

**ANTI-CORRUPTION POLICY  
(ITS CSD)**

## 1. General Provisions

1.1. This Anti-corruption Policy («Policy») is the main internal regulation of the ITS Central Securities Depository Limited («ITS CSD», «Company»), which defines the key principles and requirements aimed at countering corruption, as well as ensuring compliance with regulations of the applicable anti-corruption laws by the Company, its employees, and other persons entitled to act on behalf of and in the interests of the Company.

1.2. The requirements of this Policy apply to the Company's Board of Directors and all the Company's employees, regardless of their position, status and work period with the Company. Members of the Company Board of Directors and all Company's employees must be guided by this Policy and strictly comply with its principles and requirements.

1.3. The Company strives to extend the principles and requirements of this Policy to the Company's representatives, clients, business partners and other third parties, including those who have the right to act on behalf of and in the interests of the Company, and also expects these persons to comply with the relevant anti-corruption obligations that are stipulated in the Company's agreements concluded with them, in their internal regulations or directly follow from the law and the rules of international law. In this regard, the Company's expects appropriate reciprocal interaction in relationships with third parties, based on integrity and honesty.

1.4. The Company's Board of Directors make an ethical standard of uncompromising attitude to any forms and manifestations of corruption at all levels and set an example to the Company's employees to improve corporate culture, follow the best practices of corporate governance and maintain the Company's business reputation at the appropriate level.

1.5. To increase the level of anti-corruption culture and maintain awareness of compliance with the anti-corruption laws and requirements of this Policy, the Company's employees must to familiarise themselves with this Policy and other internal regulations containing standards for preventing and countering corruption in the Company (if any) when being hired. The main the Company's regulations on preventing and countering corruption are posted on the Company's official website or otherwise made available to the persons which the Policy applies to. Employees familiarise themselves with updated regulations on preventing and countering corruption on a periodic basis.

## 2. General Terms and Definitions

For the purposes of this Policy, the following terms and definitions are used:

**Anti-corruption laws** means regulations of the anti-corruption laws established, in particular, by international standards and other regulations, the main requirements of which include a ban on bribe taking, commercial bribery and mediation in bribery.

**Bribe** means money, securities, other property, benefits and/or monetised services transferred/rendered/received (or promised to be transferred/rendered/received) by an official personally or through an intermediary for acts (omission) in favour of the bribe giver or persons represented by the former with intent to induce any person to perform their official duties improperly, that is on more favourable terms for the bribe giver and/or in violation of the procedures established by law and/or the Company's internal regulations, or if this may contribute to such acts (omission) in virtue of their official position, as well as for general patronage or connivance in service. The term of "bribe" is not limited by any minimum monetary sum, and any transferred/taken bribe may be interpreted as giving /taking a bribe.

**Client** shall be interpreted in accordance with its definition set out in the ITS CSD's Business Rules.

**Counterparty** means an individual or a legal entity who is a party to the Company's agreement (excepting employment) and is not a Client.

**Corruption Offence** means an act committed unlawfully (in violation of the anti-corruption laws) that has elements of corruption, for which civil, disciplinary, administrative or criminal responsibility is established by law.

**Commercial bribery** means illegal transfer/receipt of funds, securities, other property, benefits and/or monetised services by a person performing official duties in the Company for acts (omission) in the interests of the bribe giver due to the official position held by such person.

**Employees** means individuals employed by the Company on the basis of the employment agreement.

Terms not defined specifically in this Policy shall have the meanings given to them in the AIFC Regulations and Rules by and the Company's internal regulations.

## 3. Goals and Objectives

3.1. This Policy has been developed to regulate the Company's standards for anti-corruption activities: identifying, preventing and minimising cases of illegal, unethical, corrupt conduct of the Company's Board of Directors and employees. This Policy is aimed at providing all employees and members of the Company's Board of Directors with a uniform understanding of the essence of corrupt practices, their forms and manifestations to prevent and stop situations and practices which may violate, potentially, requirements

of the anti-corruption laws and other applicable rules of international law.

3.2. The main objectives of this Policy are:

- to establish mandatory adequate rules and procedures in the Company to prevent corruption, inform about corruption offences and take measures to counter corruption;
- to minimise the likelihood that the Company, members of Board of Directors and employees (regardless of their position) will be involved in corruption activities;
- to form a culture of ethical conduct and intolerance to all manifestations of corruption, including a uniform standard of anti-corruption conduct for members of the Company's Board of Directors and employees, the Company's clients and other persons;
- to establish responsibility for corruption offences.

#### 4. Corrupt Practices

4.1. In accordance with the law, anti-corruption regulations and for the purposes of this Policy, the Company's considers as corrupt practices actions which are stated in clause 4.2 and performed:

4.1.1. in relation to the Company or on behalf of or in the interests of the Company in relation to third parties, including state and municipal authorities and their employees, AIFC and its employees, counterparties, as well as other legal entities and their employees, Board of Directors and representatives of these legal entities;

4.1.2. expressly or implicitly;

4.1.3. personally or through third parties;

4.1.4. regardless of the purpose, including simplification of administrative and other procedures, ensuring competitive and other advantages;

4.1.5. in any form, including receiving/ providing funds, valuables, other property or monetised services, other property rights.

4.2. Corrupt practices performed for the purposes, in the form or manner stated in clause 4.1. of this Policy are:

4.2.1. abuse of office, authorities (members of the Company's Board of Directors, the Company's employees use opportunities, related to their official position and/or official authorities, for themselves or for the benefit of third parties, to obtain financial or other benefits/advantages not provided for by law and/or the Company's regulations);

4.2.2. bribe giving, bribe taking, mediation in bribe giving (taking);

4.2.3. commercial bribery, bribery of public officers (providing or a promise to provide a public officer with any financial or other benefit/advantage in order to influence performance of their official and functional duties to gain/retain business or provide competitive or other advantages for the Company);

4.2.4. other illegal use by an individual of their official position contrary to the legitimate interests of the Company, society and the state in order to obtain benefits in the form of money, valuables, other property or monetised services, other property rights for themselves or third parties, or illegal provision of such benefits to the stated person by other persons.

4.3. The Company's employees, members of the Company's Board of Directors are prohibited from performing corrupt practices stated in clauses 4.1 and 4.2 of this Policy, and it is also prohibited, expressly or implicitly, personally or through third parties, to offer, give, promise, ask and take bribes or make payments in any form to simplify administrative, bureaucratic and other formal procedures, including in the form of money, valuables, services or other benefits, to any persons and from any persons or organisations, including commercial organisations, state and local government bodies, regulatory and supervisory authorities, public and municipal officers, private companies and their representatives.

#### 5. Main Anti-Corruption Principles and Measures

5.1. The Company establishes and applies the following anti-corruption principles:

5.1.1. **The Principle of Non-Acceptance of Corruption** in any forms and manifestations in the conduct of daily activities and strategic projects, including in interaction with the management, investors, clients, counterparties, representatives of state and local self-government bodies, supervisory and controlling authorities, their employees and other third parties.

5.1.2. **The Principle of Adequate Anti-Corruption Procedures** to minimise the likelihood that the Company will be involved in corrupt practices.

A set of measures to reduce the likelihood that the Company, members of the Company's Board of Directors and its employees will be involved in corrupt practices are being developed and implemented with respect to the scope of the Company's activities, assessing the likelihood of occurrence and degree of influence of corruption on the Company's activities.

5.1.3. **The Principle of Effectiveness of Anti-Corruption Procedures.**

Application of anti-corruption procedures and measures for the Company that ensure meaningful results with reasonable and proven costs for their implementation.

#### **5.1.4. The Principle of Responsibility and Inevitability of Punishment.**

Inevitability of punishment for the Company's employees regardless of their position, work experience and other conditions in case they commit corruption offences related to performance of employment duties.

#### **5.1.5. The Principle of Openness.**

Informing counterparties, partners and the public about the anti-corruption standards adopted by the Company. This Policy is publicly available on the Company's official website to provide an opportunity for all interested persons to become familiar with the standards and procedures established by the Company for the prevention and countering of corruption.

The Company also guarantees that no employee or other person will be subject to sanctions (including dismissal, demotion, financial penalty) if they report on proposed corruption / cases of inducement to perform corrupt practices/ violations of this Policy, or if they refuse to give/take a bribe or any valuables, commit commercial bribery or mediate bribery (commercial bribery), including if the Company lost profits or commercial or competitive advantages as a result of such refusal.

#### **5.1.6. The Principle of Constant Control and Regular Monitoring.**

Regular monitoring of the effectiveness of implemented anti-corruption standards and procedures, as well as control of their implementation.

5.2. Anti-corruption is manifested in activities of the Company's Board of Directors and employees within their authorities:

- to form intolerance to any manifestations of corruption, to form corporate and social responsibility to counter corruption;
- to prevent corruption, minimising the likelihood of performing corrupt practices (corruption prevention);
- to identify, prevent, stop, disclose and inspect (investigate) corruption offences (countering corruption);
- to minimise and/or eliminate consequences of corruption offences;
- to bring to account persons that allowed for corruption offences.

5.3. To prevent corruption and minimise the likelihood of performing corrupt practices in the Company, the following main measures are applied:

- familiarising members of the Company's Board of Directors and employees with this Policy and other regulations on prevention and countering corruption (if any);
- presenting relevant requirements established by law and/or employment agreements to the Company's officials and candidates for senior positions;
- establishing rules for representation expenses;
- establishing a procedure for preventing conflicts of interest, including potential ones;
- keeping complete and reliable records and documentation for all Company operations;
- establishing procedures for assessment, analysis and selection of the Company's counterparties, as well as rules for interacting with them;
- ensuring anti-corruption conditions (clauses, provisions) in agreements concluded with the Company's clients, counterparties. Such provisions should indicate that the Client, counterparty will not accept or offer, promise or provide any unjustified financial benefits to any person or the Company, expressly or implicitly, in exchange for their acts or omission in violation of their duties.

5.4. To implement anti-corruption measures, the following main requirements are established for the Company.

5.4.1. The Company and its employees are prohibited from engaging or using counterparties to perform any actions that contradict principles and requirements of this Policy.

5.4.2. The Company's employees are prohibited from making payments for simplifying formal procedures in any matters related to the Company's activities. Such payments are not acceptable, and the Company will never justify or encourage making such payments by employees or any other persons acting on behalf of the Company.

5.4.3. If the Company's employee has to make a choice between engaging in bribery/corruption and losing commercial advantages, they must decline commercial advantages associated with bribery and corruption.

5.4.4. The Company's employees must decline illegal remuneration of any kind clearly and intelligibly, leaving no room for doubt, misunderstanding and ambiguous interpretation of such refusal. Any offer/attempt to offer such remuneration should be brought to notice of the line manager/the Senior Executive Officer without delay.

5.4.5. In all cases, when employees have reasonable suspicions that the services provided by the Company to its clients, counterparties, are being used (or are intended to be used) for the purposes of bribery and corruption, they must inform their line manager/ the Senior Executive Officer of their suspicions without delay. Failure to report on revealed facts of corruption and bribery may be regarded as complicity in a

corruption offence.

5.4.6. Any incoming information about intentions and facts of corrupt practices / corruption offences or any cases of contacting employees to induce them to commit corrupt practices / corruption offences is subject to mandatory analysis and processing by conducting an internal inspection (investigation).

5.5. The purpose of minimising (or) eliminating consequences includes reducing negative processes (influence) that arise due to identified corruption and commission of certain types of corruption offences. To minimise and/or eliminate consequences of corruption offences in the Company, the following main measures may be applied:

- identification, elimination (neutralisation) of causes and conditions contributing to commission of corruption offences;
- compensation for financial consequences of corruption offences;
- elimination or neutralisation of non-financial consequences of corruption offences;
- bringing to account persons that allowed for corruption offences.

## **6. Anti-corruption Management Structure, Authorities and Responsibility of Board of Directors, Business Units and Employees**

6.1. Effective Company's anti-corruption management is achieved through effective and operational interaction of the following participants:

- the Board of Directors;
- the Senior Executive Officer;
- the Internal Control Department;
- the Internal Audit Department;
- the Security Department;
- the HR Department;
- the Legal Department;
- heads of business units and the Company's employees.

6.2. Functional roles of the above mentioned participants within the Company's anti-corruption activities are distributed as follows:

6.2.1. The Board of Directors:

- approves this Policy, as well as amendments and additions to it;
- exercises common control of anti-corruption and measures taken for this purpose by viewing reports of the Internal Audit Department;

6.2.2. The Company Senior Executive Officer is responsible for organising all activities aimed at implementing principles and requirements of this Policy, within its authorities, and also:

- distributes responsibilities between business units and the Company's employees for implementation of specific anti-corruption procedures by approving documents regulating interaction of units when performing anti-corruption procedures (if any), as well as by approving job descriptions of employees;
- constantly monitors anti-corruption activities performed by the Company's employees and controls activities carried in terms of anti-corruption, including making prompt decisions on issues and activities carried out in relation to anti-corruption;
- forms intolerance to corrupt conduct in the Company, demonstrates ethical conduct through personal example.

The Senior Executive Officer receives appeals (complaints, statements) from the Company's employees, counterparties, both at personal appointments and in writing, which may contain proofs of corruption committed by the Company's employees or suspicions of corruption. If necessary, the Senior Executive Officer initiates an internal inspection (investigation) involving certain employees identified by them, including the Internal Control Department and the Security Department.

6.2.3. The Internal Control Department:

- participates in developing the Company's internal regulations aimed at compliance by its employees with professional ethics standards and maintaining business reputation, countering commercial bribery and corruption;
- familiarises employees with documents on preventing and countering corruption (when updated) on the internal portal of the Company or otherwise on a periodic basis;
- participates in internal inspections (investigations) in terms of anti-corruption.

6.2.4. The Internal Audit Department:

- checks compliance by members of the Company's executive bodies and employees with the provisions of the laws and the Company's internal regulations related to anti-corruption;
- informs the Board of Directors about effectiveness of the Company's anti-corruption measures.

6.2.5. The Security Department:

- participates in internal inspections (investigations) in terms of anti-corruption, records facts of committing corruption offences, and also interacts with law enforcement agencies if necessary.
- checks counterparties for their involvement in corruption activities;
- performs actions to examine and check candidates for the Company's vacancies.

As part of monitoring compliance by the Company's employees with requirements for official conduct, and to assess reliability of information received from candidates for filling positions, the Security Department checks:

- compliance with restrictions (if any) on performing other paid work in spare time only with prior notice to the Company's management and if this does not entail any conflict of interest;
- compliance with restrictions (if any by virtue of position) to work in commercial and non-commercial organisations with the consent of the Company's management for two years after dismissal;
- compliance with prohibitions (if any) to participate in activities of the governing bodies of another commercial organisation for a fee;
- compliance with prohibitions (if any by virtue of position) to conduct entrepreneurial activity;
- compliance with prohibitions to use logistics and other means, other Company's property for purposes not related to performance of job duties.

6.2.6. The Company's HR Department is responsible for:

- establishing the practice for the Company's personnel management according to which a long-term, impeccable and effective performance by an employee of their job duties should be necessarily taken into account when appointing them to a higher position or offering remuneration;
- presenting qualification requirements to candidates for filling positions in accordance with the procedure established by law, verification of information submitted by candidates in accordance with the established procedure;
- organising initial familiarisation of employees with the Company's internal regulations on professional ethical conduct and anti-corruption.

6.2.7. The Company's Legal Department:

- ensures control of available anti-corruption clauses in agreements concluded with the Company's Clients, counterparties;
- participates in internal inspections (investigations) in terms of anti-corruption, and also interacts with law enforcement agencies within its remit if necessary.

6.2.8. While carrying out current activities, employees of the Company's business units:

- strictly comply with the requirements of the applicable anti-corruption laws, principles and requirements of this Policy, as well as principles of professional ethics and standards of ethics established in the Company;
- refrain from taking actions and making decisions that may result in corruption offences;
- provide information to their line managers orally or by e-mail, or in an official note on facts and/or suspicions of committing a corrupt practice/ violation of this Policy, including by other employees, on the day such information is revealed;
- if there are doubts about permissible carrying out of actions or other issues related to provisions of this Policy, employees address the line manager and/or the Internal Control Department for clarification.

## **7. Control of the Policy Implementation**

7.1. The heads of the Company's business units directly control compliance with provisions of this Policy by the Company's employees. When performing their current activities/ receiving information from other employees, the heads of the Company's business units immediately inform the Internal Control Department and the the Company's Security Department and, if necessary, the Senior Executive Officer about facts and/or suspicions of corruption/violations of this Policy. This requirement also applies to other Company's employees, as well as to Board of Directors.

## **8. Responsibility**

8.1. Members of the Company's governing bodies and the Company's employees, regardless of their position, are personally responsible for compliance with principles and requirements of this Policy.

8.2. Persons who have violated the anti-corruption laws, as well as requirements of this Policy, may be brought to criminal responsibility on the initiative of the Company, law enforcement agencies or other persons in the manner and on the grounds provided for by the applicable anti-corruption laws, the Company's regulations and employment agreements.

8.3. Since the Company also may be sanctioned for participating in corruption, each reasonably justified suspicion or established fact of corruption will subject to internal inspections (investigations) as the applicable legislation allows.

## **9. Final Provisions**

9.1. This Policy comes into force from the date of its approval, unless otherwise is established by decision of the Company.

9.2. For all matters not indicated in this Policy, the Company is guided by law, the Company's internal regulations.

9.3. The policy may be reviewed and improved with respect to new trends in global and Kazakhstan corporate conduct practices, including in the event of changes in the legislation.