

FUND FOR PROBLEM LOANS "JOINT STOCK COMPANY "

**Approved
by decision of the Board of Directors
"Fund for Problem Loans" JSC
Date 12.10. 2023 No . 10**

**INSTRUCTION
on combating corruption for employees
"Fund for Problem Loans "Joint Stock Company**

2023

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Chapter 1. Scope of application

1. This Instruction has been developed in accordance with current anti-corruption legislation of the Republic of Kazakhstan, defines corruption-oriented actions,

establishes procedure for actions of "Fund for Problem Loans" Joint-Stock Company (hereinafter referred to as the Fund) employees in case of situations with corrupt nature in order to prevent corruption offenses in Fund's activities.

2. This Instruction is mandatory for familiarization and application by all employees of the Fund.

3. The requirements given in this Instruction are minimum necessary requirements and should not be considered as exhaustive and/or limiting for particular cases.

Chapter 2. Basic concepts and abbreviations

4. Basic concepts and abbreviations used in the Instructions:

- **corruption** - the illegal use of their official powers and related opportunities by persons holding a responsible public position, persons authorized to perform public functions, persons equated to persons authorized to perform public functions, officials, in order to obtain or extract property (non–property) benefits and advantages personally or through intermediaries for themselves or third parties, as well as bribery of these persons by providing benefits and advantages;
- **combating corruption** - activity of anti-corruption entities within their powers to prevent corruption, including formation of anti-corruption culture in society, identification and elimination of causes and conditions conducive to corruption offenses, as well as identification, suppression, disclosure and investigation of corruption offenses, and elimination of their consequences;
- **commercial bribery** - illegal transfer of money, securities or other property to a person performing managerial functions in commercial or other organization, as well as illegal provision of property–related services to such person for using official position, as well as for general patronage or permissive attitude in duties in interests of person, giving the bribe;
- **conflict of interests** - contradiction between personal interests of employees and their official duties, in which personal interests of these persons may lead to improper performance of their official duties;
- **bribe** - receipt by person authorized to perform public functions, or by a person equated to such a person, or by a person holding responsible public position, or by official, personally or through intermediaries, of money, securities, other property, property rights or property benefits for himself or other persons for actions (inaction) in favor of bribe–giver of persons represented by him, if such actions (inaction) are within the scope of official powers of a person authorized to perform public functions, or a person equated to him, or if this person by virtue of his official position, can contribute to such actions (inaction), as well as for general patronage or connivance;

- **bribe solicitation** - demand by a person for a bribe under threat of committing actions that may harm legitimate interests of bribe-giver or persons represented by him, or deliberate creation of such conditions under which he is forced to give a bribe in order to prevent harmful consequences for law enforcement interests.

Chapter 3. General provisions

5. Receiving and giving bribes in the Republic of Kazakhstan is illegal and entails criminal liability in accordance with the Criminal Code of the Republic of Kazakhstan.

6. Taking and giving bribe are two sides of the same criminal model, in which there is a bribe-taker and a bribe-giver.

Receiving a bribe - one of the most dangerous official crimes, especially if it is committed by a group of persons or is accompanied by extortion, which consists in obtaining advantages and benefits by an official for legal or illegal actions (inaction).

Bribery - crime aimed at inducing an official to commit legal or illegal actions (inaction), or to provide or receive any advantages in favor of giver, including for general patronage or permissive attitude in duties.

7. Fund's employees must comply with restrictions, prohibitions and requirements imposed to prevent or regulate conflicts of interest, notify Fund's management about addresses aimed at inducing corruption offenses, as well as comply with other duties in order to counter corruption.

During negotiations, meetings with borrowers / co-borrowers, mortgagors, guarantors, affiliated entities, private bailiffs, appraisers, bankruptcy managers, auditors, suppliers of goods, works and services and their representatives, Fund's employees are advised to refrain from words and expressions that may be perceived as request (hint) for giving a bribe.

In addition, it is recommended not to ask the above-mentioned persons to provide to Fund's employees or their relatives, relatives-in-law, discounts, services of a specific company, depositing money to specific charity fund or supporting specific sports team, which can also be perceived as request for a bribe

8. In case of corruption and commercial bribery-related situation, as well as in conflict of interests, Fund's employees are recommended:

1) when provoked:

In order to avoid possible provocations from citizens who have submitted a request, as well as persons auditing activities of the Fund or its structural divisions, it is recommended:

- not to leave unattended offices, workplaces and personal belongings;
- lock offices with a key and not to transfer keys to other persons;
- in case of detecting any foreign objects in workplace or personal belongings after the visitor leaves, not to touch them, not to take any independent actions and immediately report this to Fund's management.

2) at being offered a bribe or commercial bribery:

In order to prevent occurrence of such cases in working relationships with borrowers/co-borrowers, mortgagors, guarantors, private bailiffs, appraisers, bankruptcy managers, suppliers of goods, works and services and their representatives, it is recommended:

- behave extremely cautiously, politely, not allowing statements that could be perceived as readiness to receive bribe;
- in presence of voice recorder, try to record (secretly) a proposal about a bribe and/or commercial bribery;
- report this fact to higher management;
- apply with written notification or verbal message about an impending crime to authorized anti-corruption body - Anti-Corruption Agency of the Republic of Kazakhstan (hereinafter referred to as Anti-Corruption Service) or Call Center 1424.

3) in case of a conflict of interest:

In order to avoid conflict of interest, it is recommended to:

- be attentive to any possibility of conflict of interest;
- take measures to prevent any possibility of conflict of interest;
- take measures to overcome conflict of interests that has arisen in agreement with line manager.

Chapter 4. Actions of Fund's employees for combating corruption.

9. If there is a situation with hint of corruption, Fund's employees should inform their line manager, Fund's Compliance Service and (or) Fund's Management, and (or) the Anti-Corruption Service.

Employee's line manager, Fund's Compliance Service and Fund's Management are obliged to take measures on received report about corruption offense in accordance with the laws of the Republic of Kazakhstan.

10. Fund's employee who has reported corruption offense is protected by state in accordance with Criminal Procedure Code of the Republic of Kazakhstan, Labor Code of the Republic of Kazakhstan, Laws of the Republic of Kazakhstan "On State Protection of persons participating in criminal proceedings" and "On combating

corruption" and shall be awarded in accordance with procedure determined by the authorized body for combating corruption.

11. Applications on corruption offense and commercial bribery sent to the Anti-Corruption Service must contain the following information:

- Full name and position of person extorting a bribe or forcing to commit commercial bribery;
- amount and nature of extorted bribe (commercial bribery);
- description of action or omission for which a bribe is offered or commercial bribery is committed;
- other circumstances relevant to adoption of appropriate measures by Anti-Corruption Service.

To the extent possible, copies of available documents, correspondence, audio or video recordings confirming the fact of corruption offense or attempt to commit it should be attached to the application.

Chapter 5. Responsibility of managers for corruption offenses of their subordinates

12. Fund's management is subject to disciplinary responsibility in accordance with the laws of the Republic of Kazakhstan for non-performance or improper performance of official duties to prevent corruption offenses by subordinate employees.

13. If Fund's employee commits corruption offense that excludes, in accordance with a judicial act that has entered into force, possibility of further work, except for cases expressly provided for by the laws of the Republic of Kazakhstan, employment contract with such an employee may be terminated at Fund's initiative in accordance with subparagraph 21), paragraph 1, Article 52 of the Labor Code of the Republic of Kazakhstan.

Chapter 6. Final provisions

14. This Instruction comes into force from the date of its approval by Fund's Board of Directors.