aspect of the organization's activities, preserving its business reputation and avoiding conflicts between personal interests and professional activities);
- responsibility as a guarantee of the quality of our Company's activities;
- respect for human personality (every employee of KEGOC JSC has the right to be treated fairly and honestly regardless of race, language, political and religious beliefs, gender, nationality and culture);
- safety, which is characterized by striving to preserve trade secrets and ensuring non-harmful and non-hazardous working conditions.

The Code of Conduct (business ethics), which is a set of practical rules to be followed by each employee in his or her daily activities, is binding on all employees of the Company, including senior managers. The Code of Conduct has been developed on the basis of generally accepted norms of corporate ethics and business behavior and documents defining the best practices of corporate governance. The Code of Conduct applies to all structural subdivisions, branches of the Company and subsidiaries. Familiarization with the provisions of the Code of Conduct for all employees of the Company, including officials, is carried out on a regular basis upon hiring and when changes are made to the Code of Conduct.

2-23

The Company continues to employ an Ombudsman reporting to the Board of Directors, one of whose tasks is to ensure compliance by employees and officers with the Code of Conduct and to explain its provisions. The main principles of the Ombudsman's work are independence, neutrality and impartiality, confidentiality and informality.

To monitor the moral and psychological climate in the Company's labor collectives and employees' awareness of the norms and requirements of the Code of Conduct (business ethics), an anonymous survey was organized during the reporting year.

The employee survey showed the following (the survey coverage was over 1,900 people from all branches or over 50% of employees):

- the opinion of employees (97.7%) about the moral and psychological climate and the situation in the team is generally positive, employees can count on help and support from the management, and there is mutual trust;
- direct supervisors are objective in their relations with subordinates, and there is no pressure;
- employees are recognized as having the right to participate in making decisions that are important for their work; there are no requirements to perform tasks outside the scope of their job responsibilities;
- employees are informed where they can turn in case of conflicts.

In the areas identified for improvement in labour relations and human rights, the Ombudsman developed and implemented a plan in 2023, under which the following activities were carried out:

- The Ombudsman visited 9 branches, including their territorial subdivisions.
- Meetings were held with the staff of the branches, including substations of Yuzhnye MES, Almatinskiye MES, Akmolinskiye MES, Tsentralnye MES and branches of Energoinform JSC. Employees were explained the necessity of observing of ethical norms and rules of behavior by KEGOC employees. The goals and objectives of the Code of Conduct (business ethics) were explained, communication channels (telephone numbers of the Ombudsman, HRMD, hotline operated by an independent company KPMG Tax & Advisory LLP, Nysana Call Centre) were provided, and information and explanatory work on the resolution of social and labour disputes was carried out — the provisions of 'Basic Rights and Obligations of Employees' and 'Basic Rights and Obligations of Employer' of the Labour Code of the Republic of Kazakhstan were explained, as well as the Company's internal regulatory documents and procedures on prevention and mitigation of social and labour disputes were explained.

The work was carried out in order to assist in the formation of a corporate culture of relations that would comply with generally accepted moral and ethical norms in the team, as set out in the Code of Conduct (business ethics) among the Company's employees and officials. In addition, workplaces were inspected in terms of labour conditions, and employee recreation areas, during visits to the above-mentioned branches with employees.

Anti-Corruption

KEGOC JSC adheres to the policy of zero tolerance for corruption in any of its manifestations in cooperation with all stakeholders and to concealment of corruption offences. The Company excludes any form of bribery, including offering or receiving material remuneration, benefits, or services of property, physical or moral nature for performing work or rendering services for actions (inaction) in favour of the persons who provided them, if such actions (inaction) are within the authority of the Company's employees. Employees of the Company do not provide and do not accept hospitality or gifts, which may further entail any obligations of the parties. Officials and employees involved in corruption cases are subject to dismissal and prosecution in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan.

As part of corruption risk management, the main factors of its occurrence have been identified:

- use of his official powers and related opportunities to obtain property benefits;
- abuse in procurement procedures of goods, works and services, as well as in relations with clients, suppliers, and contractors of KEGOC JSC;
- use of the Company's material resources for personal benefit or enrichment;
- lack of comprehensive and targeted information work to form an anti-corruption model of behaviour among the Company's employees and a public atmosphere of rejection of corruption;
- giving bribes or other remuneration to third parties;
- poor response to incidents of a corrupt nature.

In its day-to-day activities, KEGOC JSC complies with the requirements of anti-corruption legislation and takes maximum organisational and practical steps aimed at uncompromisingly combating corruption in any of its forms and manifestations and managing corruption risk. Contracts with the Company's counterparties contain obligations of the parties and their employees to combat corruption — the parties undertake to ensure the implementation of procedures for conducting compliance audits to prevent risks of involvement in corrupt activities.

In 2023, a new version of the Code of Conduct (business ethics) of KEGOC JSC was approved due to changes in the administrative and criminal legislation of the Republic of Kazakhstan, as well as the implementation of the concluded framework agreement between KEGOC JSC and the European Bank for Reconstruction and Development dated 29 March 2023 in terms of ensuring prohibition of any form of harassment in the workplace, as reflected in the Social Environmental Action Plan under the bond programme.

On 30-31 March 2023, KEGOC JSC employees were tested for knowledge of the provisions of the Code of Conduct (business ethics). A total of 597 KEGOC JSC employees passed the test, scoring an average of 20.7 out of 25 points. This result indicates an excellent understanding by KEGOC JSC employees of the basic norms of the Code of Conduct (business ethics).

In 2023, the Ombudsman:

- took part in the Forum of trade union leaders and corporate ombudsmen on the topic 'Social partnership and assistance in ensuring social stability and social harmony on the basis of objective consideration of the interests of the Employee and Employer' organized by the Centre for Social Interaction and Communications of Samruk-Kazyna JSC.
- took part in the Forum on Social and Labour Communications in the Group of Companies of Samruk-Kazyna JSC ombudsmen of portfolio companies, chairmen of trade unions of PCs and affiliated subsidiaries, heads of IR PCs and subsidiaries and affiliates, and internal mediators of the Group of Companies of Samruk-Kazyna JSC;
- trained Ombudsmen of PCs and subsidiaries and affiliates of Samruk-Kazyna JSC on the topic 'Methods and organization of negotiations in managing labour conflicts'.

The procedure for consideration of employee appeals is regulated by the Regulations on the Ombudsman of KEGOC JSC, according to which the Ombudsman has the right to request and receive information, materials and explanations from employees, officials, Head of the Internal Audit Service and Compliance Service necessary for consideration of the appeal in accordance with the established procedure. Having accepted the appeal for consideration, within 5 (five) working days, the Ombudsman shall explain the ways and means that the applicant may use to protect his/her rights and/or eliminate violations of the norms of conduct and/or decisions or actions (inaction) taken in violation of the norms of conduct. The Ombudsman is also obliged to transfer the appeal to the Company's bodies, whose competence includes the resolution of such appeals.

In 2023, the Ombudsman of KEGOC JSC received 12 appeals, including 8 appeals via the Nysana Call Centre and in person during visits to branches. For each appeal the applicants were provided with answers in accordance with the procedure established by the Company's internal documents and the legislation of the Republic of Kazakhstan.

At the same time, no violations of human rights were detected, and in 2023, no cases of filing lawsuits by the Company's employees for non-compliance with labour legislation were recorded.

The Ombudsman submits a quarterly report to the Board of Directors on all appeals and measures taken on appeals of the Company's employees and officials.

2-16, 2-24, 2-25, 2-26

In 2023, work was carried out to implement the international standard ISO 37001:2016 'Anti-corruption management systems. Requirements and Recommendation for Application': the Anti-Corruption Management System Manual was developed, which became the fundamental document of the anti-corruption management system and describes the anti-corruption management procedures at KEGOC JSC.

All Company employees (100%) are familiarised with anti-corruption documents. The Company's officials accept anti-corruption restrictions by signing commitments to comply with anti-corruption legislation. Work is carried out to comply with the Action Algorithm for the implementation of the institute of resignation and prosecution of managers for corruption offences committed by their subordinates.

Within the framework of forming of KEGOC JSC anti-corruption culture and intolerance to corruption manifestations, special attention is paid to preventive and prophylactic work aimed at reducing corruption risks. Thus, in 2023, the Compliance Service conducted training on the topic 'Formation of integrity and anti-corruption culture. Strengthening public control in corporate governance'. During the training, the main objective was to raise employees' awareness of the compliance function, popularise the Hotline, the provisions of KEGOC JSC Anti-Corruption and Fraud Regulations, and build interaction with the management of territorial branches and substations.

In addition, all employees of the Company (100%) are periodically reminded to immediately report any concerns regarding the following:

- bribery and corruption;
- unequal employment and labour conditions;
- accounting irregularities;
- health, safety and environmental hazards;
- information leakage.

Adaptation courses were also held with newly hired employees in accordance with the Rules of HR Administration at KEGOC JSC on the provisions of the Code of Conduct (business ethics) of KEGOC JSC (55 employees). During the adaptation course, information and explanatory work on the provisions of the organization's standards was carried out:

- Proactive reporting policies ('Hotline'),
- Anti-fraud and corruption policy,
- Policies on conflict of interest management for officials and employees.