

# **GIFTS AND HOSPITALITY POLICY**

## **INTRODUCTION**

KAZ Minerals recognises that the occasional giving and receipt of modest gifts and hospitality can be part of building normal business relationships but that some gifts and hospitality can create improper influence or the appearance of improper influence on employees and business partners of KAZ Minerals.

In different geographical locations, the giving and receipt of modest gifts and hospitality can vary significantly, often depending on the local laws and specific customs. However, it is important that gifts or hospitality never influence the business decision making processes, or cause others to perceive an influence, or create an actual or perceived conflict of interest.

## **PURPOSE**

The purpose of this Policy is to set out KAZ Minerals' principles on the giving and acceptance of gifts and hospitality. It also describes relevant considerations in determining if an invitation to a business conference or site visit by a third party can be accepted.

## **SCOPE**

This Policy applies to all KAZ Minerals employees (permanent, contract and temporary), and secondees, (each an "Individual" and together the "Individuals") and extends to all business dealings and transactions in all countries in which the Group operates.

## **POLICY**

In the giving and receipt of gifts and hospitality, Individuals are required to avoid any activities that might lead to, or suggest, improper influence or a conflict of interest with the business of KAZ Minerals.

KAZ Minerals requires Individuals to abide by the rules and principles set out in this Policy not only to protect the Group's reputation, but also to protect Individuals against unfounded allegations of improper behaviour.

Individuals who suspect that a violation of this Policy has occurred or is occurring should report their suspicion immediately via the appropriate avenue, in accordance with KAZ Minerals' Speak Up Policy or if in doubt, directly to their divisional Compliance Officer.

**If there is any doubt about the propriety of accepting an offer of a gift or hospitality of any sort it should be refused.**

## **ACCOUNTABILITY/NON-COMPLIANCE**

Each Individual is held accountable for full compliance with this Policy. Non-compliance with this Policy may result in disciplinary or other actions against Individuals, in accordance with relevant laws and/or KAZ Minerals' internal policies and procedures.

### **POLICY ELEMENTS**

#### **Receiving gifts/hospitality**

- The primary responsibility for deciding whether even modest gifts or hospitality should be accepted lies with the Individual, although if the opportunity arises, the Individual must advise their department head or (where the Individual is a department head) their line manager in writing or via email before accepting the gift or hospitality. If the Individual is in any doubt about who to speak to, then he or she should contact their divisional Compliance Officer for guidance.
- In deciding whether to accept a gift or hospitality an Individual should consider the following questions:
  1. Could acceptance of the gift or hospitality lead to or imply an obligation?
  2. Is the intent to influence the Individual's objectivity in making a business decision (eg is a new or amended contract with the offeror under negotiation or is the offeror part of a tender process)?
  3. Could the gift or hospitality create, or appear to create, a conflict of interest?
  4. Is this gift or hospitality excessive or disproportionate in value having regard to the context or the limits set out in this Policy?
  5. Would the Individual be embarrassed if their colleagues, line manager or anyone outside KAZ Minerals became aware of the gift or hospitality?
- The receipt of gifts or hospitality from a supplier or potential supplier during a tender period or when contracts are being negotiated is strictly prohibited.
- The soliciting of gifts or hospitality by Individuals is strictly forbidden in any circumstances.
- If a third party does present an Individual with a gift in circumstances where it should not be accepted and it is impractical or offensive to refuse such a gift, the gift must immediately be reported in writing to the Individual's department head or (where the Individual is a department head) line manager or their divisional Compliance Officer who will decide what should be done with it (e.g. the gift may be donated to charity or returned to the sender/donor).
- Individuals must always refuse and report to their department head or (where the Individual is a department head) their line manager or divisional Compliance Officer, any gift of cash or cash equivalent such as a bank cheque, money order, investment securities or negotiable instrument. If any such gifts of cash or cash equivalent are inadvertently received, the Individual must advise their department head or (where the Individual is a department

head) their line manager or their divisional Compliance Officer in writing and arrangements must be made immediately for its return.

- Only offers of token symbolic gifts or hospitality can be accepted from an individual who is deemed to be a public official in a particular country (“Official”). An Official includes a community leader, or a person in a position of public trust who holds a legislative, administrative or judicial position of any kind or performs a public function. An Official may also include an employee of a state-owned business or enterprise in certain countries, including the UK.
- Entertainment/Hospitality of any sort should not be received more than three times a year from the same business partner subject to the monetary limits set out below.
- Monetary limits in Kyrgyzstan are set at half those in the other geographies in which the Group operates due to the lower cost of living.

i. No approval needed but notification required

- An Individual may accept the following provided the above rules are complied with (and in particular that the answer to all of questions 1 to 5 above is “no”) without the prior approval of his/her department head or (where the Individual is a department head) his/her line manager (although, if the opportunity arises the Individual must advise their department head or their line manager or divisional Compliance Officer as applicable in writing before accepting the gift or hospitality):
  - A gift or gifts from a single business partner of a total value not exceeding £100 in the UK, 40,000 tenge in Kazakhstan, or 8,500 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan, where the limits are half those elsewhere) in any one year.
  - Occasional meals (and subsistence, travel and accommodation costs) in the ordinary course of doing business with third parties, of a value not exceeding £100 per person in the UK, 40,000 tenge in Kazakhstan, or 8,500 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan where the limits are half those elsewhere).
  - Occasional invitations (in the company of the third party) to ordinary sports, theatre and other cultural events, as long as it is a normal, appropriate and not excessive expression of business courtesy. These should be of a value not exceeding £150 per invitation in the UK, 60,000 tenge in Kazakhstan or 12,750 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan where the limits are half those elsewhere).

ii. Department head/line manager approval needed

- An Individual may accept the following only with the prior approval of his/her department head or (where the Individual is a department head) his/her line manager or divisional Compliance Officer:
  - A gift or gifts from a single business partner of a total value of between £100 and £150 in the UK, between 40,000 and 60,000 tenge in Kazakhstan, or between 8,500

to 12,750 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan where the limits are half those elsewhere) in any one year.

- Occasional meals (and subsistence, travel and accommodation costs) in the ordinary course of doing business with third parties of a value of between £100 and £150 per person in the UK, 40,000 and 60,000 tenge in Kazakhstan or 8,500 to 12,750 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan where the limits are half those elsewhere).
- Occasional invitations (in the company of the third party) to ordinary sports, theatre and other cultural events, as long as it is a normal, appropriate and not excessive expression of business courtesy. These should be of a value of between £150 and £500 per person in the UK or between 60,000 and 200,000 tenge in Kazakhstan, or between 12,750 and 42,500 roubles in Russia (or local currency equivalent elsewhere other than Kyrgyzstan where the limits are half those elsewhere).

iii. Higher level approval needed

- Outside the above limits, gifts, meals or other hospitality can only be accepted with the prior approval of the divisional General Director or the Chief Compliance Officer (for Individuals in Kazakhstan, Russia or Kyrgyzstan) or a Director or the Company Secretary of KAZ Minerals Limited (for Individuals in other locations).
- Offers of gifts or hospitality for spouses/partners or other family members of an Individual should in general not be accepted, and in any event require the approval of the divisional General Director or Chief Compliance Officer (for Individuals in Kazakhstan, Russia or Kyrgyzstan) or a Director or the Company Secretary of KAZ Minerals Limited (for Individuals in other locations).
- Any request for time off work to attend an event or other hospitality will require line manager approval.
- Gifts or hospitality received should be recorded in the gifts and hospitality register for your operation or office specifying the name of the donor, the gift or hospitality received and its estimated value. Please contact your divisional Compliance Officer/HR for any advice on registration of gifts or hospitality.

**An invitation by a third party to attend a business conference, site visit, or similar business trip**

An invitation by a third party to attend a business conference, site visit, or similar business trip should only be accepted with the approval of the department head or (where the Individual is a department head) line manager where all of the following requirements are complied with:

- There is a directly relevant business purpose (for all of the days of the trip).
- There are a minimal number of KAZ Minerals employees on the trip, all of whom have direct business involvement.
- The host company offers to pay only for low value, incidental costs (eg entrance ticket, meals) and entertainment that is not excessive.
- Travel and accommodation must be in accordance with any restrictions in place in the division or the Group and international travel should be approved by the Finance

Director of KAZ Minerals Management in Kazakhstan or Kyrgyzstan. For employees based in Russia, the approval of the General Director KPBV should be obtained, other than those working for KAZ Minerals Baimskaya Infrastructure LLC where the approval of the Group Chair, CEO or CFO should be given. For employees in all other countries the approval of the Group CEO, CFO or the Company Secretary should be obtained.

- Flights and/or accommodation if paid for by the host company may only be accepted if in accordance with any restrictions in place in the division or the Group and if the trip is purely for business purposes and no additional days are spent by the Individual on the trip pursuing leisure activities, whether with or without the host.

### **Giving gifts/hospitality**

The following principles apply to the giving of gifts or hospitality by or on behalf of KAZ Minerals.

- No gift or hospitality should ever be given which could create improper influence or the appearance of improper influence on the decisions or actions of the recipient.
- The following additional principles should be observed in relation to giving gifts:
  - No gifts of any sort may be given without the approval of the divisional General Director or Chief Compliance Officer (for Individuals in Kazakhstan, Russia or Kyrgyzstan) or a Director or the Company Secretary of KAZ Minerals Limited (for individuals in other countries) and the value of gifts should not be excessive;
  - In Kazakhstan and Kyrgyzstan, no gifts may ever be offered or given to an Official. In Russia, only token symbolic gifts may be offered or given to an Official with the approval of the Chief Compliance Officer, Company Secretary or a Director of KAZ Minerals Limited, provided that such approval is consistent with current Russian legislation. In other countries, only token symbolic gifts may be offered or given to an Official with the approval of a Director or the Company Secretary of KAZ Minerals Limited;
  - No gifts should ever be offered or given if you know that accepting the gift would be improper for the recipient.
- In relation to offering hospitality, Individuals may offer hospitality where:
  - The hospitality is reasonable and proportionate in accordance with this Policy and does not infringe the hospitality code of the relevant third party organisation.
  - The hospitality is not intended nor could be perceived as being intended, to influence a person or induce a person to act in a particular way or reward that person for their performance of their role or function.
  - In Kazakhstan and Kyrgyzstan, no hospitality may ever be offered or given to Officials. In Russia, reasonable hospitality may be offered or given to an Official with the approval of the Chief Compliance Officer, Company Secretary or a Director of KAZ Minerals Limited, provided that it is consistent with current

Russian legislation. In other countries, only reasonable hospitality can be offered to Officials and on rare occasions.

- Any hospitality of a value between £200 and £400 per person, 17,000 and 34,000 roubles in Russia, (or local currency equivalent other than Kyrgyzstan where the limits are half those elsewhere) or of a value between £500 and £1,500 in aggregate or between 42,500 and 128,000 roubles in Russia (or local currency equivalent other than Kyrgyzstan where the limits are half those elsewhere) on an event in respect of a single business partner must be approved in writing by the Chief Compliance Officer (in Kazakhstan, Russia or Kyrgyzstan) or the Company Secretary (in other countries). Any hospitality exceeding £500 per person (42,500 roubles per person in Russia) or £2,000 (170,500 roubles in Russia) in aggregate (or local currency equivalent other than Kyrgyzstan where the limits are half those elsewhere) for an event in respect of a single business partner, must be approved by the divisional General Director (for Individuals in Kazakhstan, Russia or Kyrgyzstan) or in other locations a Director of KAZ Minerals Limited.
- Any gifts or hospitality offered should be recorded in the gifts and hospitality register for your operation or office. Please contact your divisional Compliance Officer/HR for any advice on registration of gifts or hospitality.
- For further information please consult KAZ Minerals' Anti-Bribery and Corruption Code.

**Approved by the Board on 27 June 2019**

(Update from previous version of November 2018)