

The KazakhExport EIC JSC anti-corruption monitoring results for the third quarter of 2023

I. Introduction

1. **Name of the quasi-public sector entity, which activities were subject to anti-corruption monitoring:** The KazakhExport EIC JSC (hereinafter referred to as the Company).

2. **Anti-corruption monitoring** was carried out by Assel Zhakaeva, the Head of the Compliance Service, Bakytzhan Tumenbayev, the Chief Compliance Controller.

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3. **Anti-corruption monitoring period:** from September 20 to September 29, 2023.

4. **Observed period:** from July 1 to September 29, 2023.

II. Informational and analytical part

Inspections and Audits

No Company inspections or audits were carried out by state authorities during the review period.

At the same time, it should be noted that based on the results of the audit of the Company's insurance, reinsurance and underwriting processes carried out by the Sole Shareholder of the Company represented by the Baiterek National Management Holding JSC in the period from May 22 to July 11, 2023, the Company on September 12, 2023 received for execution the Action Plan for the implementation of the Audit Act of the KazakhExport EIC JSC dated August 8, 2023 (hereinafter referred to as the Action Plan).

Appeals and Publications on Cases of Office Corruption or Abuse

Within the review period, the Company did not receive any written appeals, as well as appeals to the **senim@kazakhexport.kz** helpline and the Senim helpline 8 (7172) 55 44 70, containing information about abuses or corruption in the actions of the Company's officials and employees, as well as about fraudulent actions cases.

Periodicals, television and electronic mass media, as well as social networks, did not post publications, articles, notes mentioning information about Company's fraud cases, office officials and employee's corruption or abuse.

The total number of Company references and its activities in social networks and the media for the 3rd quarter of this year amounted to 943 mentions.

Of these, 735 Company references were positive;

187 were of a neutral nature (news reports);

21 mentions with negative connotations.

During monitoring, it was found that 15 references with a negative tone related to a written notification received on March 15, 2023 from the Agency of the Republic of

Kazakhstan for the Protection of Competition about the presence of signs of anticompetitive actions in the Company's actions, in particular, the notification indicated that the text of insurance contracts concluded with a number of exporting clients did not include conditions on counter obligations of customers in accordance with Article 27 of the Law of the Republic Kazakhstan On Industrial Policy.

As of the monitoring date, it was established that the Insurance Department, which is the Company's responsible structural unit for the conclusion of insurance contracts with exporting customers, took measures in the form of concluded additional agreements, including conditions on counter obligations.

With regard to 6 negative references, it was established that these publications related to the question of a representative of one of the media regarding the provision of the Company's support tools more than once to some exporting customers.

Based on the results of the study of these 6 publications, there are no signs indicating corruption factors in the actions of the Company, however, the Department of Information and Communications took measures to clarify the Company's position on this issue by preparing and sending relevant comments to the press service of the Ministry of Trade and Integration of the Republic of Kazakhstan (hereinafter referred to as the MTI RK), and the participation of the Company's Chairman of the Management Board as a Company's Speaker in the next briefing of the MTI RK was ensured.

Information from legal statistics, international and non-governmental organizations

As part of the monitoring, claim work documents were studied which were carried out by employees of the Legal Support Department during the third quarter, official Internet resources of the Financial Monitoring Agency of the Republic of Kazakhstan, the Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption Service), the Supreme Court of the Republic of Kazakhstan, the Committee of the Prosecutor General's Office of the Republic of Kazakhstan on Special Accounting and Legal Statistics, data from the information and reference service "Komptra" were studied.

Anti-corruption monitoring did not give any cases of criminal case initiation and criminal prosecution of employees and officials of the Company for committing corruption offenses.

There were no facts of initiation of proceedings against the Company and its officials in cases of administrative corruption offenses.

There were no court proceedings on criminal and administrative corruption offenses with the Company's participation, its employees and officials.

On the Internet resources of international and non-governmental organizations, such as the United Nations, the Eurasian Development Bank, the World Bank, Transparency International (a non-governmental international organization for combating corruption and researching the level of corruption), FATF (an international organization - the Group for the Implementation of Measures against Money Laundering), there were no

references to manifestations of corruption in the Company's activities or on the implementation of legalization operations for its crime proceeds.

Compliance with anti-corruption restrictions and standards

During monitoring, cases of non-compliance by members of the Management Board and employees of the Company with anti-corruption restrictions and standards provided for by the provisions of the Law of the Republic of Kazakhstan On Combating Corruption and the Company's Anti-Corruption Policy were not established.

No facts of non-compliance with the established anti-corruption restrictions and standards were established: no mentions or information were found about the presence of accounts and deposits of the Company's members and employees in banks located outside the Republic of Kazakhstan, lobbying of personal interests when considering draft transactions concluded by the Company with clients and suppliers of services (goods), joint work of close relatives and relatives in the Company, use for personal purposes and disclosure of confidential information.

There are no cases of hiring persons who have committed corruption crimes as employees of the Company, which is confirmed by the presence of relevant certificates issued by the territorial bodies of the Committee of the Prosecutor General's Office of the Republic of Kazakhstan on Special Accounting and Legal Statistics in the electronic personal files of employees formed by the Department for Human Resources Management.

Conflict of Interest and Its Resolution

In the period under review, there were no conflicts of interest in the day-to-day work of the Company's officers and employees.

Creation of anti-corruption culture

In order to properly comply with the requirements of the legislation on financial control measures as part of anti-corruption, the Company's Compliance Service, together with the Company's Human Resources Management Department, prepared a letter dated July 10, 2023 to the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan to clarify a number of issues related to the submission of declarations.

According to the letter of the Astana State Revenue Department dated August 18, 2023 No. MKD-15-02/30946 in response to the specified written request of the Company, the following clarifications were provided:

the obligation to submit a declaration applies to the Company's employees and their spouses with whom employment relations were terminated in 2023, as well as to newly hired employees with whom employment relations have been established since January 1, 2023;

individuals providing services to the Company under civil law contracts have no obligation to submit a declaration of assets and liabilities;

the obligation to submit a declaration of assets and liabilities also applies to the Company's employees and their spouses who are foreign citizens, regardless of the place of employment, who had employment relations with the Company as of January 1 of the year in which the declaration was submitted;

Employees of the Company who have previously submitted a declaration of assets and liabilities as part of the first stage of the general declaration are required to submit a declaration of income and property by the established deadlines.

This explanation of the state revenue authority was brought to the attention of the Company's employees, and was also used in their work when questions regarding the procedure for submitting declarations were received.

In view of the above, it is noted that officials and employees of the Company, their spouses, within the framework of the second stage of declaring the income of the population, submitted declarations to the territorial bodies of state revenues.

In addition, declarations were also submitted by independent directors who are members of the Company's Board of Directors.

It should be noted that the Company's employees, through online training on June 26, 2023, were informed that they need to submit declarations in a timely manner, as well as about the responsibility for failure to submit declarations.

III. Concluding Part

Conclusions:

There were no confirmed cases of corruption offenses in the activities of the Company's employees and officials in the period under review.

Anti-corruption restrictions and standards in the day-to-day work of the Company's officers and employees have been observed.

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Head of Compliance Service

B. Tumenbayev

Chief Compliance Controller