**APPROVED BY**

**THE DECISION OF THE BOARD**

**OF BAITEREK NATIONAL MANAGING HOLDING JOINT STOCK COMPANY**

**ANNEX 5 TO THE**

**IN-PERSON MEETING OF THE**

**MANAGEMENT BOARD**

**OF BAITEREK NATIONAL MANAGING HOLDING**

**JOINT STOCK COMPANY**

**OF JULY 4, 2017 NO. 28/17**

**ANTI-CORRUPTION POLICY**

**OF BAITEREK NATIONAL MANAGING HOLDING**

**JOINT STOCK COMPANY**

**CHAPTER 1. GENERAL PROVISIONS**

1. The Anti-Corruption Policy of Baiterek National Managing Holding Joint Stock Company (hereinafter - the Policy) is developed in accordance with the legislation of the Republic of Kazakhstan and other internal documents of Baiterek National Managing Holding Joint Stock Company (hereinafter - the Holding).

2. The policy specifies:

1) Main provisions of anti-corruption in the Holding;

2) Managerial and organizational framework for the prevention of corruption offenses;

3) Measures to counteract corruption, as well as minimize and/or eliminate their consequences;

4) Education of employees of the Holding for strict observance of the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Holding.

3. The goal of the Policy is to strengthen control over the prevention and detection of corruption, as well as the formation of an atmosphere of its firm rejection in the Holding.

4. The goal of the Policy is the formation of a legal culture among the Holding’s employees, which ensures observance of the principles of honesty and transparency in the performance of labor duties.

5. The following terms and definitions are used in the Policy:

1) Conflict of interest – contradiction between personal interests of the Officials and their official powers, in which the personal interests of the said persons may lead to improper performance of their official powers.

2) Corruption offense – an unlawful guilty act (action or inaction) with signs of corruption for which administrative or criminal liability is established by law;

3) Corruption - illegal use by an official, employee of the Holding of his/her official (office) powers and related opportunities for the purpose of obtaining or extracting, personally or through intermediaries, material (non-material) benefits and privileges for himself/herself or third parties, as well as bribing these persons by the provision of benefits and privileges;

4) Counteraction to corruption - the activities of officials, employees of the Holding within the limits of their powers to prevent corruption, including the formation of an anti-corruption culture in society, identifying and eliminating the causes and conditions that contribute to the commission of corruption offenses, as well as to identify, suppress, disclose and investigation of corruption offenses and elimination of their consequences;

5) Counterparty - an individual or legal person with whom the Holding has entered or intends to enter into relations regulated by сivil law.

6) Official – a member of the Management Board of the Holding, a person performing administrative functions in the Holding;

7) Employee - an individual who is in labor relations with the employer and who directly performs work under an employment contract, with the exception of the members of the executive body of the Holding;

8) body authorized to combat corruption – the central executive body in the sphere of public service and anti-corruption and its department, their territorial subdivisions that carry out within the limits of their powers the functions of implementing the anti-corruption policy of the Republic of Kazakhstan and coordination in the field of combating corruption;

9) Compliance Service of the Holding – the structural subdivision of the Holding, which is responsible for counteracting corruption.

**CHAPTER 2. TYPES OF CORRUPTION OFFENSES**

6. The policy provides for corruption offenses for which administrative or criminal liability is provided by law, including:

1) Giving or receiving a bribe;

2) Receiving other material benefits and privileges according to anti-corruption legislation;

3) Deliberate misrepresentation of financial statements;

4) Misuse and/or misappropriation and/or embezzlement of the Holding's assets: embezzlement of funds, misuse of funds, embezzlement of fixed assets, inventory;

5) Acts of a corrupt nature, abuse of official authority and abuse of authority: use of their official powers and related opportunities for obtaining property benefits, violations in the procurement of goods, works, services, expressed in forgery and/or juggling of documents, special overstatement or understatement of the price of goods, work and services for obtaining monetary rewards, expensive gifts or other benefits, deliberate destruction of information which is important for the activities of the Holding, the destruction of databases or the modification of information in them, the introduction of programs to provide access to third parties or for personal purposes;

6) Actions carried out by contractors for the purpose of obtaining additional profit, other actions, which may cause damage to the Holding and / or the state;

7) Submission by the counterparties of deliberately false, altered or distorted information for the purpose of deceiving or misleading and making a profit at the expense of the Holding;

8) Actions aimed at unauthorized penetration into the information systems of the Holding or acquisition of confidential information with the purpose of making profit and/or damage to the activity and/or negative impact on the Holding's reputation;

**CHAPTER 3. ANTI-CORRUPTION MEASURES**

7. Anti-corruption measures include the following:

1) Anti-corruption monitoring;

2) Internal analysis of corruption risks;

3) Approval of anti-corruption standards;

4) Adoption by the Holding's officials of anti-corruption restrictions;

5) Prevention and resolution of conflicts of interest;

6) Reporting to the authorized anti-corruption body on the work done to counteract corruption in the Holding.

**CHAPTER 4. ANTICORRUPTION MONITORING**

8. Anticorruption monitoring is the activity of the Holding aimed to collect and analyze information related to the effectiveness of Anti-Corruption measures taken by the Holding.

9. The subject of Anti-Corruption monitoring is the activity of the Holding. Anti -Corruption monitoring is carried out by studying publications in mass media, reports of the Internal Audit Service of the Holding and appeals of individuals and legal entities on anti-corruption issues.

10. Compliance Service of the Holding (hereinafter - the Service) conducts anti-corruption monitoring on a quarterly basis and the results of anti-corruption monitoring serve as the basis for conducting an internal analysis of corruption risks.

**CHAPTER 5. INTERNAL ANALYSIS OF CORRUPTION RISKS**

11. Internal analysis of corruption risks (hereinafter - the Analysis) means activities to identify and study the causes that contribute to the commission of corruption offenses.

12. The decision to conduct the Analysis is made on the basis of the results of the anti-corruption monitoring and the results of the compliance risk assessment conducted on the basis of the Compliance Risk Management Policies of the Holding to be developed by the Service and approved by the Holding's Management Board.

13. The object of the analysis is the activity of the structural subdivision of the Holding (hereinafter - the Subdivision).

14. The analysis is carried out by the Holding's Service in accordance with the order of the Chairman of the Management Board of the Holding (hereinafter - the Order) on the basis of internal note of the Head of the Service, which justifies the necessity of conducting the Analysis of the Holding Subdivision. If necessary, the Service in consultation with the Chairman of the Management Board of the Holding may involve employees of other independent structural units of the Holding.

15. The order should include the following information:

1) Name of the Subdivision whose activities are subject to the Analysis;

2) Direction of the Analysis;

3) Full name of the employee of the Holding, responsible for conducting the Analysis;

4) Duration of the Analysis;

5) An Official of the Holding, who is entrusted with the management, coordination and responsibility for conducting the Analysis and the result of the work.

16. The Analysis is carried out in the following areas:

1) Identification of corruption risks in the internal regulatory documents of the Holding, affecting the activities of the Subdivision;

2) Identification of corruption risks in the organizational and management activities of the Subdivision.

17. The organizational and managerial activities of the Subdivision mean:

1) HR management, including the turnover of staff;

2) Settlement of the conflict of interests;

3) Compliance of the Subdivision activities with the internal regulatory documents of the Holding and the legislation of the Republic of Kazakhstan.

18. The sources of information for the Analysis are:

1) Internal regulatory and other documents of the Holding and regulatory legal acts of the Republic of Kazakhstan that affect the activities of the Subdivision;

2) Results of audits conducted earlier by the government bodies or the internal audit service of the Holding in relation to the Subdivision;

3) Results of the compliance-risk assessment;

4) Publications in mass media;

5) Appeals of individuals and legal entities received by the Subdivision;

6) Protocol of prosecutor's supervision;

7) Judicial acts;

8) Other information, which provision is not prohibited by legislation of the Republic of Kazakhstan.

19. Responsibility for the timely and complete provision of information specified in paragraph 18 hereof is vested in the head of the Subdivision.

20. Based on the results of the Analysis, an analytical summary shall be prepared containing:

1) Information on identified corruption risks;

2) Recommendations for their elimination;

3) Timing of the implementation of the recommendation on elimination of identified corruption risks.

21. The analytical report is agreed with the head of the Subdivision, whose activities were analyzed, and signed by the Official specified in subparagraph 5) of paragraph 15 hereof.

22. The analytical report with recommendations on elimination of identified corruption risks is submitted to the Chairman of the Management Board of the Holding for consideration and giving instructions for take measures on their elimination.

23. The results of the analysis are posted on the Holding's Internet resource in the anti-corruption section within a period of not more than 5 working days from the date of the resolution being placed by the Chairman of the Management Board.

**CHAPTER 6. ANTI-CORRUPTION STANDARDS**

24. Anticorruption standards - a set of recommendations for the activities of the Holding aimed at preventing corruption. Anti-corruption standards of the Holding are presented in Annex No. 1 to this Policy.

**CHAPTER 7. ANTI - CORRUPTION CONSTRAINTS**

25. In order to prevent the officials of the Holding from performing actions that may lead to the use of their powers in personal, group and other non-official interests, the said persons shall undertake anticorruption restrictions on:

1) Failure to perform activities that are incompatible with the fulfillment of the functional duties in the Holding;

2) Inadmissibility of joint service (work) of close relatives, spouses and relatives;

3) Use of official and other information not subject to official dissemination, in order to obtain or extract property and non-property benefits and advantage;

4) inadmissibility of accepting gifts in connection with the performance of official powers, except for symbolic signs of attention and symbolic souvenirs in accordance with the internal documents of the Holding.

The consent of the Holding's officials to the adoption of anti-corruption restrictions is fixed by the Department of Human Resources Management of the Holding within a period of not more than 5 working days from the date of taking office.

Non-acceptance of anti-corruption restrictions by the Holding's officials entails refusal to admit to or dismiss from office, failure to comply with them in cases where there are no signs of a criminal offense and an administrative offense are grounds for termination of powers.

26. The officials of the Holding are prohibited to:

1) Independently participate in the management of a business entity if the management or participation in the management of a business entity is not part of their official duties in accordance with the laws of the Republic of Kazakhstan, to help meet the material interests of organizations or individuals through misuse of his official powers to obtain property or other benefits;

2) Engage in business activities, with the exception of the acquisition and/or sale of shares of open and interval mutual funds, bonds on the organized securities market, shares of commercial organizations (common shares in an amount not exceeding five per cent of the total number of voting shares of the organizations) on the organized securities market;

3) Engage in other paid activities, except pedagogical, scientific and other creative activities.

27. The officials of the Holding are entitled to lease in the property lease (lease) a dwelling owned by them on the basis of ownership and to receive income from such lease.

28. The Officials of the Holding, within 30 (thirty) days from the date of taking office, shall transfer in trust management for the execution of these functions in the manner prescribed by the laws of the Republic of Kazakhstan, their property, the use of which involves generating income, except for the money, bonds, units of open and interval mutual investment funds legally owned by these persons, as well as property transferred to property rent.

29. The contract for trust management of property shall be notarized.

30. In case of the acquisition of shares, Officials of the Holding are obliged to transfer them to trust management within thirty calendar days from the date of acquisition in accordance with the procedure established by the laws of the Republic of Kazakhstan. Officials - members of the executive body of the Holding shall submit to the Human Resource Management Department of the Holding notarized copy of the contract for trust management of the property within ten working days after the notarization of the contract.

31. Failure by the Holding's officials of the obligation provided for in paragraph 29 of this Policy is grounds for termination of their respective powers

32. Holding's officials may not hold positions in the immediate subordination of the positions held by their close relatives and/or husband (wife), as well as in-laws.

The officials of the Holding who violate the requirements of this paragraph of the Policy, if they voluntarily within three months from the moment of detection of the specified violation, do not remove it, shall be transferred to posts excluding such subordination, and if such transfer is impossible, one of these employees shall be dismissed from the post or other exemption from these functions. Close relatives are understood as parents (parent), children, adoptive parents, adopted children, full-blooded and half-siblings, grandfathers, grandmothers, grandchildren, brothers and sisters, parents and spouse's children.

**CHAPTER 8. PREVENTING AND SETTLEMENT OF THE CONFLICTS OF INTERESTS**

33. The Officials of the Holding are prohibited from exercising official duties if there is a conflict of interests. The Officials of the Holding shall take measures to prevent and settle the conflicts of interests. Officials of the Holding are required to notify in writing the direct manager or the management of the organization in which they work, the conflict of interests that has arisen or the possibility of its occurrence as soon as they become aware of it.

The Chairman of the Board of Directors or the Chairman of the Management Board of the Holding, upon the appeals of officials or when receiving information from other sources, shall take timely measures in accordance with the Policy on the Settlement of Corporate Conflicts and Conflicts of Interests of the Holding.

**CHAPTER 9. FORMATION OF ANTI-CORRUPTION CULTURE**

34. The formation of an anti-corruption culture is the duty of every manager and employee of the Holding and is implemented by HR Department through a set of educational measures, by the press service through a set of measures of information and organizational nature.

Note.

1. Anti-corruption education means the continuous process of training employees of the Holding.

2. Information and organizational activity means conducting explanatory work in the mass media, organizing socially significant events and other measures provided for by the legislation of the Republic of Kazakhstan.

**CHAPTER 10. REPORTING TO THE BODY AUTHORIZED IN CORRUPTION COUNTERING**

35. The Holding shall submit a Report on the ongoing work on combating corruption to the body authorized in corruption countering.

36. The Report shall contain:

1) Information on the status and ongoing work in the field of corruption countering;

2) Results of the internal analysis of corruption risks;

3) Information on the performance or non-performance (indicating the reasons for non-performance) of the Holding's plans for corruption countering.

37. The Report shall be signed by the Chairman of the Management Board of the Holding or by a person who replaces him/her, who ensures the reliability and completeness of the information, and the timeliness of its presentation.

38. The Holding shall present the information twice a year:

1) By the results of the first half-year – not later than the 25th day of the month following the reporting period;

2) By the end of the year – not later than the 25th day of the month following the reporting year.

**CHAPTER 11. CORRUPTION PREVENTION MEASURES**

39. Corruption prevention in the Holding is carried out on the basis of internal regulatory documents of the Holding by applying on a permanent basis the following main measures:

1) Verification of counterparties to establish business reputation and identify conflicts of interests;

2) Accounting of the affiliated persons of the Holding;

3) Examination of draft internal regulatory documents of the Holding for the purpose of exclusion of norms creating corruption conditions in the Holding;

4) Ensuring information security of the Holding;

5) Ensuring the functioning of feedback mechanisms in which the officials, employees and contractors of the Holding, as well as individuals and legal entities, can notify the Service of their suspicions or provide the Service with information received from other persons about possible corruption offenses committed by any official, employee of the Holding, official, employee, representative of the Holding's counterparty;

6) Conducting official checks about possible cases of corruption.

**CHAPTER 12. FINAL PROVISIONS**

40. Officials and employees of the Holding for commitment of criminal offenses bear criminal, administrative, civil and disciplinary liability in accordance with the laws of the Republic of Kazakhstan.

41. Officials and employees of the Holding, who have been subjected to criminal, administrative or disciplinary sanctions for committing corrupt offenses, are not exempt from liability for compensation of material damage to the Holding.

42. The employees and structural subdivisions of the Holding are responsible for fulfilling the requirements of the Policy within the framework of their competence.

43. Officials and employees of the Holding from the date of adoption of the Policy, and those recruited back, from the moment of the beginning of execution of official and/or labor duties in the Holding, are obliged to confirm, in the form provided in Annex 2 to the Policy, that they have studied, understood and obliged to follow the Policy in good faith.

44. Other issues not provided for in this Policy shall be regulated by the legislation of the Republic of Kazakhstan. In the presence of contradictions of this Policy, the norms of the legislation of the Republic of Kazakhstan shall be applied to the norms of the legislation of the Republic of Kazakhstan.

**ANNEX 1 TO**

**ANTI-CORRUPTION POLICY**

**OF BAITEREK NATIONAL MANAGING**

**HOLDING JOINT-STOCK COMPANY**

**OF 4 JULY 2017**

**ANTI - CORRUPTION STANDARDS**

**OF BAITEREK NATIONAL MANAGING HOLDING JOINT-STOCK COMPANY**

**Astana 2017**

1. Anti-corruption standards of employees of Baiterek National Holding Company Joint Stock Company (hereinafter referred to as the Holding) are developed in accordance with clause 2 of Article 10 of the Law of the Republic of Kazakhstan "On Combating Corruption" and clause 12 of the Anti-Corruption Policy of the Holding, approved by the decision of the Board of the Holding dated February 23, 2017 (Protocol No. 08/17).

2. Anticorruption standards are aimed at achieving an atmosphere of intolerance to any manifestations of corruption in the Holding by creating for the employees of the Holding (hereinafter referred to as Employees) a system of value and moral anti-corruption behavior guidelines in the performance of their official functions.

3. The name of the sphere of public relations: finance.

4. Anti-corruption standards define the following standards of conduct for the Holding's employees:

1)to be guided by the principle of legality, the requirements of the Constitution, laws and other normative legal acts of the Republic of Kazakhstan, strictly comply with anti-corruption legislation;

2) To ensure compliance with and protection of the rights, freedoms and legitimate interests of individuals and legal entities;

3) Not to allow the commission of actions capable of discrediting the Holding;

4) To report directly to the head about the emergence of a conflict of interests, personal interest in the performance of official duties, a tendency to corrupt behavior and the receipt of gifts;

5) Not to be guided by personal and/or vested interests in the performance of official duties;

6) To refrain from contacting colleagues and managers with unlawful requests that violate the established order of relationships that may influence their acceptance of an impartial service decision;

7) Not to incite other Employees to commit corrupt offenses and not encourage such actions;

8) Not to receive gifts in connection with the performance of official powers;

9) Not to use official and other information not subject to dissemination, in order to obtain or extract property and non-property benefits and advantaged;

10) Refuse to be appointed to the post if it is related to direct subordination or control to persons who are close family and family relations (parents, spouses, brothers, sisters, children, property owners *(brothers, sisters, parents and children of the spouse);*

11) To be active in countering corruption, in disclosing corruption offenses;

12) Promptly to report to the management on known facts of corruption, including on the tendency to receive any benefit for expedited consideration of materials or facts of red tape;

13) Immediately, in writing, notify the direct or immediate supervisor of any doubts about the legality of the order received for execution;

14) Apply to a higher management if the immediate manager is himself/herself involved in a conflict of interest;

15) Support and demand from colleagues compliance with a high legal anti-corruption culture;

16) On an ongoing basis take measures to eliminate the causes and conditions of a possible conflict of interests, corruption offenses and their consequences;

17) Refrain from rendering assistance to anyone in carrying out entrepreneurial and/or other activities related to the extraction of income;

18) Refrain from representing or lobbying the interests of third parties, as well as committing actions on their behalf;

19) Not to use for non-official purposes the means of material, technical, financial and information support, as well as other state property and official information.

5. Leaders of all levels in relations with subordinates are required:

1) Not to allow cases of selection and placement of personnel on the basis of kinship, community and personal loyalty, to ensure the observance of the principles of meritocracy;

2) To accurately determine the tasks and scope of official powers of subordinate employees;

3) Not to allow uneven distribution of labor load among employees in subordination;

4) To exercise fairness and objectivity in evaluating the performance of subordinates, as well as applying incentives and penalties;

5) Not to give subordinates clearly unfulfillable or out of the scope of their official duties, as well as contrary to the law orders;

6) Not use the official position to influence the activities of subordinates when resolving issues of an unofficial nature;

7) Not to force subordinate employees to commit corruption offenses;

8) Prevent and suppress violations of the norms of anti-corruption legislation by subordinates and other employees;

9) Timely take exhaustive measures to resolve the conflict of interests that arose with a subordinate employee in the course of performing his official duties;

10) Take comprehensive measures to prevent corruption;

11) eliminate the reasons and conditions conducive to the commission of corrupt offenses by subordinates;

12) Not to allow the involvement of subordinates to perform non-business or personal tasks;

13) By their impeccable behavior set an example for subordinate employees.

6. Leaders of all levels ensure compliance with these Anti-Corruption Standards and organize anti-corruption work among their subordinates.

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**ANNEX 2 TO**

**ANTI-CORRUPTION POLICY OF**

**BAITEREK NATIONAL MANAGING HOLDING**

**JOINT-STOCK COMPANY**

**OF 4 JULY 2017**

**CONFIRMATION**

Use this form to confirm that you have carefully studied, understood and undertake to follow the Anti-Corruption Policy of Baiterek National Managing Holding Joint-Stock Company (hereinafter referred to as the Policy) in good faith.

Officials and employees of Baiterek National Managing Holding Joint-Stock Company (hereinafter referred to as the Holding) are obliged to send this completed and signed form to the Human Resource Management Department from the date of adoption of the Policy, and those taken again from the beginning of the execution of labor and/or job duties in the Holding .

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| --- | --- | --- | --- |
| Please fill out this form, sign and send it *in hard copy to the Human Resources Department* | Since the beginning of the execution of labor and/or job duties in the Holding, You shall carefully study, understand and follow the Policy in good faith.  Your Confirmation | | |
| (Please tick the relevant boxes) | | |
|  | I confirm that I have studied and understood the Policy. | |
|  | I undertake to follow the Policy in good faith. | |
|  | Please sign here | |
|  | Full name | |
|  | Signature | date |