


Caspy Commodity Exchange JSC

Approved by the Board of Directors
Caspy Commodity Exchange JSC
from 08/26/2022.

Standard Anti-Corruption Guidelines

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|  | Standard Anti-Corruption Guidelines of Caspy Commodity Exchange JSC | |
| | Revision 1 | Sheet 2 of 5 |

1. General Provisions

1.1. These Anti-Corruption Standards (hereinafter, “Standards”) for brokers and dealers have been developed for Caspy Commodity Exchange JSC (hereinafter, “Exchange”) in accordance with Article 21, Paragraph 2 of the Law of the Republic of Kazakhstan "On Commodity Exchanges" and Paragraph 10 of the Rules on Exchange Trading approved by the Acting Minister of National Economy of the Republic of Kazakhstan. These Standards also align with the Law of the Republic of Kazakhstan "On Anti-Corruption Measures."

1.2. These Standards establish fundamental anti-corruption principles and guidelines, management structures, and organizational measures for the prevention, reduction, and elimination of corruption risks within the Exchange.

1.3. Based on these Standards, brokers and dealers (hereinafter, “members of the Exchange”) are expected to develop their own internal anti-corruption guidelines and to adopt measures to minimize conditions that could foster corruption.

2. Definition, Principles, Goals, and Objectives

2.1. **Definition of Corruption:** Corruption is defined as the unlawful use of official authority by persons holding responsible positions to obtain personal benefits or advantages for themselves or third parties. This can include using intermediaries or offering benefits to gain undue advantages.

2.2. **Principles of Anti-Corruption:** Anti-corruption efforts are based on the following principles:

- 1) Legality;
- 2) Transparency and openness;
- 3) Systematic and comprehensive measures;
- 4) Emphasis on preventive actions.

2.3. **Goals and Objectives:** The goal of anti-corruption measures is to eradicate corruption within the Exchange and among its members. This goal is achieved by pursuing the following objectives:

- 1) Fostering a zero-tolerance attitude toward corruption among Exchange members.
- 2) Identifying and eliminating conditions that may lead to corruption and addressing any consequences.
- 3) Enhancing legal awareness and promoting intolerance toward corruption.
- 4) Developing an anti-corruption culture among members of the Exchange.

2.4. Application and Compliance:

- These Standards apply to all activities of the Exchange related to the rights, duties, and lawful interests of its members.
- Compliance with these Standards is mandatory for all Exchange members.
- Each member of the Exchange is personally responsible for adhering to and implementing these Standards.

3. Code of Conduct for Members of the Exchange

3.1 Responsibilities toward the Exchange

3.1.1. Members of the Exchange (which includes any employee of a broker or dealer, such as managers, traders, etc.) are to avoid any improper requests to Exchange officials that would disrupt established relationships or influence impartial decisions.

3.1.2. Members must avoid any involvement in corrupt acts with Exchange officials.

3.1.3. Members are responsible for upholding the Exchange's reputation, avoiding activities that could harm its rights and lawful interests, and refraining from actions that might damage the Exchange's authority and business image.

3.1.4. Members are obligated to strictly adhere to the terms of the agreement for trading services established with the Exchange and avoid any breach of these terms.

3.2. Responsibilities toward Other Members of the Exchange

3.2.1. Members are required to prevent any form of corruption with or against other Exchange members.

3.2.2. Members are expected to promote and require a high standard of legal and anti-corruption ethics from fellow Exchange members.

3.3. Responsibilities toward Clients

3.3.1. Members must prevent any type of corruption in dealings with their clients.

3.3.2. Members must not accept material benefits, services, or privileges from clients or third parties that could be considered as corrupt practices under the laws of the Republic of Kazakhstan.

3.3.3. Members must avoid conflicts of interest and take measures to resolve any that arise in accordance with the laws of the Republic of Kazakhstan and accepted norms.

3.3.4. Members are prohibited from using confidential or proprietary information obtained through client relationships to gain personal or financial advantage.

3.3.5. Members must honor the terms of their brokerage agreement with clients without prompting or implying any corrupt conduct.

3.3.6. Members are prohibited from engaging in the following when interacting with clients or their representatives or affiliates:

- 1) Exerting direct or indirect pressure on clients to alter their trading behavior.
- 2) Entering into contracts or submitting/withdrawing bids intended to artificially inflate or deflate prices.
- 3) Engaging in negotiations among clients to establish or maintain pricing that influences the price formation of goods on the Exchange.
- 4) Showing preferential treatment to any client at the expense of another, causing material or other harm.
- 5) Leveraging affiliations with other brokers or dealers to diminish competitiveness in the trading environment.

3.4. Responsibilities toward Third Parties

3.4.1. Members must maintain transparency and openness in their activities to facilitate understanding among all interested parties.


3.4.2. Members should conduct themselves with integrity, avoiding corrupt influence over potential clients and educating them about rights, responsibilities, and the procedures and rates associated with trading on the Exchange.

3.4.3. Members must prevent any instances of corruption when interacting with government agencies.

3.5. General Obligations

3.5.1. Members must actively work to eliminate conditions that could contribute to corrupt practices.

3.5.2. Members should, where relevant, improve their anti-corruption awareness through training and seminars organized by the Exchange or other authorized bodies.

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4. Responsibility

4.1. Members are subject to criminal, administrative, civil, disciplinary, and contractual liability in accordance with the legislation of the Republic of Kazakhstan for any corrupt activities.

4.2. In cases where a violation of these Standards is confirmed, the Caspy Commodity Exchange JSC reserves the right to revoke the broker's or dealer's accreditation.
