

Annex No. 14
to the decision of the Management Board of
“EIC “KazakhExport” JSC
dated March 31, 2020 No. 16

“Approved”
by decision of the Management Board of
“EIC “KazakhExport” JSC
dated March 31, 2020 No. 16

**Rules for Prevention and Counteraction of Fraud and Corruption in the Joint-
Stock Company “Export Insurance Company “KazakhExport”**

SUMMARY ON BYLAW

Bylaw title	Rules for prevention and counteraction of fraud and corruption in JSC “EIC “KazakhExport”
Bylaw owner	Compliance Controller
Level of access	Public
Measures for familiarization activities of all structural unite with the bylaw	Email newsletter within 1 (one) business day from the date of placement of the bylaw on the “Internal Portal” network drive

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Part 1. General provisions

1. The Rules for the Prevention and Counteraction of Fraud and Corruption in the Joint Stock Company “Export Insurance Company “KazakhExport” (hereinafter referred to as the Rules) have been elaborated in accordance with the legislation of the Republic of Kazakhstan, the Charter, the Anti-Corruption Policy and other internal documents of the Joint Stock Company “Export Insurance Company “KazakhExport” (hereinafter referred to as the Company).

2. The Rules shall establish the main mechanisms for preventing and counteracting fraud and corruption in the Company.

3. The purpose of the Rules shall create a system for preventing cases of fraud and corruption, shall create an atmosphere in the Company of their tough rejection and counteraction to them.

4. Achievement of the goal of preventing and combating fraud and corruption shall be carried out by solving the following tasks:

1) creation and implementation of mechanisms for implementing the basic principles of combating fraud and corruption;

2) determination of the main factors of the risk of fraud and corruption;

3) identification of the main directions of the Company’s activities that are subject to the risk of fraud and corruption;

4) management of the risk of fraud and corruption in order to protect the business reputation of the Company;

5) ensuring that the Company and its employees comply with the requirements of the anti-corruption legislation of the Republic of Kazakhstan and applicable norms of foreign and international law.

5. These Rules shall apply to all officers and employees of the Company, including those who provide services under a contract for the provision of services (outsourcing).

6. The following terms, definitions and abbreviations are used in these Rules:

WB – the World Bank, which is an international financial organization established with the aim of organizing financial and technical assistance to developing countries;

official – a member of the Management Board, the Board of Directors of the Company or a person performing organizational and executive or administrative functions in the Company;

incident – an incident, event entailing or capable of entailing operational, legal, reputational and (or) other risks for the Company’s activities;

Compliance Controller – an employee responsible for organization and operation of the system for counteraction of fraud and corruption in the Company;

fraudulent actions – deliberate actions or inaction of employees of the Company, as well as other individuals and/or legal entities, in order to obtain benefits at the expense of the Company and (or) cause material and/or non-material damage;

counteracting fraud and corruption – activities of the Company’s employees within their powers to prevent fraud and corruption, including the formation of an anti-corruption culture in the Company, identification and elimination of the causes and conditions conducive to the commission of fraudulent actions and corruption offenses, as well as to identification, suppression, disclosure and investigation of fraudulent activities and corruption offenses, and elimination of their consequences;

RK – Republic of Kazakhstan;

risk of fraud and corruption – possibility of occurrence of reasons and conditions conducive to the commission of fraudulent actions and corruption offenses;

FATF – an intergovernmental organization that develops world standards in the field of anti-money laundering and combating the financing of terrorism (hereinafter referred to as AML/CFT), and also evaluates the compliance of national AML/CFT systems with these standards;

UN Security Council – United Nations Security Council.

Other abbreviations and terms used in these Rules shall have the same definitions as provided in the relevant legal acts of the Republic of Kazakhstan, the Code of Business Ethics, the Anti-Corruption Policy and other internal regulatory documents of the Company.

Part 2. Basic principles for countering fraud and corruption

7. Counteraction of fraud and corruption shall be carried out based on the following principles:

- 1) legality;
- 2) priority of protecting the rights and legitimate interests of the Sole Shareholder, employees and counterparties of the Company;
- 3) zero tolerance for any manifestations, types and forms of fraud and corruption in the activities of the Company;
- 4) inevitability of punishment for committing fraudulent actions and corruption offenses;
- 5) application of systemic and comprehensive measures to prevent and combat fraud and corruption;
- 6) participation of all employees and officials of the Company in combating fraud and corruption.

8. The Company shall adhere to the principle of complete rejection of fraud and corruption in all forms and manifestations in the implementation of both main and other types of activities. In the event of any manifestations of fraud and (or) corruption, regardless of the amount of damage caused, the Company shall take active measures to counter them.

9. The Company shall regularly monitor, identify, analyze and evaluate the risk of fraud and corruption in its activities.

10. The Company shall expect that each of its employees, in the performance of their official duties, shall put the interests of the Company above their private interests and shall not allow situations to arise that are or can be regarded as a conflict of interest.

11. The Company shall encourage its employees, customers, counterparties, as well as other interested parties to report their suspicions about possible violations and cases of non-compliance with the provisions of these Rules, as well as to propose measures to improve the system for preventing and combating fraud and involvement in corruption activities.

12. The Company shall reserve the right to disclose information about persons who have violated the requirements of the applicable legislation and these Rules, in the manner prescribed by the current legislation of the Republic of Kazakhstan.

Part 3. Forms and types of fraudulent activities

13. Fraudulent actions that may be committed in relation to the Company in their form shall be divided into external and internal (corporate).

14. Internal (corporate) fraudulent actions can be committed by officials and employees of the Company.

15. External fraudulent actions can be committed by clients, contractors of the Company or other third parties.

16. The types of fraudulent activities shall include:

1) distortion of financial statements and non-financial indicators – deliberate distortion and/or omission of indicators established by legislative acts, principles and rules, standards for the formation of financial statements and disclosure of financial statements to mislead internal and external users of information in order to obtain economic and/or other benefits for yourself and/or third parties;

2) unlawful use, embezzlement, misappropriation or other form of theft of the Company's property, including sums of money and inventory items;

3) abuse of office for deceptive purposes;

4) provision by clients, counterparties or other third parties, based on their unlawful goals, of knowingly false, distorted information, fake documents for the purpose of misleading and deceiving the Company, its officials and employees;

5) actions aimed at unlawful penetration into the information systems of the Company or the

seizure of confidential information, with the aim of causing property damage to the Company or damage to its business reputation;

6) other actions (inaction) provided for by the legislation of the Republic of Kazakhstan.

Part 4. Management of the risk of fraud and corruption

17. Management of the risk of fraud and corruption shall consist of the following stages:

- monitoring the risk of fraud and corruption;
- revealing (identification) of the risk of fraud and corruption;
- analysis and assessment of the risk of fraud and corruption;
- development of measures to eliminate the risk of fraud and corruption.

18. **Monitoring the risk of fraud and corruption** shall be aimed at identifying, analyzing and assessing conditions and factors conducive to fraudulent activities and manifestations of corruption, and shall be a source of appropriate action. Fraud and corruption risk monitoring shall include the following areas:

- analysis of certain areas of the Company's activities that carry risks of fraud and corruption, including examination of the Company's internal documents;
- control over compliance by the Company's employees with the provisions of these Rules, anti-corruption standards and restrictions;
- analysis of requests from employees and counterparties of the Company, third parties to identify the facts of fraud and corruption in the activities of the Company;
- analysis of the media.

19. **Revealing (identification) of risks of fraud and corruption** shall consist of determining the Company's exposure to the influence of these types of risks that can cause fraudulent and corruption manifestations. The identified cases and risks of fraud and corruption shall be subject to registration in the risk register in the manner prescribed by the Company's bylaws.

20. **Analysis and assessment of risks of fraud and corruption.** The Company shall identify, evaluate (self-evaluate) and periodically re-evaluate the risks of fraud and corruption inherent in its potentially vulnerable business processes. When identifying and assessing risks, the Company shall take into account all the completeness of information on the activities and plans of the Company, including investment and strategic ones, available at the time of the assessment.

21. **Development of measures to eliminate the risks of fraud and corruption.** At this stage, for each risk of fraud and corruption, the measures necessary to reduce the likelihood of the risk and its consequences shall be determined.

22. The level of risks of fraud and corruption shall be subdivided into high, medium and low, depending on the degree of probability of their occurrence and the degree of negative impact on the activities and business reputation of the Company.

23. The risks of fraud and corruption of high and medium levels shall be recognized by the Company as significant and requiring the development of appropriate action plans to prevent, eliminate or reduce them, subject to approval by the Management Board of the Company.

24. The Management Board and the Compliance Controller shall organize and coordinate the work of structural divisions and outsource employees of the Company in order to effectively manage the risks of fraud and corruption.

25. Implementation of the stages of fraud and corruption risk management shall be the responsibility of the Compliance Controller.

26. In order to improve the quality of risk management of fraud and corruption, the Compliance Controller shall have the right to petition the Chairman of the Management Board of the Company to create a working group from among the most experienced employees, according to the assessment of these risks.

27. The activities of this group shall be documented by the relevant minutes, analytical notes, presentations on the development of specific measures in order to prevent or minimize the risks of fraud and corruption in the Company.

28. The Compliance Controller shall provide information to the Management Board, the Audit Committee of the Board of Directors and the Board of Directors of the Company on the state of the anti-fraud and corruption system within the framework of the report on its work on a quarterly basis.

Part 5. Implementation of measures to prevent and combat fraud and corruption

29. Measures to prevent and combat fraud and corruption shall include:

1) carrying out preventive, information and explanatory work on compliance with the requirements of applicable anti-corruption legislation and internal documents of the Company, as well as on issues of preventing and combating fraud and corruption;

2) timely forecasting and minimization of the risks of involving employees in fraudulent and/or corrupt activities;

3) prevention, detection and suppression of any forms and manifestations of fraud and corruption;

4) development, introduction and application of internal documents, organizational measures and procedures to prevent and counter fraud and corruption;

5) control over the observance by employees and officials of the Company of restrictions, prohibitions and obligations provided for by these Rules, the Code of Business Ethics and the Anti-Corruption Policy of the Company;

6) examination of the adopted internal and organizational and administrative documents for the absence of provisions in them that create prerequisites for involvement in fraudulent or corrupt actions, and reflecting in them, if necessary, appropriate preventive measures;

7) conducting an audit of the Company's counterparties in the manner prescribed by these Rules and other internal regulatory documents of the Company;

8) ongoing monitoring of business processes, analysis of potential vulnerabilities, preparation of recommendations and proposals for organizing and taking adequate measures to minimize the risks of fraudulent actions and corruption;

9) implementation of interaction with law enforcement agencies of the Republic of Kazakhstan in order to coordinate their activities to combat fraud and corruption, prevention of offenses;

10) conducting official investigations and checks on cases of committing (or the possibility of committing them) of fraud and corruption;

11) prevention of cases of creation of artificial business needs and overstatement of the planned budgetary expenses of the Company;

12) other measures to prevent or counteract the risks of fraudulent actions and corruption offenses.

30. In order to prevent or reveal the facts of corruption offenses and fraud, employees, clients, counterparties of the Company and other interested persons can inform via any of the publicly available communication channels that ensure confidentiality, including the helpline, e-mail of the Compliance Controller, his contact telephone number, and also sending a message by filling out a form in the section of the Company's Internet resource or to the postal address of the Company. Each employee or person who has reported cases of corruption or fraud that has become known to him, shall be guaranteed confidentiality and the absence of any negative consequences of such messages.

31. The Compliance Controller shall interact with the law enforcement agencies of the Republic of Kazakhstan in order to assist in the suppression and investigation of cases of fraudulent actions and corruption offenses committed against the Company.

32. In order to foster an anti-corruption culture among employees, the Compliance Controller, together with the Human Resource Management Department, shall implement an internal training and education program for employees on countering fraud and corruption.

Part 6. Procedure for conducting official investigations and inspections

33. Received messages about cases of probable fraudulent actions or manifestations of corruption by the Company's employees, as well as complaints about their actions (inaction) shall be subject to verification by the Compliance Controller on a sole basis within 5 (five) business days from the date of receipt of such messages or instructions from the Chairman of the Management Board of the Company.

34. Based on the results of the audit, the Compliance Controller within 2 (two) working days shall prepare a written statement for the Chairman of the Management Board with conclusions, recommendations, proposals.

35. Carrying out of official investigations of incidents related to information security in the Company shall be carried out by the Information Security Manager alone in the manner and terms stipulated by the Information Security Policy of the Company. In case of official necessity, the Information Security Manager shall have the right to petition the Chairman of the Management Board or a person replacing him to create a working group to conduct an official investigation of an information security incident.

36. All cases of committed fraud or attempts to commit them, facts of corruption in the Company, as well as other incidents entailing compliance risks, operational, legal, reputational and other risks for the Company's activities shall be subject to investigation by a working group formed based on the order of the Chairman of the Management Board of the Company or a person replacing him from among the most experienced employees.

37. Taking into account that the received reports of violations may be the result of misunderstanding or incorrect assessment of facts, an official investigation shall be carried out based on the presumption of innocence of the person(s) before obtaining evidence of the violations.

38. The working group for conducting an internal investigation shall be headed by a leader, whose tasks include defining the plan for conducting the investigation, its stages, assigning tasks and responsibilities among the members of the working group and organizing the process of conducting an internal investigation.

39. Members of the Audit Committee to the Board of Directors of the Company shall be immediately notified of the conduct of an official investigation in respect of officials and employees of the Company accountable to the Board of Directors.

40. In order to comply with the principles of a comprehensive and objective establishment of all the circumstances of the incident under investigation, the working group shall not include heads of structural divisions or employees whose activities or business processes are or may be the subject of an official investigation. In the event that a member of the working group has a conflict of interest in the course of an internal investigation, the leader of the working group shall immediately petition the Chairman of the Management Board to remove the specified employee from the group.

41. The stages of an official investigation shall include:

- preliminary assessment of the information received;
- surveys of employees and other persons;
- obtaining documents, information and other items relevant to the ongoing investigation;
- study and analysis of all facts based on the information received, items and documents;
- documenting the results of an official investigation;
- other stages.

42. All inquiries and requirements of the working group and its leader for the provision of documents, items, explanations and information shall be subject to execution by the employees of the Company within the terms established by the working group and its leader.

43. If necessary, the working group shall have the right to demand the suspension of access of individual employees to the information systems of the Company, blocking of their workstations (computers), confiscation of communications equipment, workstations (computers) belonging to the Company, information on paper or electronic media related to an official investigation. These actions shall be performed by the Information Security Manager or the Information Technology Manager in

compliance with the requirements stipulated by the Information Security Policy and other internal documents of the Company.

44. Members of the working group can inspect office premises, safes, tables, cabinets, where documents or objects, including electronic media, that may be related to the ongoing official investigation may be located.

45. Based on the results of the official investigation, the working group shall draw up a written opinion intended for the Chairman of the Management Board or a person replacing him. The conclusion drawn up based on the results of the official investigation in respect of officials or employees accountable to the Board of Directors shall be intended for members of the Audit Committee of the Board of Directors of the Company.

46. The report shall fully and accurately reflect all the activities carried out during the investigation, the names of the employees involved in the investigation, the damage assessment and the assessment of the current situation, the activities and stages of the investigation, the explanations received from employees and other persons, the documents examined, etc.

47. In conclusion, information shall be reflected on the identified shortcomings of the existing control system in the business process within which the incident occurred (subject of the investigation), information on violations of the existing control system, as a result of which a case of fraud occurred, a description of the recommended remedial measures these deficiencies, as well as responsible persons and the time frame for correcting such deficiencies.

48. In order to ensure the effectiveness of the investigation, all employees of the Company shall be obliged to provide comprehensive assistance in the investigation and provide members of the group with the requested information within the timeframe specified in the request. Refusal to provide information at the request of the members of the investigation group shall be formalized by an appropriate act.

49. The total period for conducting an official investigation of an incident cannot exceed 10 (ten) working days, including drawing up a conclusion on the investigation. In exceptional cases, with the consent of the Chairman of the Management Board or a person replacing him, the total investigation period may be increased, but not more than 10 (ten) working days. To do this, a memo from the head of the working group must be submitted to the Chairman of the Management Board with justification of the reasons for extending the investigation period.

50. The results of the official investigations shall be considered by a working group with the participation of the Chairman of the Management Board or a person replacing him within 3 (three) working days after the completion of the investigation in order to determine the decision to take legal, organizational and disciplinary measures.

51. Prior to the adoption of legal, organizational, disciplinary measures, with the consent of the Chairman of the Management Board or a person replacing him, an employee or the head of a structural unit, whose activities or business processes were the subject of an official investigation, may familiarize themselves with the conclusion drawn up by the working group. The specified person shall have the right to inform the Chairman of the Management Board, as well as members of the working group, orally or in writing, his opinion, including agreement or disagreement with the results of the official investigation and the conclusions of the working group. The written opinion expressed by the person shall be attached to the materials of the official investigation.

52. The results of internal investigations carried out in relation to the officers and employees of the Company accountable to the Board of Directors shall be brought to the notice of the members of the respective committees of the Board of Directors of the Company within 2 (two) business days and shall be subject to consideration at meetings for making a management decision. In these meetings, with the consent of the members of the committees, the persons, in respect of whom the official investigation was conducted, shall be entitled to take part and provide their explanations.

53. The materials of the inspections and official investigations of incidents shall be confidential and subject to transfer to the Compliance Controller for further storage, with the exception of the materials of official investigations, of which the latter was involved.

54. The materials of official investigations of information security incidents shall be kept by the Information Security Manager.

55. Materials of official investigations and inspections shall be kept in a safe or a metal lockable cabinet.

Part 7. Procedure for conducting inspections of counterparties

56. The Compliance Controller, based on the databases of state bodies (bodies of state revenue, justice, financial monitoring, enforcement proceedings, electronic public procurement portals and other databases) and corporate Internet resources of the national managing holdings of the Republic of Kazakhstan, shall conduct the following checks of counterparties:

1) checking contractors who are the winners of the procurement of goods, works and services initiated by the Company for reliability and prevention of conflicts of interest;

2) verification of counterparties, transactions with which are subject to consideration by the Board of Directors of the Company;

3) verification of other counterparties on behalf of the Chairman of the Management Board of the Company.

57. The Compliance Controller shall check the counterparties who are the winners of the procurement of goods, works and services in the manner and terms stipulated by the Regulations for interaction and employees who are not part of structural divisions, when organizing and conducting procurement of goods, works and services.

58. The Compliance Controller, based on the results of checking other counterparties, within 2 (two) working days from the date of receipt of the relevant order or request from structural divisions or employees who are not part of them, shall prepare an opinion on:

1) the presence or absence of a conflict of interest;

2) the presence or absence of signs of unreliability.

59. A legal entity or an individual shall be recognized unreliable in the event of one or more of the features listed below:

1) inclusion of a legal entity or an individual in the register of debtors in enforcement proceedings, drawn up by the authorized state body of the Republic of Kazakhstan for the regulation of enforcement proceedings;

2) recognition of a legal entity or an individual entrepreneur a bankrupt, an inactive taxpayer absent from the legal address, as well as a person whose registration is invalidated;

3) presence of arrears in taxes and fees;

4) presence in the mass media of negative publications about involvement in illegal actions or operations of a legal entity and an individual;

5) inclusion of a legal entity or an individual in the lists of persons associated with financing of terrorism and/or extremism, compiled by authorized state bodies of the Republic of Kazakhstan;

6) inclusion of a legal entity or an individual in the registers (lists) of unscrupulous suppliers of goods, works or services, compiled by authorized state bodies of the Republic of Kazakhstan or national managing holdings;

7) registration of a legal entity and an individual in a foreign state, which is classified as a country that finances or supports terrorist activities;

8) inclusion of a legal entity and an individual in the sanctions lists of international or intergovernmental organizations (FATF and UN Security Council), as well as in the lists of persons drawn up by the World Bank, transactions with whom are prohibited or restricted.

9) other information (if necessary).

The following counterparties shall not be subject to verification:

- if they are or belong to international rating agencies;

- if they are elected by the Sole Shareholder of the Company.

Part 8. Gifts

60. A gift shall be any valuable in tangible or intangible form for which there is no obligation to pay the usual price, including money, securities and other property, benefits and services of a property nature (works, services, payment for entertainment, recreation, transportation costs, loans, discounts, provision of property for use, including housing, charitable contributions, donations, etc.) received or transferred by an official or employee of the Company using their official powers.

61. Gifts to family members, close relatives or other close persons of an employee or an official of the Company, transferred in connection with the performance of any actions (inaction) related to work in the Company, for the purposes of these Rules shall be also considered gifts to an employee or an official.

62. Exchange of gifts and representation expenses, including business hospitality of the Company with third parties, shall meet the following criteria:

1) fully comply with the norms of the current legislation of the Republic of Kazakhstan, the Code of Business Ethics and other internal documents of the Company;

2) be reasonable, proportionate and not luxury goods;

3) not represent a hidden remuneration for a service, action, inaction, connivance, patronage, granting rights, making a certain decision on a transaction, agreement, license, permission, etc. or an attempt to influence the recipient for another illegal or unethical purpose;

4) not create a reputational risk for the Company, its officials and employees in the event of disclosure of information about gifts or entertainment expenses;

5) not imply the emergence of any obligations to the donor or organizer of business hospitality events;

6) not be cash or non-cash funds, securities, precious metals, luxury goods and not represent other types or equivalents of cash;

7) not carry a systematic and regular exchange of gifts and business hospitality with the same official or representative of a client, counterparty;

8) not contain an invitation to travel, health-improving and other trips at the expense of clients, contractors of the Company and (or) third parties.

63. The restrictions on the acceptance of gifts, established by these Rules, shall not apply to cases when such a gift is a corporate souvenir: pens, notebooks, diaries, etc.

64. Any unauthorized gifts shall be rejected or returned to the giver in an ethical manner if they do not meet the criteria set out in this Part.

65. Gifts received without the knowledge of an official or employee of the Company, as well as received by him in connection with the performance of relevant functions in violation of the requirements of these Rules, shall be subject to free delivery to a special state fund within 7 (seven) calendar days in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

66. Should there be any doubt as to whether the implementation of representation expenses, delivery or acceptance of a business gift, or conduct of business hospitality, meets the requirements of these Rules, the Anti-Corruption Policy, the Code of Business Conduct or other internal documents of the Company, the employee shall consult on this issue with the immediate supervisor or Compliance Controller.

Part 9. Final provisions

67. The Company cooperates with authorized state bodies of the Republic of Kazakhstan, public associations, clients, counterparties and other interested parties in the field of combating fraud and corruption.

68. Employees of the Company, regardless of their position, shall bear criminal, administrative, civil and disciplinary responsibility for committing fraudulent acts and corruption offenses in accordance with the legislation of the Republic of Kazakhstan.

69. Employees of the Company, to whom measures of criminal, administrative or disciplinary liability were applied for committing fraudulent actions and corruption offenses, shall not be exempt from liability for compensation for material damage to the Company.

70. Responsibility for compliance with the requirements of these Rules shall be borne by all employees and officials of the Company within their competence.

71. Other issues not provided by these Rules shall be governed by the legislation of the Republic of Kazakhstan. Should there be contradictions between the Rules and norms of the legislation of the Republic of Kazakhstan, the norms of the latter shall be applied.

72. These Rules come into force from the date of their approval by the decision of the Management Board of the Company.