

Approved
by the decision of the Board of Directors of
“QAZAQ AIR” JSC
dated "24" October 2018 #34

Annex # 7 to the Minutes of
in-person meeting of the Board of Directors
of “QAZAQ AIR” JSC
dated "24" October 2018 #34

**Anti-Corruption and Anti-Fraud Policy of
QAZAQ AIR JSC**

Almaty, 2018

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1. Introduction

1.1. This Anti-Corruption and Anti-Fraud Policy of QAZAQ AIR JSC (hereinafter - the Policy) is developed in accordance with the civil Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan "On Corruption Control", other legislative acts of the Republic of Kazakhstan in the field of control of fraudulent and corrupt practices, theft of property and other internal regulatory documents that govern activities of QAZAQ AIR JSC (hereinafter - the Company).

1.2. The Policy establishes:

- basic principles of fraud and corruption management in the Company and its subsidiaries;
- administrative and organizational basis for prevention of fraudulent and corruption offences;
- measures to combat, minimize and/or eliminate the consequences of fraudulent and corrupt practices;
- promotion of strict observance of legislative acts of the Republic of Kazakhstan and internal regulatory documents that govern the Company's activities among employees of the Company.

1.3. Formation of legal culture among employees of the Company and its subsidiaries to ensure the principles of honesty and transparency in the performance of official duties is the main goal of this Policy.

1.4. This Policy should be considered in conjunction with the Company's Code of Conduct and all relevant regulatory and legal acts of the Republic of Kazakhstan that govern this sphere with the full support of the Company.

2. Scope of application

2.1. The provisions of this Policy apply to officials, employees of the Company and organizations, more than fifty percent of voting shares (participatory interests) of which belong to the Company on the right of ownership (subsidiaries) or are held in trust management, as well as to third parties - counterparties working within the framework contractual relations or on behalf of a higher-level authority (auditors, agents, consultants, etc.).

3. Definitions and abbreviations

3.1. The following terms and abbreviations are used in this Policy:

- **Company** – QAZAQ AIR Joint-Stock Company;
- **Business unit** - a unit that is part of the organizational structure of the Company (Department, Division, Service, etc.) and is responsible for a specific line of the Company's business;
- **Bodies of the Company** – the Sole Shareholder, the Board of Directors, the Management Board of the Company, the Internal Audit Service;
- **Shareholder** – a supreme body of the Company.
- **Board of Directors of the Company** – a management body of the Company.
- **Management Board of the Company** – an executive body of the Company.
- **Internal Audit Service** – a body that conducts monitoring of financial and business operations of the Company, assessment in the field of internal control, risk management and provides consulting services in order to improve the Company's activities.



- **Compliance Officer** – an employee of the Company (or a person temporarily vested with such powers by the Company), whose professional duties include the implementation and monitoring of this Policy and who is responsible for compliance of activities carried out by the Company and its employees with the requirements of this Policy.
- **Stakeholders** - individuals, legal entities, groups of individuals or legal entities that affect or can be affected, either directly or indirectly, by activities of the Company and related activities by virtue of the legislative regulations, concluded agreements (contracts). The main representatives of stakeholders are shareholders, employees, customers, suppliers, state authorities, subsidiaries, bond holders, creditors, investors, non-governmental organizations and population of regions in which the Company carries out its activities;
- **Official** - a member of the Board of Directors and the Management Board of the Company;
- **Fraud** – theft of other persons’ property or acquisition of the right to other persons’ property through deception or abuse of trust;
- **Corruption** – illegal use by persons authorized to perform public functions, individuals equated to persons authorized to perform public functions and officials of their job (official) powers and related opportunities for the purpose of obtaining or taking material (proprietary) benefits and advantages, either directly or through intermediaries, for themselves or any third parties, as well as bribing such persons by providing benefits and advantages;
- **Fraudulent practices** - deliberate actions or inaction of individuals and/or legal entities aimed at obtaining benefits at the expense of the company and/or causing material and/or non-material damage to the company;
- **Corrupt practices** - deliberate actions committed by an employee of the Company using his/her official position for the purpose of obtaining benefits in the form of property or other benefits;
- **Corruption risk** - the probability of occurrence of causes and conditions that contribute to the commission of corruption offences;
- **Anti-Corruption Policy** - activities aimed at creating an effective system to fight against corruption;
- **Fraud and corruption management** - activities carried out by officials and employees of the Company and a subsidiary within their authority:
 - a) to prevent fraud and corruption, including the identification and elimination of causes (prevention);
 - b) to identify, prevent, suppress, disclose and investigate fraudulent and corrupt practices (fight);
- **Theft** - unlawfully and interestedly committed seizure and/or appropriation of other persons’ property, without any compensation, for the benefit of a guilty person or other persons who have caused damage to the property owner;
- **Counterparty** - a legal entity or an individual that is a party to a contract concluded with the Company or a subsidiary and assuming certain obligations as a potential supplier (contractor or customer);
- **PMD** - Personnel Management Department, which is a business unit of the Company responsible for human resources management;
- **Hotline** - a centralized line intended for initiative information of the Shareholder and administered by an external operating company

3.2. Other terms and definitions used in this Policy have the meanings prescribed by the

current legislation of the Republic of Kazakhstan, the Charter of the Company, the Corporate Governance Code and other internal regulations of the Company or generally accepted international practices.

4. Basic principles of fraud and corruption management

4.1. Fraud and corruption management in the Company is based on the following basic principles:

- legality;
- publicity and transparency of activities;
- comprehensive use of managerial, organizational, information, socio-economic, legal, special and other measures;
- assistance in the formation of legal culture among employees of the Company, which prohibits fraud and corruption and ensures observance of the principles of honesty and integrity in the performance of official duties;
- anti-corruption propaganda;
- cooperation in the field of anti-corruption activities with state authorities, partners and clients of the Company.

5. Types of fraudulent and corruption offences and types of theft

5.1. The following types of fraudulent practices may occur in the Company:

a) internal:

- misrepresentation of financial statements - deliberate acts committed by one or more persons from among employees and/or managers through illegal actions (inaction) to obtain illegal benefits;
- wrongful use/appropriation/theft of the Company's assets - theft of funds, misuse of cash and fixed assets, theft and deliberate damage to fixed assets, goods and materials;
- corrupt practices, abuse of official authority and exceeding official powers - use of official powers and related opportunities to obtain material benefits, violations committed in the course of procurement of goods/works/services, including forgery/falsification of documents, deliberate overstatement or understatement of prices for goods, work, services to get cash rewards, expensive gifts or any other forms of personal benefits.

b) external:

- acts committed by counterparties in order to obtain additional profit, including the evasion of taxes and other obligatory payments to the budget, which may cause damage to the Company and/or the state;
- provision of knowingly false, altered or corrupted information by counterparties for the purpose of deception or misleading and making profit at the expense of the Company;
- actions aimed at unauthorized penetration into information systems or taking possession of confidential information of the Company in order to cause harm to activities and/or negative impact on the Company's reputation;
- wrongful use/appropriation/theft of the Company's assets;
- theft of and deliberate damage to fixed assets, goods, materials and inventory of the Company

and its subsidiaries.

5.2. Corruption offences are as follows:

- deliberate acts committed while giving or receiving bribes;
- commercial bribery or other abuse of official position by employees of the Company contrary to the legitimate interests of the Company and its Shareholder in order to obtain benefits in the form of money, valuables, gifts and other property or services of material, physical or moral nature;
- procurement of other property rights for themselves or any third parties or unlawful provision of such benefits to the said person by other individuals;
- receipt of other material benefits and advantages in accordance with the anti-corruption legislation of the Republic of Kazakhstan .

6. Ways of implementation

6.1. For the purpose of preventing or revealing the facts of fraudulent and corrupt practices, the Compliance Officer shall conduct the following activities:

- initiation of an official investigation/audit/inspection in the Company and its subsidiaries on the basis of information received;
- if necessary, checking the writing-off, disposal and storage of property;
- check of availability of balances and surpluses of goods, materials and inventories as well as fixed assets and other property;
- any other actions for the purpose of preventive maintenance, suppression, detection and investigation of fraudulent and corrupt practices.

6.2. Information/documents relating to a possible fact of fraudulent and/or corrupt practices shall be sent in hard copy directly to the Company's internal auditor and the Compliance Officer, as well as to the Hotline electronic address in scanned form.

6.3. The Compliance Officer shall conduct verification of a potential counterparty in accordance with clause 8.3. of this Policy with the involvement of relevant business units of the Company (if necessary) as to false business, trustworthiness, tax and other debts through official websites of authorized bodies (the Ministry of Finance of the Republic of Kazakhstan, Samruk-Kazyna SWF JSC, judicial cabinet of the Supreme Court of the Republic of Kazakhstan and other authorities) or by sending requests.

Verification of a potential counterparty during the procurement of goods, works and services following the results of a tendering process and the request for quotations shall be carried out by the Compliance Officer within 5 calendar days following the receipt of the Result Report.

Verification of a potential counterparty during the procurement of goods, works and services from a single source shall be carried out by the Compliance Officer within 3 calendar days following the receipt of a procurement contract (containing the potential counterparty's name) by means of an electronic communication when the document is agreed upon by relevant business units of the Company.

6.4. Officials and employees of the Company and its subsidiaries are obliged to inform about their suspicions or provide information received from other persons regarding possible fraudulent and corrupt practices committed by any official or employee, supplier or other parties having any relations with the Company and its subsidiaries in accordance with the provisions of



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paragraph 6.2. of this Policy.

6.5. Any person, who has reasonable grounds to believe that an unlawful act has been committed, may not attempt to conduct independent investigation or discuss the information received with other persons, etc.

6.6. The Compliance Officer shall guarantee confidentiality of information on all officials, employees of the Company and its subsidiaries, as well as on other persons (contractors) who have faithfully reported any violations in accordance with the Confidential Information Disclosure Policy of QAZAQ AIR JSC and the Regulations on the procedure for conducting internal official investigations of QAZAQ AIR JSC.

6.7. The Company shall conduct verification or official investigation on the basis of anonymous reports received by the Hotline with regard to the facts of fraud or corruption in accordance with the Company's Policy of Initiative Information.

6.8. In order to investigate the circumstances, the Compliance Officer may, independently or in conjunction with concerned business units of the Company, establish a Commission in accordance with the Regulations on the procedure for conducting internal official investigations of QAZAQ AIR JSC in order to conduct an internal investigation/verification of fraudulent or corrupt practices.

6.9. During the internal investigation the Compliance Officer or members of the Commission shall have free and unhindered access to all documents of the Company and all objects regardless of whether they are owned or leased by the Company. They also have the right, within the investigation, to inspect, take photos, video records and copies of all or any part of documents stored in folders, on work desks or in other storage places at the Company's facilities, including confidential ones.

6.10. Employees of the Company engaged in the internal investigation are obliged to keep confidentiality of any information received and protect the reputation of all related parties by providing access to information pertaining to applications and investigation to only those persons who have a legal right of such access in accordance with the Confidential Information Disclosure Policy of QAZAQ AIR JSC.

6.11. In case of detection of any facts of fraudulent and corrupt practices committed by officials and employees of the Company or its subsidiaries, a decision on filing accusation or sending the investigation results to appropriate law enforcement authorities will be made by the Chief Executive Officer of the Company or a person authorized by the Chief Executive Officer.

6.12. The Company has the right to provide the law enforcement and judicial authorities with available materials collected during the internal investigation/audit.

6.13. In all cases when evidence is sufficient, individuals shall be brought to disciplinary liability in compliance with the current legislation of the Republic of Kazakhstan.

6.14. Employees of the Company shall promptly notify the Compliance Officer of any facts of inducement on the part of another employee of the Company or its subsidiaries or any third person to commit a corruption offence and/or possessing information on known facts or suspicions regarding the inducement of an employee of the Company to commit a corruption offence.



7. Currency risk assessment

7.1. The Company's Management shall periodically, at least quarterly and as necessary, initiate the assessment of corruption risks in accordance with the Risk Identification and Assessment Rules of QAZAQ AIR JSC (Annex 4 to the Risk Management Policy of QAZAQ AIR JSC approved by the decision of the Board of Directors of QAZAQ AIR JSC dated February 21, 2018).

7.2. The goal of the corruption risk assessment is to identify specific processes and activities of the Company, the implementation of which is associated with the high probability of corrupt offences committed by officials and employees of the Company, both for personal gain and for the benefit of the Company.

7.3. The procedure for assessment of corruption risks by the Compliance Officer is as follows:

1) use flow charts of the Company's business processes and identify components in each of them;

2) indicate "critical points" - identify elements for each process, the implementation of which is associated with the high probability of corruption offences;

3) for each element, the implementation of which is associated with corruption risk, prepare a description of possible corruption offences, including:

- characteristics of benefits or advantages that can be obtained by the Company or its individual officials and employees when committing a "corruption offence";

- positions in the Company that are the "key" for committing a corruption offence - the participation of which officials of the Company is necessary so that the commission of a corruption offence could become possible;

- probable forms of corruption payments.

8. Verification of counterparties

8.1. The Company uses reasonable endeavours to minimize the risk of business relations with counterparties that can be involved in corrupt practices, to which end the Company conducts an assessment of counterparties' tolerance to bribery, which involves verification of:

- counterparties' own anti-corruption policies or procedures;

- readiness to comply with the requirements of this Policy;

- readiness to include an anti-corruption clause (Annex 2 to this Policy) in contracts as well as to render mutual assistance for the ethical conduct of business and prevention of corruption.

8.2. The use of an anti-corruption clause as part of the concluded contract is a confirmation of the supplier's compliance with the requirements of this Policy.

8.3. In establishing business relations with counterparties, pursuant to the requirements of Clause 6.3, the Compliance Officer shall verify the presence of "risk factors" as listed in Annex No. 3 to this Policy.

8.4. In case of detection of "risk factors" (corrupt, fraudulent), the Compliance Officer is obliged to report such risk factors to the Company's management for making an appropriate decision. Such information shall also be indicated by the Compliance Officer in the "Comments" column of the approval sheet attached to the concluded contract.

9. Participation in charity and sponsorship

9.1. The Company does not provide funds, independently or through its representative offices, subsidiaries or its employees and employees of representative offices and subsidiaries, to any charitable and sponsorship projects with a view to obtain or maintain an advantage in its business.

10. Participation in political activities

10.1. The Company does not provide funds, independently or through its representative offices, subsidiaries or its officials, employees or employees of representative offices and subsidiaries, to any political parties or non-governmental associations with a view to obtain or maintain an advantage in its business.

10.2. Officials and employees of the Company are entitled to participate in non-governmental associations such as political parties, non-governmental organizations, social movements, public funds, and other non-profit organizations established in accordance with the current legislation of the Republic of Kazakhstan, as well as in international non-governmental associations whose purpose is not to obtain or maintain benefits for the Company's business.

10.3. Officials and employees of the Company involved in non-governmental associations are prohibited from offering, giving, promising or making payments, contributing property, giving gifts, etc. on behalf of the Company with a view to obtain or maintain benefits for the Company's business.

10.4. Officials and employees of the Company shall be solely liable in accordance with the current legislation of the Republic of Kazakhstan for participation in non-governmental organizations.

11. Payment for the simplification of formalities

11.1. This Policy prohibits making or accepting payments as consideration for simplification of formalities. Payment for simplification of formalities means payments made to officials for the execution or acceleration of standard procedures. Payment for simplification of formalities differs from official fees for services, information on the amount of which is publicly available.

12. Gifts and expenses of representation

12.1. The Company recognizes the exchange of business gifts and incurring expenses of representation, including business entertainment expenses, as necessary part of business and generally accepted business practices. The Company encourages in every possible way honesty and transparency with respect to business gifts and business entertainment expenses.

12.2. Exchange of business gifts and incurring expenses of representation, including business entertainment expenses of the Company in relations with third parties, shall meet the following criteria:

- be in full compliance with the current legislation of the Republic of Kazakhstan, the Code of

Business Conduct of QAZAQ AIR JSC, the Regulations on Expenses of Representation of QAZAQ AIR JSC, the Regulations on Organization and Conduct of Procurement of Goods, Works and Services in QAZAQ AIR JSC and other internal regulatory documents of the Company;

- be reasonably justified and exclude luxury goods;
- not represent a hidden reward for any service, action, inaction, connivance, protection, granting rights, making a certain decision on any transaction, agreement, license, permit, etc. or an attempt to influence the recipient for any other illegal or unethical purposes;
- not create reputational risk for the Company, its officials and employees and other persons in case of disclosure of information on gifts or expenses of representation.

12.3. All expenses for business gifts and business entertainment, as well as advertising expenses shall be approved by the Company's management.

12.4. Employees of the Company are obliged to report any received gifts to the Compliance Officer and immediate supervisor. The Compliance Officer shall keep a register of such gifts.

12.5. If the cost of a business gift exceeds the value of 2 MCIs defined as an average market value of a given or similar gift calculated by obtaining commercial offers from at least 3 potential suppliers (data of online stores are equated to a commercial offer), an employee of the Company shall, within 5 days, return the gift to a sender. In the event that there is no possibility to return the gift, the Company's management and the Compliance Officer shall make a collective decision on further measures to be taken with regard to the gift, but the decision made shall be in line with the requirements of this Policy.

13. Mutual cooperation

13.1. The Company shall cooperate, on the basis of the principle of mutuality, with authorized state bodies and organizations, partners and clients, public associations and non-governmental organizations in the field of fraud and corruption management with a view to:

- identify persons suspected (accused) of committing fraudulent and/or corrupt practices, their location, as well as the location of other persons involved in such practices;
- identify and return or transfer for the benefit of the state any property received as a result of fraudulent and/or corrupt practices;
- exchange information and data on fighting against fraud and corruption;
- coordinate activities and develop joint measures to prevent and fight against fraud and corruption.

14. Basic areas of fraud and corruption management

14.1. The Company adheres to the policy of absolute intolerance to commitment or concealment of fraudulent, corrupt and other illegal actions.

14.2. Cases of such illegal actions will be investigated and brought to their logical conclusion, including, if necessary, the commencement of lawsuits, bringing to disciplinary, administrative or criminal liability.

14.3. When conducting investigations, the length of service, job position of persons under investigation and their relations with the Company shall not be taken into account.

14.4. The main areas of fraud and corruption management activities are:

- implementation of a unified policy of the Company in the field of fraud and corruption management;
- adoption of administrative and other measures aimed at more active involvement of the Company's employees in prevention of illegal actions;
- ensuring integrity, openness, transparency, fair competition and objectivity in the performance of work and provision of services.

15. Measures for prevention of fraud and corruption

15.1. Prevention of fraud and corruption in the Company shall be implemented by applying the following main measures on a permanent basis:

- formation of intolerance among employees of the Company towards fraudulent and corrupt practices by:
 - conducting explanatory work with employees of supervised business units by the management of the Company;
 - informing the Company's employees of the facts of fraud or corruption revealed in the Company and its subsidiaries, and court decisions, if any;
 - conducting annual training seminars for the Company's employees to explain the provisions of the anti-corruption legislation of the Republic of Kazakhstan;
 - introducing the rule in the personnel management practice, according to which a long-term, perfect and effective performance by an official of his/her official duties must be taken into account when promoting or encouraging such an official;
 - granting employees of the Company and its subsidiaries, as well as third parties the right to report known facts or suspicions of committing fraud, corruption, abuse and other unlawful actions by any methods that are consistent with the legislation of the Republic of Kazakhstan.

16. Final provisions

16.1. Officials and employees of the Company undertake to carefully study, understand and strictly adhere to the requirements of this Policy. After familiarization with the provisions of this Policy, officials and employees of the Company shall fill in an appropriate "Confirmation" form (Annex No. 1) that will be kept in personal files of each official and employee of the Company.

16.2. Officials and employees of the Company are obliged to complete training in the field of application of the Anti-Fraud and Anti-Corruption Policy and related internal procedures, and sign a statement of completion of training and familiarization with said documents.

16.3. The Compliance Officer in conjunction with the PMD shall annually organize training and/or testing of the Company's officials and employees for knowledge of the Anti-Fraud and Anti-Corruption Policy and related internal procedures.

Annex No. 1
to the Anti-Fraud and Anti-Corruption Policy
of QAZAQ AIR JSC

Please, use this form to confirm that you have carefully read, understood and agree to faithfully follow the requirements established by the Anti-Fraud and Anti-Corruption Policy of QAZAQ AIR JSC.

From the date of performance of job and/or official duties in the Company, a completed and signed form of confirmation shall be stored in the personal file of each employee of the Company

Confirmation
(Form)

Please tick appropriate boxes

- ☐ I confirm that I have read and understood the Anti-Fraud and Anti-Corruption Policy of QAZAQ AIR JSC.
- ☐ I undertake to strictly follow the requirements set by the Anti-Fraud and Anti-Corruption Policy of QAZAQ AIR JSC.
- ☐ I agree to undergo training and/or testing once a year during the term of performance of job and/or official duties in the Company and undertake to follow the requirements set by the Anti-Fraud and Anti-Corruption Policy of QAZAQ AIR JSC.
- ☐ I am notified that in case of violation of the Anti-Fraud and Anti-Corruption Policy of QAZAQ AIR JSC I may be brought to civil, administrative and criminal liability, including removal from my office, in accordance with a procedure established by the legislative acts of the Republic of Kazakhstan.

Please, sign here

NAME _____

Signature Date



Annex No. 2
to the Anti-Fraud and Anti-Corruption Policy
of QAZAQ AIR JSC

Anti-corruption clause

1.1. In the performance of their obligations under the Contract, the Parties, their affiliates, directors, employees, agents, authorized representative or intermediaries agree that they will not:

- pay, offer to pay and allow the payment of any money or valuables, directly or indirectly, to any persons to influence the actions or decisions of such persons for the purpose of obtaining any illegal benefits or for any other unlawful purposes;

- directly or indirectly offer, make, promise, pay or authorize the payment of any money, transfer of gifts or any valuables to any person who is a public officer or employee of a governmental authority or a employee of any department, agency or other governmental structure, or an officer or employee of any public international organization, or to any person officially acting as a representative of the government, department, agency or other governmental structure, or to any candidate for a position, or a person already appointed to the position in a political or governmental structure or in a political party.

1.2. In order to strengthen business relations, the Customer hereby provides the following information:

Pursuant to the Customer's internal policies, the Customer's employees are not entitled to demand or accept any money, borrowings (other than from financial institutions under contracts concluded with such financial institutions), services, monetary reward, gifts, assistance in travel and other assistance from any individuals or legal entities that conduct or intend to conduct business with the Customer. Also, no employee of the Customer is entitled to give, offer or promise anything of value (for example, commission fee, entertainment, food and drinks, monetary reward or gifts) to any individuals or legal entities in order to obtain any business or personal benefits.

1.3. During the fulfilment of their obligations under the Contract the Parties, their affiliates, directors, employees, agents, authorized representatives or intermediaries do not carry out any activities qualified by the current legislation of the Republic of Kazakhstan as giving/receiving a bribe, commercial bribery, as well as actions that breach the requirements of the applicable anti-corruption laws and international acts.

1.4. Each of the Parties to the Contract refuses to stimulate in any way employees of the other Party, including by providing money, gifts, gratuitous performance of works (services) for them and any other methods not specified in this clause that make an employee dependent to a certain degree and aim to ensure that the employee will perform any actions in favor of the stimulating Party.

1.5. The actions performed in favor of the stimulating Party shall include:

- provision of unjustified benefits in comparison with other counterparties;
- provision of any guarantees;
- acceleration of existing procedures;
- other actions performed within the framework of their official duties in violation of the



principles of transparency and openness of relations between the Parties.

1.6. In the event that either Party has a suspicion of the occurred or potential violation of any anti-corruption provisions set forth of this article and/or current anti-corruption legislation of the Republic of Kazakhstan, such a Party shall notify the other Party in writing. A written notice of the Party shall contain a reference to the facts or provide materials that confirm reliably or give the grounds to believe that the other Party, its affiliates, director, employees, agents, authorized representatives or intermediaries have committed or may commit violation of any provisions of this clause or the applicable anti-corruption legislation of the Republic of Kazakhstan.

1.7. A Party that has received a violation notice in accordance with clause 1.6. of this article is obliged to consider the notice and inform the other Party of the results thereof within 10 (Ten) business days from the date of receipt of the written notice.

1.8. Upon confirmation of the fact of violation by either Party of any provisions of this article or the current anti-corruption legislation of the Republic of Kazakhstan, and/or non-receipt by the other Party of information on the results of consideration of a violation notice in accordance with clause 1.7 of this article, the other Party is entitled to terminate this Contract unilaterally without recourse to court proceedings by sending a written notice no later than 30 (Thirty) calendar days prior to the date of termination of this Contract.

1.9. The Parties acknowledge the implementation of corruption prevention procedures and monitor their compliance. At the same time, the Parties shall use reasonable endeavours to minimize the risk of business relations with counterparties who may be involved in corrupt practices, and render mutual assistance to each other in order to prevent corruption. At the same time, the Parties shall ensure the implementation of procedures for conducting inspections for the purpose of preventing the risks of involving the Parties in corrupt practices.

1.10. The Parties acknowledge that their possible unlawful actions and violation of these anti-corruption conditions may lead to unfavorable consequences - from downgrading the counterparty's reliability to significant restrictions on interaction with the counterparty, up to the termination of the Contract.

1.11. The Parties shall guarantee proper investigation of facts revealed in the framework of the Contract in compliance with the confidentiality conditions and anti-corruption principles that are based on:

- legality;
- priority of protection of human and civil rights, freedoms and legitimate interests;
- publicity and transparency;
- interaction of the state and civil society;
- systemic and comprehensive implementation of anti-corruption measures;
- priority implementation of corruption prevention measures;
- encouragement of persons who render assistance in fighting against corruption;
- inevitability of punishment for the commission of corruption offences.

1.12. The Parties shall guarantee proper investigation of facts revealed in the framework of the Contract, as well as the application of effective measures to eliminate practical difficulties and prevent possible conflict situations, including conflicts of interest. The system of anti-corruption measures includes:

- anti-corruption monitoring;
- corruption risk analysis;

- formation of anti-corruption culture;
- identification of corruption-related norms during the performance of legal expertise in accordance with the legislation of the Republic of Kazakhstan;
- formation and observance of anti-corruption standards;
- financial control;
- anti-corruption restrictions;
- prevention and resolution of a conflict of interest;
- anti-corruption measures in the field of entrepreneurship;
- detection, suppression, disclosure and investigation of corruption offenses;
- reporting on corruption offenses;
- elimination of consequences of corruption offenses;

1.13. The parties guarantee the absence of negative consequences for both the applying Party as a whole and for individual employees of the applying Party, who have reported the fact of violations.

1.14. The Parties undertake to include similar conditions in contracts concluded with third parties in order to fulfill their obligations under the Contract, and to assist each other in obtaining relevant information.

1.15. In order to organize working cooperation for the implementation of the above-mentioned anti-corruption conditions, the Parties have appointed their representatives:

- on behalf of QAZAQ AIR JSC - _____ Name (_____ Title);
- on behalf of _____ - _____ Name (_____ Title).

Annex No. 3
to the Anti-Fraud and Anti-Corruption Policy
of QAZAQ AIR JSC

Risk factors

1.	cases of financial insolvency or bankruptcy in the past	<input type="checkbox"/>
2.	cases of providing a negative audit opinion	
3.	availability of information on pre-trial inspections or legal proceedings relating to charge of bribery or other corrupt practices	<input type="checkbox"/>
4.	lack of qualifications or relevant experience of a counterparty with whom it is planned to conclude a contract; lack of licenses or permits required for the performance of a contract, or presence of any other factors that may prevent the counterparty from fulfilling the terms of the contract	<input type="checkbox"/>
5.	cost of products/services is much higher or lower than the market one	<input type="checkbox"/>
6.	a contract concluded with the counterparty provides for reimbursement of expenses that are not confirmed by necessary documents and are unreasonably high	<input type="checkbox"/>
7.	a contract concluded with a counterparty provides for transfer of funds for payment for products/services to accounts opened in countries other than those in which services were provided, or in which a counterparty is registered	<input type="checkbox"/>
8.	a contract concluded with a counterparty provides for payment for goods/services by cash	<input type="checkbox"/>
9.	a counterparty's owner or beneficiary is a state or an official	<input type="checkbox"/>
10.	a counterparty is affiliated with state organizations or officials	<input type="checkbox"/>
11.	interaction with a counterparty was recommended by an official	<input type="checkbox"/>
12.	a counterparty suggests to involve intermediaries	<input type="checkbox"/>
13.	presence of a conflict of interests	<input type="checkbox"/>
14.	a counterparty refuses to provide information required to conduct the evaluation procedures	<input type="checkbox"/>

Signature of a person responsible for verification

_____ (Title, name, date)