

«APPROVED»

**By decision of the Board of
Directors of NJSC «West
Kazakhstan Marat Ospanov
Medical University»
from October «24», 2019
protocol No. 6.**

**REGULATION On resolving corporate conflicts and conflicts of interest of
Non-commercial joint-stock company «West Kazakhstan Marat Ospanov
Medical University»**

Aktobe, 2019



CHAPTER 1. GENERAL PROVISIONS AND BASIC CONCEPTS

1.1. Appointment

1. This Regulation on resolving of corporate conflicts and conflicts of interest in the non-profit joint-stock company «West Kazakhstan Medical University named after Marat Ospanov» (hereinafter referred to as the Regulation) is developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the non-profit joint-stock company «West Kazakhstan Marat Ospanov Medical University» (hereinafter - the Company), the Code of Corporate Governance and other internal documents of the Company and defines the procedures for preventing reporting and settlement of corporate conflicts and conflicts of interest, activities of the Company's bodies as part of measures to resolve corporate conflicts and the conditions for applying the Regulation.

1.2. Basic concepts

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

An official is a member of the Board of Directors and / or the Management Board of the Company;

The sole shareholder is the owner of 100% of the shares of the Company;

An interested person is 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 of the personal interests of the Employee and his duties towards the Company and in which the personal interest of the Employee affects or may affect the impartial performance of his duties;

Corporate conflict - a 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 reports to the Board of Directors of the Company, and also controls the preparation and conduct of meetings of the meeting of shareholders and the Board of Directors of the Company as part of its activities, ensures the formation of materials on the agenda items of the general meeting shareholders and materials for the meeting of the Board of Directors of the Company, controls the provision of access to them. The competence and activities of the corporate secretary are determined by the internal documents of the company;

Company Bodies - 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 assist in the resolution of 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;

The Management Board is the executive body of the Company acting collectively;

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 is in labour relations with the Company and directly performs work under an employment contract;

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

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

Parties to a corporate conflict - Bodies and employees of the Company or interested parties to the Company involved in a corporate conflict.

CHAPTER 2. CORPORATE CONFLICTS

2.1. Causes of corporate conflicts and conflicts of interest

3. Corporate 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 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 the provision of incomplete information by the employees of the Company, on positions held in the management bodies of other organizations, on the ownership of shares (shares) of other legal entities;

4) the adoption by officials and other employees of the Company of decisions or the performance of actions contrary to the interests of the Sole Shareholder and the Company;

5) 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 by an official or participation in the work of bodies of other legal entities;

8) the provision of business opportunities to other legal entities, to the detriment of the interests of the Sole Shareholder and the Company in personal property interests.

2.2 Prevention of corporate conflicts

4. The effectiveness of work on the prevention and resolving of corporate conflicts requires, 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 attentive attitude to them. When a corporate conflict arises, the Company takes a position based on compliance with the legislation and internal documents of the Company.

6. Prevention of corporate conflicts is facilitated by the observance by the Company of the Company, Officers and Employees of the legislation, as well as their bona fide conduct in relations with the Sole Shareholder.

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

1) comply with applicable laws and the provisions of internal regulatory documents of the Company;

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

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

4) carry out the disclosure of information on the activities of the Company in accordance with the requirements of the law;

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

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

7) timely consider negative information about the Company in the media and other sources and carry out timely responses to each fact of the appearance of such information;

8) participate in identifying risks and deficiencies of the Company's internal control system;

9) promote compliance with the principles of business ethics;

10) comply with the rights of the Sole Shareholder in accordance with the legislation, the 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.

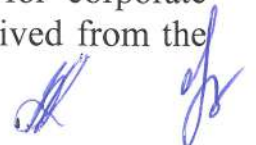
2.3. Corporate Conflict Resolution

8. The Company ensures the speedy identification of corporate conflicts, and clear coordination of actions of the bodies of the Company, namely:

1) provides for the identification of corporate conflicts in the early stages of development;

2) as soon as possible determines its position on the substance of the corporate conflict, makes an appropriate decision and brings it to the attention of the Parties to the corporate conflict;

3) entrusts the Ombudsman of the Company with accounting for corporate conflicts, the registration of complaints, letters and the Company received from the



Sole Shareholder, the competence of which includes the consideration of this conflict. The Ombudsman ensures the proper consideration by the Company of the appeals of the Sole Shareholder and the 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 law, namely:

1) the response of the Company to the appeal of the Sole Shareholder must be complete and thorough, and the notice of refusal to satisfy the request or demand of the Sole Shareholder, motivated and based on the provisions of the law;

2) if the consent of the Company to satisfy the requirement of the Sole Shareholder is fraught with the need for the Sole Shareholder to take any actions stipulated by the legislation, the Charter or other internal documents of the Company, the Company shall exhaustively indicate such conditions in a response to the Sole Shareholder and also indicate the conditions necessary for their implementation information.

9. In cases where there is no dispute between the Sole Shareholder and the Company on the substance of their obligations, but disagreements arise about the procedure, method, terms and other conditions for their fulfillment, the Company offers the Sole Shareholder to resolve the differences and sets out the conditions on which the Company is ready to satisfy the requirements Sole shareholder.

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

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

12. In order to comply with the principles of corporate governance and the procedure for considering and resolving corporate conflicts, the competencies of the Company's bodies should be clearly delineated.

13. The Board of Directors resolves corporate conflicts with the participation of Company Officers.

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

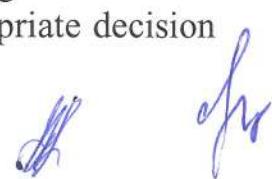
15. Members of the Board of Directors whose interests a corporate conflict affects or may affect may not participate in the settlement of this corporate conflict.

16. In order to ensure objectivity in assessing a corporate conflict and its effective settlement, persons whose interests affect or may affect a corporate conflict should not participate in its settlement.

2.4. Corporate Conflict Resolution Procedure

17. In order to effectively resolve corporate conflicts, persons whose interests affect or may affect a corporate conflict should not take part in resolving it.

18. Refusal to accept the Application is possible only if an appropriate decision has been made on this corporate conflict.



19. The body of the Company or an official responsible for resolving a corporate conflict according to the received Application, within 10 (ten) business days from the receipt of the Application, invites the Parties to the corporate conflict to determine the Mediator. The role of the Intermediary in resolving a corporate conflict within the competence of the Board of Directors is assigned to the Ombudsman. At the same time, the Ombudsman must inform the Board of Directors about the nature of the corporate conflict. If the Ombudsman is one of the parties to the corporate conflict and / or the Ombudsman has a conflict of interest regarding the role of the Mediator, the role of the Mediator may be performed by an authorized committee of the Board of Directors / Ombudsman, if this does not contradict the legislation of the Republic of Kazakhstan, the internal documents of the Company and this Position.

20. Representatives of the Parties to the corporate conflict present at the meetings have the rights of the Parties to the corporate conflict, including the right to sign the Agreement. When considering corporate conflicts, all Parties enjoy equal rights. The presentation of evidence in favor of their position is the right of the Parties to the corporate conflict, however, the unmotivated refusal of the Party to the corporate conflict to present evidence can be qualified by the Intermediary as an unkind act of the Party to the corporate conflict.

21. An agreement on the settlement of a corporate conflict shall be deemed adopted if it is executed in writing and signed by the Parties and the Mediator.

CHAPTER 3. BASIC PRINCIPLES AND PROVISIONS of INTEREST CONFLICT MANAGEMENT

22. All Officers and Employees of the Company shall be guided in their activities by the principle of the supremacy of legislation and the interests of the Company.

23. All interested party transactions can only be carried out if there is a positive decision of the Board of Directors. If all members of the Board of Directors are interested parties or it is impossible for the Board of Directors to 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.

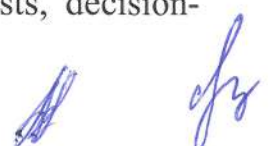
24. An official and other employee of the Company shall not take part in the consideration and adoption of decisions on any transaction between the Company and himself, as well as any of his close relatives. Responsibility for compliance with this requirement lies with the above employees of the Company, who participated in the consideration and decision on the transaction.

25. Officials may not act on behalf of and in the interests of third parties in relation to the Company.

26. Employees of the Company may not make 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.

27. Intervention of Officials in the activities of units, both incoming and not directly reporting in order to influence the decision to conclude an interested party transaction, is prohibited.

28. Members of the Management Board and employees of the Company are obliged to refrain from actions that may lead to a conflict of interests, decision-making on operations in which they have a conflict of interest.



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

30. Employees of the Company are obliged to avoid personal interests in the course of carrying out their activities.

3.1. Conflict of Interest Situation

31. Conflicts of interest may arise as a result of:

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

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

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

4) the work of an Officer or Employee of the Company in another company competing with the Company in the provision of services, as well as combining work under an employment contract in more than one organization, unless approval (consent) of the authorized body of the Company has been obtained for such combining;

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

32. Cases of conclusion between the Company and its Employee, a member of the Board of Directors of labour contracts and other agreements and for the performance by the employees of the Company and members of the Board of Directors of their functional duties are not conflicts of interest.

33. The situations listed in paragraph 31 of these Regulations are not exhaustive. The officers and employees of the Company in all cases must be guided by the requirements of the law, the Charter, these Regulations and other internal documents of the Company.

34. In order to prevent any kind of conflict of interest, the Officers and Employees of the Company shall:

1) comply with the requirements of the law, the Charter and internal documents of the Company, including this Regulation;

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

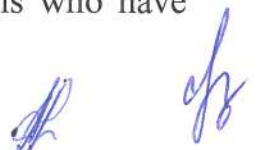
3) carry out internal and external control in accordance with the Charter and internal documents of the Company;

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

5) ensure accounting of information on affiliates of the Company;

6) to disclose information on the activities of the Company in accordance with the requirements of applicable law, the Charter and internal documents of the Company;

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



3.2. Resolution of Conflict of Interest

35. In order to resolve conflicts of interest arising in the Company, the Board of Directors, Officers and Employees of the Company carry out procedures to find a solution that, being legal and justified, would meet the interests of the Company.

36. The employee is obliged to inform the head of the unit about the existence and occurrence of a conflict of interest when carrying out his activities in the Company within 5 (five) business days from the moment of the occurrence of the relevant circumstance. If it is impossible to resolve the conflict at the level of the structural unit, the head of the unit must within one business day provide the person in charge of the structural unit with information about the conflict, the reasons for its occurrence, and the measures that have been taken.

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

The collection and provision of the necessary materials to the body of the Company is carried out by the Ombudsman.

37. Information about the conflict, which at any stage of its development affects or may affect the interests of the Chairman of the Management Board, is transmitted to the Board of Directors for decision on the procedure for resolving the conflict.

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

Chapter 4. GENERAL REQUIREMENTS FOR CONCLUSION OF TRANSACTIONS IN THE PERFORMANCE OF WHICH ARE INTERESTED

39. 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 information from the supplier / potential supplier about its affiliates, participants, shareholders, its constituent and other necessary documents.

40. When affiliation is identified, the Initiator shall, in the manner established by the internal documents of the Company, ensure that the issue of concluding an interested-party transaction is submitted for consideration by the Board of Directors, and if it is not possible for the Board of Directors to make a decision, for consideration by the Sole Shareholder

41. When considering the issue of concluding an interested-party transaction, information on the transaction should include information on the parties to the transaction, the terms and conditions of the transaction, the nature and amount of the participation interests of the parties involved.

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

43. All structural divisions and employees of the Company are responsible to the Company when concluding related-party transactions.

Chapter 5. FINAL PROVISIONS



44. The procedure for resolving corporate conflicts and conflicts of interests, as well as the procedures provided for by these Regulations, are conciliatory and do not prevent individuals from protecting their rights provided for by the Legislation.

45. If it is impossible to pre-trial settlement of a corporate conflict through negotiations, they are resolved in court.

Handwritten signatures in blue ink at the bottom right of the page.

Annex 1
to Regulation corporate conflicts
and conflict of interest

Sample Agreement Form
(recommended)
AGREEMENT

A place _____

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

Subject of the agreement (corporate conflict)

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: _____

The following is the text of the agreement providing for the obligations of the Parties to the corporate conflict and measures to ensure the fulfilment of obligations.

Satisfaction of the parties:

- essentially;
- according to the procedure;
- psychological.

(Each of the parties should indicate «satisfied» or «not satisfied» and clarifications may be added). This section of the Parties, in a free form, records the degree of satisfaction with various aspects of the process of resolving a corporate conflict.

Signatures of participants:

Parties:

Signature Date:

Ombudsman:

Signature Date:

