

Annex 5  
to the resolution of the Board of  
Directors of EIC "KazakhExport" JSC  
dated 23.02.2018 №2

"Approved"  
with the resolution of the Board of  
Directors of EIC "KazakhExport" JSC  
dated 23.02.2018 №2

**Regulations on the Internal Audit Service in KazakhExport JSC**  
*with Amendments approved with the Resolution of the Board of Directors of  
EIC "KazakhExport" JSC dated 30.09.2019 (minutes №8) and 24.08.2021  
(minutes №8)*

Almaty

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## § 1. General provisions

*Clause 1 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

1. These Regulations on the Internal Audit Service (hereinafter referred to as the Regulation) determine the status, mission, tasks, functions, duties, responsibilities and rights of the Internal Audit Service (hereinafter - IAS) of EIC "KazakhExport" Joint-Stock Company (hereinafter - the Company), establish qualification requirements its head (hereinafter - HIAS) and members (hereinafter collectively referred to as IAS employees), to reporting, as well as the procedure for interaction of IAS with other bodies of the Company and their committees, Baiterek NMH JSC (hereinafter referred to as Holding), structural divisions and with and organizations.

*Clause 2 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

2. The concepts used in these Regulations are identical to those defined by the legislation of the Republic of Kazakhstan, the international principles of professional practice of internal audit of the Institute of Internal Auditors (hereinafter referred to as the IPPPIA), the Charter and internal documents of the Company.

*Clause 3 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8). Clause 3 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

3. IAS - the body of the Company performing internal audit (in accordance with the definition of IPPPIA) - activities to provide independent and objective guarantees and consultations aimed at improving the work of the organization. Internal audit helps organization to achieve objectives by applying a systematic and consistent approach to assess and improve the effectiveness of risk management, control and corporate governance processes.

*Clause 4(2) was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

4. IAS in carrying out its activities is guided by:

1) legislation of the Republic of Kazakhstan, the Charter, decisions of the Company's bodies, these Regulations and other internal documents of the Company;

2) IPPPIA, the constituent elements of which are the definition, mission, basic principles of professional practice of internal audit, the code of ethics of internal auditors (hereinafter referred to as the Code of Ethics), International Professional Standards of Internal Audit (hereinafter referred to as the Standards), as well as practical instruction and guidelines to them.

*Clause 5 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8). Clause 5 is set out in a new version approved by the Board of Directors on 24.08.2021 (minutes №8)*

5. Qualification requirements, employment duties, rights and responsibility of IAS employees shall be prescribed by job descriptions subject to annexes 1 and 2 hereto.

*Clause 6 was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

6. Social support, compensation payments, vacation payments and benefits for employees of IAS are provided in accordance with the Company's internal regulatory documents.

*Clause 7 was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

7. An Employment Contract with IAS employees is concluded and terminated on the basis of a resolution of the Board of Directors by the Head of the executive body of the Company (hereinafter referred to as the Executive Body) in accordance with the Labor legislation of the Republic of Kazakhstan.

## **§ 2. Organizational status of IAS**

8. IAS provides organization and implementation of internal audit in the Company, is directly organizationally subordinate and functionally accountable to the Board of Directors.

9. The Audit Committee under the Board of Directors (hereinafter referred to as the Audit Committee) oversees the activities of the IAS in accordance with internal regulations governing the activities of the Audit Committee. If the Company does not have an Audit Committee, its functions are performed directly by the Board of Directors.

10. For the purpose of organizing internal audit activities, the IAS is administratively accountable to the Executive body (ensuring appropriate working conditions for IAS employees, remuneration, issuing relevant orders on the basis of decisions taken by the Board of Directors, related to IAS activities; receiving IAS reports (Audit reports on the results of performing audit tasks); monitoring compliance with labor regulations; issuing orders for business trips, vacations, as well as other actions that do not contradict the status of IAS in accordance with these Regulations and other regulatory documents of the Company). The Executive body should not use administrative supervision to influence the independence and objectivity of the IAS.

*Clause 11 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

11. The Board of Directors, based on the results of reviewing (draft) IAS documents and taking into account the relevant recommendations of the Audit Committee, performs the following actions:

1) approves the Regulations on IAS and methodological documents of (policies, rules, methods, procedures) IAS;

2) approves the map of audit areas;

3) approves the IAS Annual Audit Plan and Internal Audit Program;

4) approves periodic (quarterly and annual) reports on the activities of the IAS, information on other issues of IAS activities, including meetings of the Board of Directors, the Audit Committee with the HIAS (without the presence of members of the Executive body), and receives annual confirmation of the organizational independence of the internal audit;

5) approves the report on the results of internal quality assessment of the Internal Audit Service;

6) requests information from the Executive body and the HIAS about authority restrictions or budget restrictions that may affect the ability of the IAS to perform its functions and responsibilities;

7) resolves on the need to involve external providers of internal audit services in certain areas;

*Sub-clause 8 is set out in a new version approved by the Board of Directors on 24.08.2021 (minutes №8)*

8) determine an operating procedure of the IAS, size and terms and conditions of remuneration of labor of IAS employees, term of powers and quantitative composition of the IAS, term of powers of IAS employees. Term of powers of IAS employees shall coincide with the term of powers of the IAS unless otherwise is determined by decision of the Board of Directors.

Chief executive and employees of the IAS shall be appointed for a period in manner determined by an internal document of the Company;

9) appoints the IAS employees, as well as prematurely terminates their authority;

*Sub-clause 10 is set out in a new version approved by the Board of Directors on 24.08.2021 (minutes №8)*

10) approves key performance indicators of the IAS;

11) approves the plan of professional training of the IAS employees;

12) approves the IAS budget (separately or within the general budget of the Company), intended for financial support of the implementation of the IAS tasks and functions, as well as training of IAS employees on audit, internal control and/or other issues of the Company's activities.

### **§ 3. The mission and goals of the IAS**

*Clause 12 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

12. The mission of the IAS is to maintain and increase the value of the organization through objective internal audits based on a risk-based approach, providing advice and knowledge sharing.

*Clause 13 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

13. The main goal of the IAS is to monitor the financial and economic activities of the Company and provide the Board of Directors with independent reasonable guarantees and advice aimed at improving the activities of the Company and improving the efficiency of the management of the Company, including risk management, internal control and corporate governance systems in the Company compliance with the powers determined by the Board of Directors and these Regulations.

14. The IAS provides reasonable guarantees in the following areas:

1) effectiveness of internal control, risk management, and corporate governance systems;

2) effectiveness of the Company's internal policies, documents and processes;

*Sub-clause 3 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

3) effectiveness, security and quality of the information systems used.

15. IAS conducts an objective analysis of audit evidence in order to make an independent assessment and express an independent opinion on the reliability and effectiveness of systems, processes and information.

16. IAS should be independent of the influence of members of the Executive body and other persons in order to properly perform the tasks and functions assigned to it, to ensure objective and impartial judgments.

*Clause 17 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

17. Intervention of members of the Executive Body and other persons in the processes of determining participants (subjects), objects, volumes and periods of the audit, planning and execution of audit tasks, generation and submission of IAS reports on the results of their activities is not allowed.

*Clause 18 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

18. In order to comply with the principles of independence and objectivity in the process of performing their functions, IAS employees should not be involved in any activities that can subsequently be checked (evaluated) during the internal audit, and/or should not be involved in the audit of processes (functions) carried out by them during the period being audited. IAS may perform assurance audit engagements in areas where a consulting audit has previously been performed, provided that the nature of the consulting audit does not affect objectivity, and the allocation of human resources for performance provides for personal objectivity.

#### **§ 4. Tasks and functions of the IAS**

*Clause 19 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

19. The main objectives of the IAS is to conduct analysis and evaluation in the framework of audit engagement and consultations:

- 1) reliability and efficiency of the internal control system;
- 2) Adequacy and effectiveness of the risk management system;

*Sub-clause 3 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

3) efficiency of systems of information technologies and information security, including the control of the integrity of databases and their protection from unauthorized access and(or) use, taking into account the measures taken in the event of abnormal and emergency situations in accordance with the action plan aimed at ensuring the continuity of activities and (or) the Company's business-recovery in the event of abnormal and emergency situations;

4) reliability, completeness, objectivity of the accounting system and reliability of financial statements and other information of the Company, as well as evaluation of the rules (principles, methods) used for identification, measurement, classification and presentation of such information (plans and reports) to internal and external users;

5) rationality and efficiency of resources and methods use (methods) applied to ensure the safety of property (assets);

6) economic viability and efficiency of operations and transactions;

7) compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents of the Company, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance

control);

8) execution of decisions of bodies of Companies and orders (proposals) of the authorized (supervisory) state bodies;

9) sufficiency and/or efficiency of business processes carried out by structural divisions of the Company, measures to achieve their objectives within the Company's strategic goals;

10) efficiency of the corporate governance system and the process of its improvement, compliance with the principles of corporate governance, relevant ethical standards and values.

*Clause 20 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

20. In accordance with the main objectives of the IAS it performs the following functions in the prescribed manner:

1) annually, on the basis of the Company's risk management system and/or independent risk assessment, the Company develops an annual audit plan for the upcoming calendar year, which determines the priorities of the Company's internal audit activities taking into account the risks, strategic objectives of the Company and provides it for consideration and approval by the Board of Directors, previously considered by the audit Committee;

2) performs audit engagement in accordance with the main objectives of the IAS;

3) regularly at the end of the reporting period (quarter, year) provides the report on the activities of the IAS, previously reviewed by the audit Committee for consideration and approval of the Board of Directors;

4) monitors the Company's compliance with the recommendations/instructions of the Holding company, the external auditor and other state inspection bodies adopted in accordance with the established procedure, and provides the Board of Directors with information on the progress and quality of corrective actions within the framework of periodic reports;

5) monitors the Company's implementation of the IAS recommendations issued and adopted in accordance with the established procedure, as well as within the framework of periodic reports provides the Board of Directors (if necessary, together with the management Board) with information on the progress and quality of corrective actions (preventive actions) approved by the management Board as a result of the IAS audits and/or recommendations;

6) interacts with the Holding, external auditors and government bodies within the competence of the IAS, and if necessary, participates in the audit, evaluation, analysis processes conducted by external auditors, independent appraisers and/or consultants;

7) summarizes and analyzes the results of internal and external audits, systematizes violations, errors and omissions in the work of the structural units of the Company identified during the audits in order to assess the Internal Control System;

8) assesses the risks of fraud and the way the Company manages the fraud risk;

9) considers complaints, letters, appeals on issues within the competence of the IAS;

10) within its competence participates (if necessary) as a consultant in the consideration of draft internal regulations to assess their compliance with the requirements of regulations, the appropriateness, adequacy and effectiveness of internal control procedures (consulting services are provided by the IAS while maintaining the independence and objectivity of the IAS, excluding the adoption of IAS management decisions);

11) ensures the maintenance of a single database and / or information system, including data on the results of control procedures, identified problems in the systems of internal control, risk management and corporate governance, identified violations, deficiencies, and measures

to eliminate the identified violations;

12) provides advice to the Executive body on improving internal control, risk management and corporate governance processes. Consulting services are provided by the IAS on the basis of the results of control procedures while maintaining the independence and objectivity of the IAS, excluding the adoption of IAS management decisions;

13) in exceptional cases, on behalf of the audit Committee and/or the Board of Directors and/or the Holding, it carries out topic-specific internal audit of certain aspects of the Company's activities, as well as participates in internal investigations, and special inspections;

14) confirms the reliability of the actual values of the key performance indicators of the members of the Executive body;

15) makes arrangement for continuous professional training and professional development of the IAS employees;

16) develops internal guidelines governing the activities of the IAS in accordance with the requirements of Standards and of the Holding;

17) verification of reliability, completeness of disclosure, objectivity, timeliness of provision of the relevant reporting or requested information by units to the authorized body (including information subject to financial monitoring), management and other interested parties;

18) control environment formation corresponding to the international professional standards of internal audit and requirements of the legislation of the Republic of Kazakhstan on insurance and insurance activities, compulsory insurance, joint-stock companies, securities market, countering the legalization (laundering) of proceeds from crime and financing of terrorism, through regular audits in accordance with the approved plan;

19) control over the maintenance of the register of insurance (reinsurance) contracts;

20) system analysis and evaluation of the organization's activities for financial stability and solvency, compliance with prudential standards and other mandatory standards and limits;

21) analysis of financial documents, including the consolidated balance sheet and profit and loss statement in comparison with the previous period and planned financial indicators, as well as the investment report with the grouping of financial instruments by type and indicating the book and market value, profitability and total amount of purchases (sales);

22) performs other functions within the competence of the IAS.

## **§ 5. Responsibilities of the IAS**

*Clause 21(5) was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

21. IAS shall:

1) perform the tasks and functions of the IAS in a timely manner and at the proper level;  
2) show a professional attitude to work when collecting, evaluating, discussing and communicating information about audited business processes, systems and documents;

3) assist the Company's managers in developing measures (corrective steps) based on the results of audits, as well as monitor progress in the implementation of these measures;

4) interact with the Company's divisions on issues related to internal audit and/or assurance of IAS activities;

5) if necessary and/or possible, coordinate their activities with the Company's external



auditor and compliance controller in order to avoid duplication of efforts and minimize audit costs;

6) facilitate the investigation of fraud and inform the Board of Directors of the results of investigations;

7) perform other tasks and participate in other projects at the request of the Audit Committee and/or the Board of Directors and/or the Holding;

8) conduct periodic self-evaluations as part of the Program to ensure and improve the quality of internal audit.

22. IAS should conduct its activities based on the principles of honesty, objectivity, confidentiality and professional competence.

IAS employees should be impartial and unbiased in their work and avoid conflicts of interest.

23. IAS employees should have the (collective) knowledge and skills necessary to perform their duties, including sufficient knowledge to assess the risk of fraud and how the organization manages this risk, and to continually improve their professional knowledge.

24. The terms and procedure for planning IAS activities and reporting are set out in these Regulations and in other internal regulatory documents approved by the Company's Board of Directors.

## **§ 6. IAS rights**

*Clause 25 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

25. To ensure the implementation of the main tasks and functions of the IAS has the right to:

1) have unrestricted and full access to any assets, all documents, accounting records and any other information about the Company's activities, including confidential information, as well as have unrestricted and full access to information databases, software in passive viewing mode, without the right to enter and correct data;

2) study and assess any documents requested in the course of performing audit tasks, and send these documents and/or relevant information to members of the Audit Committee, the Board of Directors;

3) request and receive materials, including draft documents submitted for consideration by the Holding, the Board of Directors, the Audit Committee and other committees, as well as receive any minutes, documents of any bodies, committees, structural divisions and working groups of the Company;

4) receive, if possible, within the available resources and/or budget, the necessary assistance from employees of structural divisions and/or subsidiaries of the Holding;

5) receive all reports of state, supervisory and authorized bodies, reports on the results of an external (independent) audit (including letters, recommendations to management) on the assessment of the activities or assets of the Company, as well as reports on the results of monitoring the implementation of recommendations and risk management of the Company;

6) have direct and unhindered access to members of the Company's bodies or their committees, an employee of any structural unit of the Company for the purpose of holding consultations, discussing and/or resolving issues within the competence of the IAS, as well as being able to communicate freely with the internal auditors of the Holding, external auditors of the Company;

7) bring to the attention of the Board of Directors any proposals to improve existing

systems, processes, policies, documents, procedures, business methods, proposals to involve third-party experts to perform audit tasks, work, and submit comments on any issues related to the conduct of internal audit for their consideration;

8) report on the data received by the IAS, estimates and disclose this information to the audit participants and/or the Company's bodies;

9) develop proposals and/or recommendations based on the results of the audit task that should be considered by the audit participants;

10) form and submit the IAS budget for consideration by the Audit Committee and the Board of Directors;

11) participate in the preparation and implementation of the Company's programs and projects on IAS activities, as well as participate in training and advanced training programs for the Company's employees, certification programs for internal auditors;

12) propose to make changes and/or additions to the IAS Annual Audit Plan in connection with significant changes in the IAS organizational activities, staff numbers, business processes (operations, programs, plans) and systems, certain risks and/or applied controls of the Company;

13) make proposals to the Board of Directors on determining the number of members, the term of office of the IAS, the appointment of IAS employees, as well as early termination of their powers, the procedure for IAS operation, the amount and conditions of remuneration and bonuses for IAS employees;

14) initiate a meeting of the Board of Directors and/or the Audit Committee on issues within the competence of the IAS;

15) exercise other rights that do not contradict the legislation of the Republic of Kazakhstan, the Company's Charter and these Regulations.

26. If the IAS employees do not have sufficient (collective) knowledge and skills to perform individual audit tasks, the IAS has the right, in accordance with the established procedure, to organize the involvement of consultants and/or the use of outsourcing (co-sourcing) in internal audit.

*Clause 27 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

27. IAS informs the Audit Committee and/or the Board of Directors of problems, violations and/or restrictions that prevent the IAS from independently, objectively, effectively, timely and/or fully performing the assigned tasks, the annual audit plan, in order to resolve such problems and/or eliminate restrictions.

*Clause 28(1) was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

28. IAS is authorized to audit the activities of the Company's subsidiaries (if any) :

1) receive information on internal regulatory documents, plans and results of activities of the internal audit services of subsidiaries of the Company, including reports with the results of external and internal audits of subsidiaries of the Company, reports on the results of monitoring the implementation of recommendations and management of risk events in their activities, as well as acts of external inspections of authorized, supervisory and government bodies;

2) if there are special instructions from the Audit Committee, the Board of Directors, the Holding and/or planned tasks, request, receive and review any documents of the internal audit services and/or other bodies of the Company's subsidiaries;

3) if necessary and resources are available, participate jointly with other employees of the Company in control checks of the activities and/or documents of the Company's subsidiaries.

## **§ 7. Responsibility of the IAS, restrictions and assessment of IAS activities**

*Clause 29 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

29. IAS is responsible to the Board of Directors:

- 1) for untimely and low-quality performance of the tasks and functions of the IAS in accordance with these Regulations and other internal documents of the Company;
- 2) for failure to perform their duties in accordance with the legislation of the Republic of Kazakhstan, employment contracts and job descriptions.

*Clause 30 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

30. For non-performance or improper performance of assigned duties by the decision of the Board of Directors, IAS employees are subject to disciplinary penalties on the terms and in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal documents of the Company.

*Clause 31 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

31. Financial liability of employees of the IAS, the procedure for compensation for damage or loss (if any) is carried out in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Company.

32. IAS employees shall not perform functional duties in the Company that are not related to the IAS activities in accordance with these Regulations.

33. IAS employees should not participate in any activity that could damage the impartiality of the IAS employee assessment or be perceived as causing such damage.

*Clause 34 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

34. IAS employees should not be included in the composition of committees or other working groups/commissions established by the Company as their members with the right to sign. In the work of these working groups/commissions, IAS employees can (in agreement with the Audit Committee/the Board of Directors) be engaged only as consultants (experts) without voting rights.

*Clause 35 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

35. IAS activities are assessed to ensure that IAS activities comply with the definition of internal audit, Standards and the Code of Ethics, as well as to determine the effectiveness and efficiency of internal audit and identify opportunities for improvement.

*Clause 35-1 was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

35-1. The procedure and requirements for conducting an assessment of IAS activities are established by internal regulatory documents, taking into account the requirements of Standards.

*Clause 36 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

36. IAS provides regular (internal and external) assessment of the effectiveness and quality of its activities, which is submitted for approval to the Board of Directors, while:

1) internal assessment (self-assessment) is carried out on an ongoing basis (based on the results of the reporting year) IAS independently, which is approved by the Board of Directors simultaneously with the annual report on the IAS performance. During the period of external assessment, internal assessment is not performed based on the results of the corresponding period;

2) an external assessment is conducted at least once every five years by an external auditor selected in accordance with the established procedure by a resolution of the Company's Board of Directors, the results of which are submitted to the Board of Directors for consideration.

## **§ 8. Planning of work and reports of IAS**

*Clause 37 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

37. Planning the work of the IAS is carried out by:

1) preparation of the IAS annual audit plan for the upcoming year and the internal audit program;

2) drawing up an audit engagement, an audit program for each individual audit engagement approved by the HIAS.

*Clause 38 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

38. Annually, no later than December 1 of the year preceding the planned year, after preliminary consideration by the Executive body, the IAS submits the IAS annual audit plan for the upcoming year for consideration by the Audit Committee and approval by the Board of Directors. The IAS ensures the implementation of the approved annual audit plan and reporting on its implementation in the framework of periodic reports on the results of IAS activities within the time limits set by these Regulations.

*Clause 39 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

39. The IAS annual audit plan may be amended and supplemented by a resolution of the Board of Directors, if necessary, at the initiative of the Audit Committee and/or the IAS.

*Clause 40 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

40. The IAS annual audit plan and/or amendments to it after approval by the Board of Directors shall be submitted to the Head of the Executive body for information and/or planning of the Company's activities.

*Clause 41 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

41. IAS generates and submits the following reports based on the results of its activities:

1) periodic (quarterly/annual) reports of IAS on the results of its activities, including on

the implementation of the annual audit plan;

2) report on each individual audit task performed in accordance with the IAS annual audit plan or on a special request from the Board of Directors, Audit Committee or Holding.

42. Reports on each individual audit assignment and periodic reports are prepared in accordance with the requirements of internal regulations governing the organization of internal audit.

*Clause 43 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

43. Reports on each individual audit assignment are subject to submission to the audit participants and the Company's managers supervising their activities, after which they are sent to the Secretary of the Management Board/Corporate Secretary for consideration:

1) Executive body - at the next meeting after signing by the head of the audit item;

2) Audit Committee - no later than 5 working days after consideration by the Executive Body at the next meeting of the Management Board (if the Executive body does not timely consider such IAS reports, then the reports are submitted by the Head of the IAS to the Audit Committee without a resolution of the Executive Body).

*Clause 44 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

44. On the basis of the IAS report for each individual audit engagement, within 3 working days from the date of receipt of the draft audit report, the audit object develops a plan of corrective/preventive actions for the implementation of recommendations issued by the IAS, indicating the measures, deadlines, responsible performers and forms. The agreed corrective/preventive action plans should be submitted by the management of the audited entity for approval by the Executive body/the Board of Directors of the Company simultaneously with the issuance of reports on each individual audit engagement by the IAS.

*Clauses 44-1 - 44-3 was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

44-1. Reports on each individual audit assignment indicating the case of illegal actions (inaction) of employees of the object of audit should be submitted to the Audit Committee and the Board of Directors immediately after their conduct.

44-2. Reports on assessments of the effectiveness of internal control, risk management, corporate governance and IT/IS audits, after prior approval by the Audit Committee, are submitted to the Board of Directors for approval.

44-3. Corrective/preventive action plans based on the results of audit assignments are approved and monitored by the Executive body, with the exception of corrective/preventive action plans based on the results of evaluations of the effectiveness of internal control systems, risk management, corporate governance and IT/IS audit, which are approved by the Board of Directors, after preliminary approval by the Audit Committee.

*Clause 45 was amended by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

45. The audit participants should provide the IAS with a report containing information on the measures taken to detect/recommend IAS, and/or the corrective/preventive action plans that will be taken by the participants in the audit with respect to specific conclusions/recommendations of IAS, indicating the forms and timing of completion.

*Clause 46 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

46. Periodic reports on the results of IAS activities are submitted to the Corporate Secretary for consideration by the Audit Committee and subsequent approval by the Board of Directors in the following terms:

*Sub-clause 1 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

- 1) quarterly - until the 15th day of the first month following the reporting quarter;
- 2) annual – until the 15th day of the second month following the reporting year.

*Clause 47 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

47. In case of preliminary approval by the Audit Committee and approval by the Board of Directors of the IAS periodic report, based on such conclusions and/or recommendations, the Company's managers supervising the activities of the relevant audited audit participants should ensure the development and implementation of measures (corrective actions) based on the results of the audits (if not development before submission of the report to the Board of Directors).

*Clause 48 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

48. IAS should monitor the implementation of appropriate measures (corrective actions) based on the results of audits (by the IAS, the Holding, External Audit and Government Agencies) and quarterly submit a report on monitoring the implementation of recommendations to the Audit Committee for information, since this report is part of the periodic reports provided to the Audit Committee and the Board of Directors.

## **§ 9. Interaction of IAS with bodies, committees and divisions**

49. HIAS should maintain relationships and interact directly with the Audit Committee and the Board of Directors.

*Clause 49-1 was supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

49-1. Relationship of IAS with the Executive body should be based on the principle of independence, since the level of organizational and functional independence of IAS has a direct impact on the objectivity of IAS employees.

*Clause 50 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

50. The Executive body shall:

1) contribute to the creation of an effective internal audit environment in the Company, assist the IAS in fulfilling its mission, tasks, functions and responsibilities, and in implementing IAS rights;

2) by the resolution of the Board of Directors, ensure the use of outsourcing (co-sourcing) in the field of internal audit in accordance with the established procedure;

3) ensure timely development, approval, monitoring and reporting on the implementation of corrective/preventive action plans based on the results of audits, including by determining the personal responsibility of participants in the audit process for non-compliance or late implementation of IAS recommendations;

4) ensure that the Company's budget includes expenses related to training of IAS employees for specialized programs and certifications, business trips approved by the Board of

Directors and pre-approved by the Audit Committee;

5) perform administrative (organizational and technical) support for the IAS.

51. Interaction of the IAS with the Company's divisions is based on business and trust-based cooperation, mutual politeness and correctness in work.

52. Employees of the Company's divisions are obliged to assist the IAS in the implementation of its tasks, functions, duties and rights, which, among other things, is expressed in:

1) prompt provision of all documents and all information necessary for the implementation of audits, tasks and functions of the IAS;

2) objective and prompt discussion of the facts and their causes identified during the audit and consultations;

3) the joint solution of arising questions and problems;

4) providing written explanations and/or plans of corrective/preventive actions on certain aspects of their activities and IAS issues.

53. Divisions of the Company, whose main tasks are risk management, internal control and corporate development, are obliged to inform IAS about the risks realized in the reporting month, about transactions or transactions of the reporting month, of dubious nature, about inspections, corporate events and other issues of corporate development.

## **§ 10. Final provisions**

54. Amendments and additions to these Regulations can be made by resolution of the Board of Directors at the initiative of HIAS and/or the Audit Committee and/or Holding.

*Clause 55 was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

55. Other detailed conditions and procedures for internal audit in the Company (standard procedures, methods and forms of IAS documents) are determined by the relevant rules for internal audit organization, which are approved by the Board of Directors.

## **Annex 1. Job description of the Head of the Internal Audit Service**

### **§ 1. General provisions**

1. This job description of the Head of the Internal Audit Service of EIC "KazakhExport" JSC (hereinafter-the Company) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter, the Regulations on the internal audit Service and other internal documents of the Company.

*Clause 2 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8). Clause 2 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

2. The Head of the Internal Audit Service (hereinafter referred to as the HIAS) is appointed to the post (based on competitive selection subject to an internal document of the Company) and is dismissed ahead of schedule by the resolution of the Board of Directors of the Company on the recommendation of the Audit Committee.

*Clause 3. was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

3. In its professional activity, the HIAS should be guided by the legislation of the Republic of Kazakhstan, the Regulations on the IAS, other internal documents of the Company, the job description and the international principles of professional practice of internal audit (hereinafter - IPPPIA).

### **§ 2. Qualification criteria**

*Clause 4 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

4. HIAS shall have:

1) higher professional education in the fields of Accounting and Audit, and/or Finance, and or Economics, and/or Law;

2) experience in the field of (internal) Audit, and/or control, and/or Finance – at least five years, including at least three years in organizations that are quasi-public sector entities and/or licensed financial organizations, or in state regulatory or supervisory authorities of the Republic of Kazakhstan;

3) experience in a managerial position in the field of Control or Finance - at least five years;

4) knowledge of IPPPIA, International Financial Reporting Standards, Corporate Governance, Risk Management and Internal Control;

5) knowledge of regulatory legal acts of the Republic of Kazakhstan, including on audit, accounting, taxation, joint-stock companies, labor, state property, industrial and innovative activities and finance;

6) knowledge of the state language and English (preferably);

*Sub-clauses 7 and 8 were amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

7) one of the following certificates of the Institute of Internal Auditors: CIA (Certified Internal Auditor); QIAL (Qualification in Internal Audit Leadership), CCSA (Certification in Control Self-Assessment), CFSA (Certified Financial Services Auditor), CGAP (Certified Government Auditing Professional), CRMA (Certification in Risk Management Assurance) or qualification of state auditor or at least IAP (Internal Audit Practitioner) or DipCPIA (issued



by the Institute of Certified Financial Managers (UK).

Along with that, preference shall be given to a candidate holding CIA certificate (Certified Internal Auditor);

8) it shall be preferable to have other professional certificates in audit, risk management and control/ finances/ law/ IT/ information security, etc.

5. It is not allowed to be appointed to the position of HIAS:

1) a person who was the Head of a structural division and/or a Senior Employee of the Company and/or its subsidiary during the last three years;

2) the persons having not removed or not extinguished in the order established by law conviction for crimes in sphere of economic activities, for corruption and other crimes against interests of public service or public administration, crimes against the constitutional order and security of the state.

### **§ 3. Official duties**

*Clause 6. was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

6. HIAS performs the following functions:

1) managing the activities of the IAS;

2) ensuring the organization of the work of IAS, as well as the fulfillment of the tasks and functions assigned to IAS in accordance with the Regulations on IAS;

3) ensuring the development of internal documents on internal audit and/or IAS activities, as well as their periodic analysis and updating;

4) implementation of periodic assessment of the relevance of the tasks and functions of the IAS to achieve its goals;

5) risk assessment and management of IAS activities;

6) ensuring the application of common basic principles and internal audit procedures approved by the Board of Directors of the Company in the activities of the IAS;

7) enforcement of IPPPIA;

8) ensuring an appropriate level of confidentiality in the work of the IAS;

9) planning the activities of the IAS in accordance with the established procedure for internal audit and monitoring the implementation of the IAS annual audit plan;

10) organization, participation and control of planned and unscheduled internal audit of the Company's structural divisions and/or business processes in accordance with the established internal audit procedure and Regulations;

11) determining the scope of work and employees of the IAS involved and responsible for the performance of audit engagements;

12) ensuring the development and approval of audit engagements;

13) control over ensuring proper documentation of audit findings, issuing conclusions based on the results of audits, reflecting all significant facts and shortcomings identified during the audit, and making reasonable recommendations;

14) evaluating the effectiveness of internal control, risk management and corporate governance systems in all aspects of the Company's performance;

15) interaction with the management of structural divisions and the Executive body of the Company on issues related to the organization, conduct and results of audit engagements;

16) participation in the review of draft reports of external auditors on the audit of the Company's financial statements;

17) monitoring of activities planned and/or implemented by the Company for the purpose of implementing recommendations, requirements based on the results of internal and external

audits, as well as inspections by other supervisory bodies by structural divisions and employees of the Company;

18) ensuring that reports and other information are submitted to the Audit Committee and the Board of Directors of the Company;

19) rotation of duties of IAS employees, as appropriate, in order to avoid conflicts of interest, as well as to ensure the exchange of work experience;

20) taking measures to improve the professional skills of IAS employees;

21) ensuring internal and external assessment of the effectiveness of IAS activities;

22) initiating consultations and discussions with members of the Audit Committee, the Board of Directors, and external auditors, as well as convening a meeting of the Board of Directors and/or the Audit Committee on issues within the competence of the IAS;

23) making proposals to the Audit Committee and the Board of Directors on determining the number of IAS members, term of office and appointments/transfers of IAS employees, as well as on early termination of their powers, terms and conditions of IAS operation, amounts and conditions of remuneration, bonuses and compensation payments for IAS employees, organizational and technical support of IAS;

24) consulting on internal audit issues, as well as improving corporate governance, risk management and internal control processes that exclude the IAS from taking responsibility for management decisions made on the basis of the provided consulting services;

25) ensuring consideration of letters and other appeals of legal entities and individuals, state bodies with the preparation of appropriate explanations on them, within the competence of the IAS;

26) participation in official investigations, carrying out special checks in accordance with the regulations on IAS;

27) participation in the discussion of issues on the introduction of new products or services and the assessment of additional risks of the Company associated with it

28) professional development by studying international experience in internal audit and risk management, as well as legislative, regulatory, analytical documents, changes in international financial reporting standards;

29) making decisions on all matters within the competence of the IAS and performing other duties assigned to the IAS by the Audit Committee and/or the Board of Directors of the Company.

#### **§ 4. Rights and powers**

7. HIAS has the following rights and powers:

1) initiating the convening of a meeting of the Board of Directors and/or the Audit Committee on issues within the competence of the IAS;

2) communication directly and on its own initiative with members of the Board of Directors, members of the Executive body, other employees of the Company and with external auditors and consultants of the Company;

3) making proposals for improving the work, improving the working methods of the IAS;

4) making proposals to the Board of Directors of the Company on determining the quantitative composition, term of office of IAS, appointment/transfer of IAS employees, as well as early termination of their powers, on the promotion and imposition of penalties on IAS employees, the working procedure of IAS, the size and conditions of remuneration, bonuses and compensation payments employees of IAS, organizational and technical support of IAS;

5) obtaining access to all necessary documents related to the activities of the audited structural unit, including those containing commercial or other secrets, or having a confidentiality regime;

6) setting tasks, determining responsible employees and requiring employees to perform the tasks assigned to the competence of the IAS;

7) refusal to review, approve internal and other documents if there is a threat of violation of the principles of objectivity and independence of the IAS, if they do not comply with the legislation of the Republic of Kazakhstan or internal policies of the Company, with the possible submission of a reasoned refusal and/or proposals on the legal procedure for resolving the issues under consideration;

8) refusal to commit illegal acts or acts that are incompatible with the Code of Ethics, generally accepted Standards of Ethics, violating internal acts of the Company and/or the legislation of the Republic of Kazakhstan;

9) approval of internal documents on internal audit and/or IAS activities that are not related to internal documents subject to approval by the Board of Directors and the Audit Committee;

10) other rights stipulated by the legislation of the Republic of Kazakhstan and internal documents of the Company.

## **§ 5. Responsibility**

8. HIAS is responsible for:

1) conscientious performance of their duties stipulated by this job description and employment contract;

2) compliance with the requirements of regulatory legal acts of the Republic of Kazakhstan, internal documents of the Company regulating the activities of the IAS and its employees;

3) compliance with the principles and requirements of IPPP;

4) high-quality performance of audit tasks and provision of consulting services, as well as individual orders of the Holding company and/or the Board of Directors and/or the Audit Committee in full and within the established period;

5) timely informing of the fact of non-compliance with the Code of Ethics of internal auditors and international professional standards of internal audit (if any) that affect the activities of the IAS, which took place during the audit and its consequences.

6) ensuring proper confidentiality in the work and safety of banking, official and/or commercial secrets;

7) causing material or other damage to the Company;

8) compliance with labor discipline.

## **§ 6. Interchangeability**

9. HIAS and the IAS employee carry out activities on the principle of interchangeability during the temporary absence of one of them for reasons of illness, being on a business trip or vacation, as well as for other reasons.

## **Annex 2. Job description of the Chief Auditor**

### **§ 1. General provisions**

1. This job description of the Chief Auditor of the Internal Audit Service of EIC "KazakhExport" JSC (hereinafter-the Company) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter, the Regulations on the internal audit Service and other internal documents of the Company.

*Clause 2. was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8). Clause 2 was amended by the resolution of the Board of Directors dated 24.08.2021 (minutes №8)*

2. Chief Auditor of the Internal Audit Service (hereinafter referred to as the Chief Auditor) is appointed to the post (based on competitive selection subject to an internal document of the Company) and is dismissed ahead of schedule by the resolution of the Board of Directors of the Company on the recommendation of the Audit Committee.

The Chief Auditor reports directly to the Head of the IAS (hereinafter referred to as the HIAS), the Audit Committee and the Board of Directors of the Company.

*Clause 3. was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

3. In his professional activities, the Chief Auditor should be guided by the legislation of the Republic of Kazakhstan, labor contract, regulations of the IAS and other internal documents of the Company, job description and international foundations of the professional practice of internal auditing (hereinafter – IPPPIA).

### **§ 2. Qualification criteria**

*Clause 4 is set out in a new version approved by the Board of Directors on 30.09.2019 (minutes №8)*

4. The Chief Auditor shall have:

1) higher education in Accounting and Audit, and/or Finance and/or Economics, and/or Information Technology/Information Security, and/or Law;

2) experience in the field of Audit, and/or Control, and/or Accounting, and/or Finance, and/or Information Technology/Information Security or Audit of Information Technology, Information Security, and/or Law – at least three years;

3) knowledge of IPPPIA, International Financial Reporting Standards, Corporate Governance, Risk Management and Internal Control Framework, and/or International IT/IS Management Standards COBIT (Control objects for Information and related Technology)/ISO/IEC (Information security management systems);";

4) knowledge of regulatory legal acts of the Republic of Kazakhstan, including on audit, joint-stock companies, accounting and taxation;

*Sub-clause 5 is set out in a new version approved by the Board of Directors on 24.08.2021 (minutes №8)*

5) availability of a professional certificate and/or qualification in internal audit, risk management and/or accounting and/or IT/ information security or at least IAP (Internal Audit Practitioner);

6) knowledge of the state language and English (preferably)".

5. It is not allowed to be appointed to the position of Chief Auditor:

1) a person who was the Head of a structural division and/or a Senior Employee of the Company and/or its subsidiary during the last three years;

2) the persons having not removed or not extinguished in the order established by law conviction for crimes in sphere of economic activities, for corruption and other crimes against interests of public service or public administration, crimes against the constitutional order and security of the state.

### **§ 3. Official duties**

*Clause 6. was amended and supplemented by the resolution of the Board of Directors dated 30.09.2019 (minutes №8)*

6. The Chief Auditor performs the following functions:

1) participation in the work of the IAS, as well as in the performance of tasks and functions assigned to the IAS in accordance with the Regulations on IAS;

2) participation in the development of internal documents of the Company regulating internal audit issues, as well as their periodic updating;

3) application of unified basic principles and internal audit procedures approved (recommended) by the Board of Directors of the Company in the activities of IAS;

4) compliance with the IPPPIA;

5) ensuring an appropriate level of secrecy and confidentiality in the work;

6) identification, assessment and submission of proposals for the management of risks inherent in the activities of the IAS for consideration by the IAS;

7) participate in the planning of IAS activities in accordance with the established procedure for internal audit and participate in the implementation of the IAS annual audit plan;

8) development of audit engagements and programs;

9) participation in the implementation of planned and unscheduled internal audit of the Company's structural divisions and/or business processes in accordance with the established procedure for conducting internal audit and the regulations on IAS;

10) analysis of summary information for preparing a report (reference) on the results of internal audit;

11) analysis of incoming information about suspicious transactions, as well as losses caused to the Company due to theft and abuse;

12) ensuring proper documentation of audit findings, issuing conclusions based on the results of audits, reflecting all significant facts and shortcomings identified during the audit, and making reasonable recommendations;

13) evaluating the effectiveness of internal control, risk management and corporate governance systems in all aspects of the Company's activity;

14) participation in the review of draft reports of external auditors on the audit of the Company's financial statements;

15) monitoring of activities planned and/or implemented by the Company for the purpose of implementing recommendations, requirements based on the results of internal and external audits, as well as inspections by other supervisory bodies by structural divisions and employees of the Company;

16) preparation of information for submission to the Audit Committee and the Board of Directors;

17) ensuring high-quality and timely preparation and submission of HIAS employee performance cards (performance indicators);

18) consulting on internal audit issues, as well as improving corporate governance, risk management and internal control processes that exclude the IAS from taking responsibility for management decisions made on the basis of the provided consulting services;

19) participation in official investigations, carrying out special checks in accordance with the Regulations on IAS;

20) improving their professional level and qualifications for effective performance of their duties, including by studying international experience in internal audit and risk management, as well as legislative, regulatory, analytical documents, changes in international financial reporting standards and making appropriate proposals for changes to the Company's internal procedures and documents;

21) development and participation in the approval of internal documents of a methodological nature in terms of describing the activities of the IAS and their practical implementation in the activities of the IAS;

22) development of questionnaires, audit tests, other materials for the audit, as well as internal regulatory documents describing the activities of the IAS in the implementation of functional responsibilities;

23) performing other duties on behalf of the HIAS in accordance with their official duties.

#### **§ 4. Rights and powers**

7. Chief Auditor has the following rights and powers:

1) submitting for consideration by the HIAS proposals for improving the work, improving the working methods of IAS;

2) refusal to review, approve internal and other documents if there is a threat of violation of the principles of objectivity and independence of the IAS, if they do not comply with the legislation of the Republic of Kazakhstan or internal policies of the Company, with the possible submission of a reasoned refusal and/or proposals on the legal procedure for resolving the issues under consideration;

3) refusal to commit illegal acts or acts that are incompatible with the Code of Ethics, generally accepted Standards of Ethics, violating internal acts of the Company and/or the legislation of the Republic of Kazakhstan;

4) other rights stipulated by the legislation of the Republic of Kazakhstan and internal documents of the Company.

8. In the framework of the audit engagement, the Auditor has the right:

1) demand and receive the necessary information in the Company's structural divisions, including information containing commercial or other secrets, or having a confidentiality regime;

2) inspect and check the availability of valuables, strict accounting forms, materials in warehouses, fixed assets and other assets of the Company;

3) inspect and check the availability of the property accepted by the Company as security for the loan, including by going to the location;

4) get access to the original contracts with third parties, title documents and other documents of the Company, the Company's information system, storage facilities, warehouses and server rooms of the Company;

5) get access to the materials of inspections conducted in the Company by external state and non-state bodies;

6) check leasing assets, assets held for sale, and other assets transferred to legal entities and individuals;

7) request and receive the necessary explanations (written or oral), transcripts, as well as data from any information systems used by the Company, payment systems and security

systems from the Company's employees regarding the essence and features of accounting and conducting any transaction;

8) make a judgment on the extent to which actions and operations performed by the Company comply with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company;

9) be admitted to all documents of the Company (both on paper and on electronic media), including decisions of the Executive body, the Board of Directors and other bodies of the Company that determine the Company's internal policy, strategy, decision-making procedures, transactions, accounting standards and financial reporting, as well as to all types of operations conducted by the Company, including its branches, representative offices and subsidiaries (other dependent) organizations;

10) during the inspection period, seal the warehouse, archive and other office premises (storage places) of the company's structural divisions being checked if it is necessary to ensure the safety of valuables and documents located in them;

11) withdraw individual documents (leaving the act of withdrawal and copies of the seized documents in the files), if during the inspection forgery, forgery or other abuses are found;

12) make copies of any documents that are subject to verification, including electronic media.

## **§ 5. Responsibility**

9. The Chief Auditor is responsible for:

1) conscientious performance of their duties stipulated by the employment contract and this instruction;

2) compliance with the requirements of regulatory legal acts of the Republic of Kazakhstan, internal documents of the Company regulating the activities of the IAS and its employees;

3) compliance with the principles and requirements of IPPP;

4) high-quality performance of audit tasks and provision of consulting services, as well as individual orders of the Holding, the Board of Directors, the Audit Committee and/or HIAS in full and within the established period;

5) ensuring proper confidentiality in the work and safety of banking, official and/or commercial secrets;

6) the preservation of documents, access to which is provided in the course of the audit;

7) causing material or other damage to the Company;

8) compliance with labor discipline.

## **§ 6. Interchangeability**

10. HIAS and the Chief Auditor employee carry out activities on the principle of interchangeability during the temporary absence of one of them for reasons of illness, being on a business trip or vacation, as well as for other reasons.