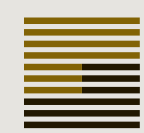




**ANTI-CORRUPTION POLICY**

# CONTENTS

<b>Key terms and definitions .....</b>	<b>3</b>
<b>1. General .....</b>	<b>7</b>
<b>2. Scope of application .....</b>	<b>8</b>
<b>3. Anti-corruption measures .....</b>	<b>9</b>
<b>4. Political activity .....</b>	<b>13</b>
<b>5. Corporate social responsibility .....</b>	<b>14</b>
<b>6. Business hospitality and business gifts .....</b>	<b>15</b>
<b>7. Cooperation with intermediaries .....</b>	<b>16</b>
<b>8. Accounting and reporting. Internal financial control .....</b>	<b>17</b>
<b>9. Rights and obligations of employees to prevent and combat corruption .....</b>	<b>18</b>
<b>10. Prohibited practices .....</b>	<b>20</b>
<b>11. Responsibility for violating the Anti-Corruption Policy .....</b>	<b>21</b>
<b>12. Final provisions .....</b>	<b>22</b>



# KEY TERMS AND DEFINITIONS

**Business Gift** means services, goods or other property, advantages, benefits, intangible assets, any other benefits of an intangible or non-monetary nature provided/received free of charge for the purpose of establishing or building the Business relations or for other business purposes within the scope of business.

**Business Hospitality** means business receptions, dinners or lunches, other events (for example, conferences, sports and cultural events), travel expenses, accommodation expenses, other types of expenses received by the recipient on a free of charge basis for the purpose of establishing or building business relations or for other business purposes within the scope of business.

**Business Partners** are legal entities and/or individuals with whom the company enters into or intends to enter into the Business relations, including state authorities and local self-government authorities, civil society organisations, international civil society organisations, institutions and organisations.

**Business Relations** are relations that have been built between the Business partners and SCM Business pursuant to an agreement or in accordance with the law.

**Charitable Activity** means voluntary material assistance that does not make any profit for the company, nor does it require the company to pay any remuneration or compensation on behalf of or in the name of the recipient of charitable assistance.

**Conflict of Interest** means a conflict between a person's private interests and his/her professional duties, which affects or may affect objectivity or impartiality when he/she performs or fails to perform certain actions when discharging his/her professional duties.

**Corruption** means using the powers granted to the Official/PEP or the opportunities provided by these powers to obtain Improper benefits or obtaining such benefits or accepting a promise/offer of such benefits for themselves or other persons, respectively; promising/offering or providing Improper benefits to the Official/PEP or, upon their request, to other individuals or legal entities with the aim of inducing that person to unlawfully use the powers granted to him/her or the opportunities provided by these powers.

**Corruption Risk** refers to the well-founded likelihood of an occurrence involving corruption or related offences, or breaches of the Anti-Corruption Policy. SCM/SCM Business activities categorise corruption risks as:

- Internal risks, identified in organisational, management, financial, personnel, and legal procedures of SCM/SCM Business.
- External risks, found in the operations of the Business partners, including state and local self-government authorities engaged in business relationships with SCM/SCM Business.

**Improper Benefit** refers to monetary funds, their equivalents, services, goods, or other assets, advantages, privileges, intangible assets, or any other non-monetary or intangible gains that are illicitly promised, offered, provided, or received without legal grounds, aiming to persuade an individual to either engage in inappropriate actions or abstain from proper actions.

Improper benefits, to be interpreted broadly, include, but are not limited to the following:

- (a) Business advantages like favourable contract terms
- (b) Financial incentives such as cash, cash equivalents (e.g., gift cards/certificates, gift checks), or loans
- (c) Excessive or inappropriate payments for the Business hospitality expenses
- (d) Offers of employment or internships as incentives
- (e) Charitable contributions to organisations that are affiliated entities or sponsors
- (f) Indirect payments, 'gratitude' payments, or other disbursements made through Intermediaries.

**Intermediary** refers to an individual who is officially authorised to serve as a representative, agent, broker, distributor, or consultant for a company, or who follows established procedures to represent the company's interests to third parties or acts on the company's behalf in interactions with third parties.

**Family Members** are defined as a spouse or live-in partner, children (including biological, adopted, stepchildren), parents (biological, stepmother, stepfather), biological siblings, grandparents, and grandchildren.

**Officials** are persons who either permanently or temporarily carry out the roles of government representatives, at either the state or local self-government level. They also include individuals who hold positions, either permanently or temporarily, in entities, institutions, or organisations of any ownership type, where their roles relate to the performance of organisational, managerial, administrative, or economic management duties. This also extends to those who execute such responsibilities under special authorisation.

**Person authorised for the implementation of the Anti-Corruption Policy (Authorised Person)** means the person who is responsible for the implementation of the Anti-Corruption Policy and is appointed by the corresponding order of SCM Directors.

**Politically Exposed Persons (PEPs)** refer to individuals identified by current applicable legal jurisdictions as (1) national, (2) foreign public figures, and (3) persons serving public roles in international organisations.

**SCM** means SCM (System Capital Management) Limited.



**SCM Business** means enterprises and companies that are subsidiaries/investees of SCM (System Capital Management) Limited and/or SCM Holdings Limited and/or Private Joint Stock Company “System Capital Management”, and are under common control. For the purpose of this Policy, “SCM Business” also includes The Rinat Akhmetov Foundation.

**SCM’s Trust Line** serves as an independent communication channel for reporting violations of ethical standards and the Code of Ethics “HOW WE WORK”. It specifically addresses incidents indicating corruption among employees, the Intermediaries, the Business partners, and other relevant third parties.

**Social Responsibility** refers to business practices where companies engage in activities to satisfy the needs of stakeholders, including employees, clients, and communities. They also initiate efforts to care for society and the environment, while simultaneously pursuing their own objectives.

**Sponsorship Activity** refers to the voluntary provision of material, financial, organisational, and other forms of support by a company to a sponsorship beneficiary, primarily to promote the company’s name, branding, or trademarks associated with its products and services.

# 1. GENERAL

**1.1.** In its Anti-Corruption Policy, SCM affirms that its employees, officials, managers, and the shareholder adhere to a strict “zero tolerance” stance against all forms of corruption. This policy applies to interactions and legal engagements with the Business Partners, the Officials, and the PEPs, emphasising a firm commitment to proactively prevent, detect, and oppose the Corruption and related activities (associated practices).

**1.2.** This Anti-Corruption Policy represents a comprehensive framework of rules, standards, and procedures designed for identifying, combating, and preventing the Corruption in its operations. It establishes a robust anti-corruption system with the following objectives:

- Ensuring that SCM’s activities are in compliance with pertinent anti-corruption laws, international standards against corruption, and align with best global practices in anti-corruption efforts;
- Adherence to the Code of Ethics “HOW WE WORK”;
- Maintaining the integrity and business reputation of SCM and SCM Business.

**1.3.** SCM’s Anti-Corruption Policy establishes requirements that meet or exceed those outlined in anti-corruption laws. It incorporates provisions from international agreements relevant to SCM’s anti-corruption efforts, including those with extraterritorial reach.

**1.4.** The full text of the Anti-Corruption Policy is readily accessible on SCM’s official website, allowing all interested parties to easily view it.

## 2. SCOPE OF APPLICATION

**2.1.** The Anti-Corruption Policy is compulsory for SCM employees, SCM Business, the Intermediaries, and SCM's Business Partners.

**2.2.** The Anti-Corruption Policy governs all business aspects, including interactions with the Intermediaries, the Business Partners, the Officials, the PEPs, and government and local self-government authorities.

**2.3.** The company advocates for the anti-corruption efforts of the Intermediaries and the Business Partners, favouring those who comply with SCM's Anti-Corruption Policy and maintain effective internal anti-corruption systems.

**2.4.** SCM Business, guided by this Anti-Corruption Policy, formulates and approves its anti-corruption policies or provisions herein for enforcing anti-corruption principles and requirements.



# 3. ANTI-CORRUPTION MEASURES

**3.1.** SCM is committed to continuously developing, improving and updating effective strategies to prevent, identify, and combat the Corruption in its activities.

**3.2.** The anti-corruption initiatives of SCM encompass:

- Implementation of internal documents, regulations, and practices designed to combat and prevent the Corruption;
- Regular evaluation of the company's Corruption risks;
- Establishment of robust internal control systems and mechanisms to prevent and combat the Corruption.

**3.3. Key anti-corruption practices:**

**3.3.1.** Familiarising new employees with the Anti-Corruption Policy.

This process involves introducing them to the policy's details and associated documents, helping to foster a strong anti-corruption culture within the organisation.

The requirements for adhering to the Anti-Corruption Policy are integrated into the internal labour rules, specific guidelines for structural divisions, and employment contracts.

**3.3.2.** Implementing annual educational programmes for SCM employees, focusing on preventing and combating the Corruption. This initiative involves compulsory, yearly online training and knowledge testing on anti-corruption themes for all SCM employees.

**3.3.3.** Hiring control, namely monitoring the recruitment of former Officials/PEPs to ensure it aligns with relevant laws, avoids conflicts of interest, and reduces the risk of corruption. During the recruitment process, especially when considering former Officials/PEPs as candidates, SCM implements additional control measures to ensure thorough evaluation.

The hiring of former Officials/PEPs at SCM is conducted under the same rigorous rules and guidelines that apply universally to all potential candidates. The policy strictly prohibits employing Officials/PEPs or their family members to gain improper benefits for SCM.

**3.3.4.** Undertaking surveys of the Intermediaries and the Business Partners as part of the Counterparty Reliability Risk Management Policy.

**3.3.5.** Selecting the Intermediaries and the Business Partners involves a reliability risk assessment that focuses on their operational transparency, competitiveness, and the quality and dependability of their goods, works and services.

To evaluate the Corruption risks, SCM thoroughly reviews both existing and potential Intermediaries and Business Partners. This process involves assessing their reputation and scrutinising the likelihood of their involvement in transferring or receiving Improper benefits.

SCM's contracts may incorporate anti-corruption provisions, (as specified by the Counterparty Reliability Risk Management Policy). These provisions are designed to affirm SCM's adherence to anti-corruption laws and to ensure the Business Partners make similar commitments.

The anti-corruption provisions also define the consequences for any breach of these anti-corruption commitments by any of the parties involved.

**3.3.6.** Limitations on supporting political parties and conducting charitable activities are specified in Chapters 4 and 5.

**3.3.7.** The process for reporting potential violations of the Anti-Corruption Policy, signs of the Corruption or related offences, along with the confidentiality for these reports and protection of whistleblowers, has been established through SCM's Trust Line.

SCM has established and maintains an independent communication channel, SCM's Trust Line, for reporting violations of ethical standards and the Code of Ethics "HOW WE WORK". It specifically addresses incidents indicating the Corruption among employees, the Intermediaries, the Business Partners, and other relevant third parties.

The identities of those who report to SCM's Trust Line are kept confidential.

**3.3.8.** The review process for whistleblower reports, including internal investigations and the application of disciplinary measures, operates under SCM Trust Line's established protocols and is managed under the supervision of Ethics Committees.

**3.3.9.** Standards of professional ethics, obligations and prohibitions for SCM employees.

In fulfilling their roles and functions, SCM employees must rigorously follow recognised ethical conduct standards and adhere to the guidelines set forth in the Code of Ethics "HOW WE WORK".

**3.3.10.** Mechanisms for the prevention and resolution of the Conflict of Interests.

SCM proactively prevents and resolves the Conflict of Interest situations through a process where its employees declare any potential Conflict of Interest. This process occurs during employment onboarding or transfers, through the annual Conflict of Interest declarations, when nominating an employee to be part of a procurement committee (if any), and in any scenario that may present a risk or indication of the Conflict of Interest.

The criteria for identifying an existing Conflict of Interest are covered in the Code of Ethics “HOW WE WORK”. Additionally, these indicators may be further specified in other internal documents of the SCM.

**3.3.11.** Detailed guidelines for Business Hospitality and Business Gifts are presented in Chapter 6.

**3.3.12.** The criteria for working with the Intermediaries are specified in Chapter 7.

**3.3.13.** Compliance with accounting and financial reporting requirements is comprehensively detailed in Chapter 8.

**3.3.14.** SCM offers anti-corruption advice to its employees through the Authorised Person, available for consultation either verbally or in writing upon request. These consultations can address anticorruption measures, interpretation and application of the Code of Ethics “HOW WE WORK”, and SCM’s Anti-Corruption Policy.

**3.4. Annual evaluation of the Corruption Risks within SCM’s activity are systematically** carried out by the Authorised Person, occurring at least once every year.

**3.4.1.** The risks assessment process initiates with the detection, identification and detailed description of the Corruption Risks. This is followed by setting the risk appetite and developing effective strategies to manage these identified risks.



**3.4.2.** Upon completing the Corruption Risk assessment, SCM compiles a detailed report or registry of the Corruption Risks, which includes:

- Descriptions of the identified Corruption Risks;
- Evaluations of the likelihood and impact of these identified Corruption Risks;
- The defined risk appetite for these Corruption Risks;
- The selected approach for managing these Corruption Risks, such as prevention, avoidance, acceptance, or mitigation;
- Specific measures implemented to reduce the Corruption Risks as per the chosen risk management approach.

Should the Authorised Person detect any violations of the Anti-Corruption Policy or corruption-related offences during the assessment, these incidents are recorded on SCM's Trust Line and are subject to internal investigation.

**3.4.3.** The report summarising the findings of the corruption risk assessment and any identified violations during the evaluation is presented by the Responsible officer to SCM Directors.

**3.5. SCM's internal control** and anti-corruption framework are aligned with anti-corruption laws and the results of the Corruption Risks assessments. Key aspects of the internal control, as outlined in SCM's primary anti-corruption documents, policies, and procedures (Cl.3.3) that are aimed at combating and preventing the Corruption, include the following:

- Implementation of educational programmes and knowledge tests for SCM employees on knowledge of requirements for combating the Corruption;
- Monitoring of the recruitment in SCM of the former Officials/PEPs;
- Evaluation of the potential Business Partners;
- Prevention and resolution of the Conflict of Interest situations (via employee declarations);
- Functioning of the SCM's Trust Line;
- Guidelines for the Business Hospitality and the Business Gifts.

## 4. POLITICAL ACTIVITY

**4.1.** SCM and its employees refrain from engaging in political activities, such as intentionally influencing the public environment to support the political interests of any of the politicians or impact authorities for political ends.

**4.1.1.** Employees of SCM respect diverse political and ideological views but must not engage in political activities or propaganda while performing their job duties, nor should they use their position for the benefit of political parties and/or politicians.

**4.1.2.** SCM's employees shall not use the name (brand) of SCM or SCM Business and resources of SCM or SCM Business (financial, material, etc.) for employees' political activities or to support any political parties and/or politicians.

**4.1.3.** SCM does not contribute financially or make payments to finance the political activities of political actors (parties, blocs, movements, representatives of such organisations and candidates, etc.).

**4.2.** The personal right of SCM's employees to vote in elections or referendums is not considered a political activity.



# 5. CORPORATE SOCIAL RESPONSIBILITY

**5.1.** SCM may engage in projects related to the Social Responsibility, the Charitable Activity and the Sponsorship Activity.

**5.2.** SCM's Charitable Activity and Sponsorship Activity adhere to relevant laws and is conducted only when free of corruption risks.

**5.3.** SCM reviews charity and/or sponsorship proposals beforehand to ensure they are governed properly and not used as Improper benefits for the Officials/PEPs or for illegal purposes.

**5.4.** SCM is committed to preventing its Charitable Activity and Sponsorship Activity from being misused for the Corruption or as

the Improper Benefits in commercial dealings.

**5.5.** SCM ensures its Charitable Activity and Sponsorship Activity do not aim to secure contracts, influence decisions, or influence authorised persons to gain commercial benefits in exchange for Improper Benefits. These activities will not be conducted exclusively through an organisation specified (i.e. without alternatives) by a third party.

**5.6.** SCM controls its Charitable Activity and Sponsorship Activity mainly through inspections of potential recipients of charity and sponsorship and monitoring their intended use.

## 6. BUSINESS HOSPITALITY AND BUSINESS GIFTS

**6.1.** SCM permits the exchange of the Business Gifts and the Business Hospitality within certain guidelines.

**6.2.** SCM strictly prohibits offering or receiving the Business Gifts and the Business Hospitality if it's intended for concluding contracts, influencing decision-making, influencing authorised persons to gain commercial advantages or in return for the Improper Benefits.

**6.3.** SCM forbids its employees from giving or accepting the Business Gifts and the Business Hospitality in monetary forms such as cash, their equivalents (like gift cards/certificates or vouchers) or loans.

**6.4.** SCM's employees can exchange the Business Gifts and engage in the Business Hospitality (on behalf of SCM) provided they:

- do not contradict the laws of the country where such gifts and/or hospitality are provided/given/accepted;
- align with the widely accepted hospitality and moral standards in the country where such gifts and/or hospitality are provided/given/accepted;
- do not exceed cost limits set by the company, if applicable;
- are not intended to improperly influence official duties or obtain other benefits (material or non-material) from the recipient.

# 7. COOPERATION WITH INTERMEDIARIES

**7.1.** SCM strictly prohibits offering the Improper Benefits through the Intermediaries acting on behalf of or in the name of SCM. This prohibition also applies to subcontractors and consultants hired by the Intermediaries for SCM-related work. Any Intermediaries acting on behalf of SCM must comply with this Anti-Corruption Policy and relevant anti-corruption laws.

**7.2.** SCM is committed to maintaining documented Business Relations with all Intermediaries.

**7.3.** Payments to the Intermediaries, including reimbursements and fees, must be reasonable and proportionate to the services provided. These transactions must be accurately reflected in SCM's financial statements and records.

Cash payments or payments to bank accounts not owned by the Intermediary are forbidden.



## 8. ACCOUNTING AND REPORTING. INTERNAL FINANCIAL CONTROL

**8.1.** SCM is committed to ensuring its accounting system aligns with accounting standards and guarantees the timeliness, completeness, and transparency of all transactions and payments of SCM. All transactions will have supporting documentation as per applicable laws and provisions of SCM's internal financial control system. This requirement applies to all operations, regardless of their size.

**8.2.** SCM maintains accurate accounting records, adheres to reporting requirements, and ensures all financial transactions are depicted faithfully, in line with relevant laws.

**8.3.** SCM employs a robust internal financial control system to monitor the grounds for all payments.

# 9. RIGHTS AND OBLIGATIONS OF EMPLOYEES TO PREVENT AND COMBAT CORRUPTION

## 9.1. SCM's employees are entitled to:

**9.1.1.** Seek clarification, consultation and expertise from the Authorised Person regarding compliance with the requirements and provisions of the Code of Ethics "HOW WE WORK", SCM's Anti-Corruption Policy, SCM's other internal anti-corruption regulations, as well as anti-corruption laws.

**9.1.2.** Maintain confidentiality of their reports on any observed violations of the Anti-Corruption Policy, the Corruption or Corruption-related offences committed by other employees and incidents of employees being incited to commit corruption or corruption-related offences.

**9.1.3.** Receive a comprehensive and impartial internal investigation or official audit to verify or refute allegations of violations related to SCM's Anti-Corruption Policy or Corruption or Corruption-related offence.

**9.1.4.** Submit suggestions to SCM's senior management for updating SCM's Anti-Corruption Policy.



## **9.2 SCM's employees are required to:**

**9.2.1.** Adhere to the Anti-Corruption Policy, the Code of Ethics "HOW WE WORK" and other internal SCM documents that include anti-corruption provisions.

**9.2.2.** Follow applicable anti-corruption laws.

**9.2.3.** Report any breaches of the Anti-Corruption Policy (or any cases of incitement to commit such acts), or any Corruption or Corruption-related offences involving SCM employees or other individuals or legal entities engaged in or planning to engage in business with SCM to SCM's Trust Line.

**9.2.4.** Disclose any actual or potential Conflicts of Interest to the Authorised Person.

**9.2.5.** Actively implement the Anti-Corruption policy in their job responsibilities.

**9.2.6.** Avoid any actions that could be interpreted by applicable law and/or this Anti-Corruption policy as an intent to commit corruption-related offences in relation to SCM's operations.

# 10. PROHIBITED PRACTICES

**10.1.** SCM's employees and Intermediaries are prohibited from promising, offering, giving or authorising any Improper Benefits, including:

- to the Officials/PEPs to obtain or maintain advantages for the company;
- rewards to the Officials/PEPs to facilitate/expedite any formalities (like "facilitating payments", "payments to expedite procedures") for the purpose of facilitating/expediting any formal procedures to obtain permits or make relevant decisions for SCM's benefit or gain other benefits for SCM;
- to private (non-governmental) entities and companies, or their employees ("commercial bribery"), nor can they demand or accept Improper benefits for commercial gains in their roles.

**10.2.** SCM's employees must not:

- use their powers and authorities to get Improper Benefits for personal gain or for others;
- request or accept material or non-material benefits (for themselves or relatives) related to their job performance that are not stipulated in their employment contract or any other contract between them and SCM;
- arrange, mediate, or make unauthorised payments or transactions (cash and non-cash) with SCM's Business partners outside of the terms and conditions of the Business Relations or contradict to the effective legislation;
- directly or indirectly influence SCM employees' decisions to get Improper Benefits.

**10.3.** These prohibitions in Chapter 10 are globally applicable, regardless of national customs, local practices or competitive conditions.

# 11. RESPONSIBILITY FOR VIOLATING THE ANTI-CORRUPTION POLICY

**11.1.** Violation of the requirements of the Anti-Corruption Policy will result in disciplinary actions as per relevant laws.

**11.2.** Breaching anti-corruption laws could lead to criminal, administrative, or civil liability for SCM employees under applicable laws.

## 12. FINAL PROVISIONS

**12.1.** The Anti-Corruption Policy is a continuously revised and updated document of SCM, ensuring compliance with anti-corruption laws and enhancing internal controls against corruption.

**12.2.** SCM's Directors, employees, and the Authorised Person are encouraged to suggest improvements to the Anti-Corruption Policy.

**12.3.** The AntiCorruption Policy becomes effective upon approval through established procedures.