

Attachment # 6  
to the Protocol of the Board of Directors  
of the «EIC «KazakhExport» JSC  
dated « 29 » September 2021 # 9

«Approved»  
by the decision of the Board of Directors  
of the «EIC «KazakhExport» JSC  
dated « 29 » September 2021 (Protocol # 9)

**Risk Management Policy  
of the «EIC «KazakhExport» JSC**  
*as amended No. 1 in accordance with the decision of the Board of  
Directors of the Company dated March 11, 2022 (Minutes No. 2)*  
*as amended and Supplemented No. 2 in accordance with the decision  
of the Board of Directors of the Company dated February 27, 2023 (Minutes  
No.2)*

**Nur-Sultan, 2021**

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### IG Summation

IG Name	Risk Management policy of the "Export Insurance Company "KazakhExport" JSC
IG Holder	Department for Risk Management
Access level	Open to public
Measures to familiarize all employees of the Company with IG	Mailing by e-mail within 1 (one) business day from the date of placement of the IG on the network drive "Internal Portal"

## Chapter 1. General provisions

1. This Risk Management Policy of the «EIC «KazakhExport» JSC (hereinafter referred to as the Policy, the Company) has been developed in accordance with the provisions of the current legislation of the Republic of Kazakhstan, including the Rules for the creation of a risk management and internal control system for insurance (reinsurance) companies, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan” approved by the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan dated August 27, 2018 # 198, internal documents regulating the activities of the Company, as well as taking into account international standards in the field of risk management (COSO ERM: 2017, ISO 31000: 2018) and the recommendations of the Basel Committee on Banking Supervision.

2. This Policy reflects the vision, goals and objectives of the corporate risk management system in the Company, determines the risk management structure, the main components of the risk management system, provides a systematic and consistent approach to the implementation of the risk management process.

3. Description of methods and procedures of the risk management process, including the procedure for submission and forms of reporting on risk management, tasks, functions, responsibility of participants in the process of managing the main types of risks, risk management measures and other components of the risk management process are presented in the internal documents of the Company approved by the Board of Directors or the Management Board of the Company in accordance with their competence.

4. This Policy applies to all types of activities of the Company. The Policy is mandatory for familiarization and application by all structural divisions and all employees of the Company. In the performance of functional duties and the implementation of the tasks set, each employee of the Company is guided by this Policy.

5. Risk management refers to the complex of culture, capabilities, practices and coordinated actions aimed at defining and achieving the organization's strategic goals taking into account a risk.

6. The goal of the risk management process is to strike a balance between maximizing opportunities in order to obtain the benefit of loss prevention. This process is an important component of the management process and an integral part of a developed corporate governance system.

7. Risk management is not a separate function or a function of a separate structural unit of the Company, but is an integral part of each business process of the Company and the functional duties of each employee of the Company.

8. The introduction of the Corporate risk management system in the Company implies the establishment and development of the necessary infrastructure and culture, it also covers the use of logical and systematic methods for identifying the analysis and assessment, monitoring, control and management of risks inherent in all areas of activity, functions or processes of the Company, in order to prevent loss and profit maximization.

9. The main element of the Company's risk management process is its integration with the specifics of the organization, the main principles of activity, business processes, and the involvement of each employee in the risk management process.

10. When carrying out its activities within the framework of the Policy, the Company takes into account the interests and consequences of the implementation of risks for the Sole Shareholder and other interested parties.

*Subparagraph 3) of paragraph 11 is set out in the wording in accordance with the decision of the Board of Directors of the Company dated February 27, 2023 (Minutes No. 2)*

11. The risk management process includes the following steps:

- 1) identification of risks:  
assessment of risk and risk-forming factors (systematic and continuous monitoring, analysis of all possible causes of damage, qualitative assessment of their probability and size);  
risk classification (study of the specifics of risks and factors that lead to their occurrence, affect their development, expert assessments of historical data, risk map);
- 2) measurement (assessment) of risks, the frequency of which is set at the discretion of the Board of Directors depending on the significance of the risk, but at least twice a year;
- 3) implementation of regular stress testing of risk analysis;
- 4) selection and application of risk management method;
- 5) adjustment of the risk management system.

## Chapter 2. Main Definitions

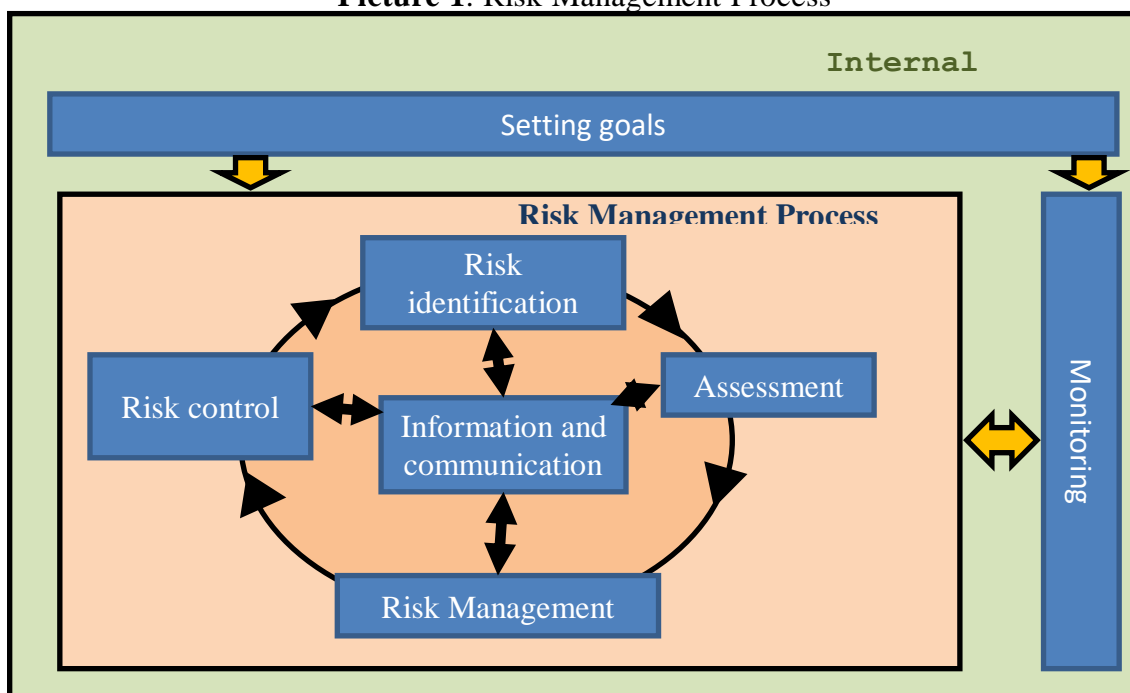
12. The following key definitions are used in this document:
  - 1) **Risk appetite** – the possibility of changes in the results, both on a short-term and long-term basis, which the Company and its managers are ready to accept as part of their business development strategy;
  - 2) **risk** - exposure to uncertainty associated with events or actions that may affect the achievement of goals and objectives;
  - 3) **risk manager** - an employee of the structural unit of the Company responsible for coordinating risk management;
  - 4) **risk owners** - structural divisions or employees of the Company, which, due to their functional tasks, are or may be a potential source of material and (or) non-material losses in the course of their activities, and also have the ability to identify, analyze and control exposure to events that are sources of exposure to various types of risk;
  - 5) **risk assessment system** - a set of coefficients intended for a comprehensive analysis of the financial condition of the Company;
  - 6) **risk management culture (risk-culture)** - recognition by all structural divisions and employees at all levels of the Company of the need to manage and control exposure to risks and build their work taking this aspect into account;
  - 7) **the sole shareholder** is the Baiterek National Managing Holding JSC.
13. The policy is subject to revision if necessary and approval by the Board of Directors of the Company.
14. The policy is publicly disclosed on the Company's website.

## Chapter 3. Risk Management goals and tasks

15. The main objectives of the Policy are:
  - 1) building an effective integrated system and creating an integrated risk management process as an element of the Company's management, as well as continuous improvement of activities based on a standardized approach to risk management methods and procedures;
  - 2) ensuring that the Company accepts acceptable risks adequate to the scale of its activities;
16. The policy is aimed at the implementation of the following tasks:
  - 1) creation of a full-fledged base for the decision-making and planning process;
  - 2) ensuring a continuous agreed risk management process based on timely identification, assessment, analysis, monitoring, control to ensure the achievement of the defined goals;
  - 3) introduction and improvement of a management system that allows preventing and minimizing potentially negative events;

- 4) improving the efficiency of the use and distribution of resources;
  - 5) prevention of losses and damages by increasing the efficiency of the Company's activities, ensuring the protection of assets and share capital;
  - 6) ensuring the efficiency of business processes, the reliability of internal and external reporting and promoting compliance with legal requirements.
17. Risk management in the Company is a constant, dynamic and continuous process, consisting of components according to the following scheme:  
identification, measurement, control, monitoring.

**Picture 1: Risk Management Process**



### **§3.1 Internal Environment**

18. The internal environment determines the nature of the Company, and how its employees consider and react to risks. The internal environment is the basis for all other components of the risk management system, including the philosophy of risk management, risk appetite, control by management bodies, ethical values, competence and responsibility of employees, the structure of the Company, its capabilities, determined by human, financial and procedural resources.

19. Relationships of the Company with the external environment (business structures, social and regulatory, and other political, financial bodies) are reflected in the internal environment and influence its formation. The external environment of the Company is complex in structure and includes various industries that are interconnected and creates conditions for the emergence of systemic risks.

20. The Company's activities are aimed at creating an internal environment that increases the understanding of risks by employees and increases their responsibility for risk management. In particular, the internal environment must support the following principles of the Company's activities as a whole:

1) identification and consideration of all forms of risks when making decisions and support for a comprehensive vision of risks by the Company's management;

2) creation and assessment at the level of the Company of such a risk profile that best meets the goals of the Company as a whole;

3) support of a sense of ownership and responsibility for risks, risk management at the appropriate levels of the management hierarchy (structural divisions, etc.). At the same time, risk management does not mean transferring responsibility to others;

4) monitoring compliance with the internal policies and procedures of the Company, and the status of the corporate governance system;

5) timely information about significant (critical) risks and shortcomings of the risk management system;

6) understanding that risk management policies and procedures are mandatory;

7) rational decision-making and action in the interests of the Company based on a comprehensive assessment of the information provided in good faith, with due diligence and carefulness (duty of care). The obligation to exercise due diligence and carefulness does not apply to errors in the process of making business decisions, unless the employees and officials of the Company have shown gross negligence in doing so;

8) making decisions by employees and officials of the Company and acting in good faith in the interests of the Company, not taking into account personal benefits, the interests of persons associated with the Company in special relations and to the detriment of the interests of the Company (duty of loyalty).

21. The main principles of the Company's risk management process are:

1) integrity - consideration of the elements of the total risk of the Company in the context of the corporate risk management system;

2) openness - a ban on considering the corporate risk management system as autonomous or separate;

3) structure - a comprehensive risk management system has a clear structure;

4) awareness - risk management is accompanied by the availability of objective, reliable and up-to-date information;

5) continuity - the risk management process is carried out on an ongoing basis;

6) cyclicity - the risk management process is a constantly repeating built cycle of its main components.

22. The structure of the risk management system in the Company is represented by risk management at several levels involving the following bodies and divisions of the Company: the Board of Directors, the Management Board, collegial advisory bodies, the structural unit responsible for coordinating the risk management system, the Internal Audit Service, and other structural divisions.

23. The first level is represented by the Board of Directors of the Company. The Board of Directors plays a key role in overseeing the corporate risk management system. The Board of Directors determines the short-term and long-term goals and objectives of the Company, as well as risk management policies, the level of tolerance and risk appetite. The board of directors should review key risks on a regular basis, evaluate the management of these key risks, and plan risk management activities. The Board of Directors has the right to perform some of the functions in the field of risk management through the creation of relevant committees.

24. The Board of Directors of the Company performs the following functions in the field of risk management:

1) setting goals (short-term and long-term) of the Company;

2) approval of the Company's Risk Management Policy and other internal documents developed in accordance with the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan dated August 27, 2018 No. 198 "On approval of the Rules for

the formation of a risk management and internal control system for insurance (reinsurance) companies, branches insurance (reinsurance) companies-non-residents of the Republic of Kazakhstan”;

3) annual approval of the analysis of the coefficients of the Company's risk assessment system and, in the event of four or more deviations of the coefficients of the Company's risk assessment system from the approved limits of the standard range, approves an action plan to improve the coefficients of the Company's risk assessment system or decides that there is no need to develop an action plan for improving the coefficients of the risk assessment system;

4) monitoring the implementation of the plan on a quarterly basis when approving the action plan to improve the coefficients of the Company's risk assessment system;

5) approval of the levels of responsibility for monitoring and controlling the risks of the Company by approving this Policy;

6) analysis of the conclusions of external auditors on improving internal control and risk management and the results of audits conducted by the Internal Audit Service;

7) approval of the register, risk map of the Company and action plan for risk management (as part of the approval of risk reports);

8) approval of the matrix of business processes, risks and controls;

9) approval of key risk indicators (as part of the approval of risk reports);

10) approval of risk reports;

11) consideration of reports on the effectiveness of the risk management system;

12) determination of the forms and terms for submission of financial and management reporting to the Board of Directors of the Company, which makes it possible to analyze and evaluate the financial performance of the Company;

13) approval of the risk appetite of the Company.

25. In order to organize the risk management system in terms of corporate governance, the Board of Directors:

1) coordinates the activities of collegial advisory bodies, the Board, committees, structural divisions, the internal audit service;

2) takes measures to reduce the likelihood of conflicts of interest in the functional duties of executives;

3) checks the fact of granting preferential conditions to affiliated persons;

4) other issues related to the competence of the Board of Directors.

26. In order to adjust the strategic goals, the Board of Directors considers:

1) analysis of the current (future) needs of the Company in equity capital;

2) a report of internal (external) auditors based on the results of their inspections, indicating the identified discrepancies, as well as their recommendations;

3) report of the Asset and Liability Management Council on the results of operations (transactions) for investing the Company's assets (grouping financial instruments by type and indicating the book value, market value, profitability, amount of purchases and sales).

*Subparagraph 2) of paragraph 27 is set out in the wording in accordance with the decision of the Board of Directors of the Company dated February 27, 2023 (Minutes No. 2)*

27. In terms of risk management, the Board of Directors performs:

1) regular monitoring of the Company's activities through the established committees, divisions and internal audit service in order to exclude the possibility of performing transactions that contradict the strategy, policies, procedures and other internal documents, as well as in order to correct them;

2) *ensuring the organizational independence of the functions of the internal audit service;*

3) control over the implementation of enforcement measures and other requirements of the authorized body, including the action plan to eliminate deficiencies;



4) finding out the reasons for non-fulfillment (non-elimination) and application of appropriate measures to responsible employees in case of non-fulfillment of the requirements of the authorized body, untimely elimination (non-elimination) of identified shortcomings;

5) limitation of accepted risks and establishment of restrictions on operations (transactions).

28. In order to carry out effective risk management, the committees established under the Board of Directors of the Company may be entrusted with the functions and powers to support the Board of Directors, which are determined by the relevant regulatory documents.

29. Second level - the Management Board of the Company, responsible for organizing an effective risk management system and creating a risk control structure to ensure the implementation and adherence to corporate policies. The Board is responsible for creating a culture of "risk awareness" (risk culture), which reflects the risk management policy and philosophy of the Company.

30. The Board encourages employees to participate in the decision-making process and openly discuss risks for strategic and operational purposes. The Board considers risks when making decisions, which includes discussion and analysis of risk scenarios before making final decisions.

31. The Board is also responsible for establishing an effective risk management system so that employees have clearly defined risk management responsibilities and are accountable for the performance of their duties. The Management Board has the right to perform part of the functions in the field of risk management through the creation of relevant committees.

32. The Management Board, in order to ensure the proper functioning of the risk management system:

1) carries out daily management of the Company in accordance with the established goals and methods in terms of risk management and internal control;

2) approves the procedure for transferring information between the Board of Directors, collegiate bodies, the Management Board and structural divisions of the Company, which ensures effective risk management and internal control;

3) implements the instructions of the Board of Directors, recommendations and comments of the Internal Audit Service, recommendations of the structural unit responsible for coordinating the risk management system, requirements and measures of the authorized body;

4) approves internal documents in order to implement the risk management and internal control policy;

5) determines guidelines for the diversification of assets, profitability, liquidity and capital adequacy, risks in order to maintain the required level of solvency margin adequacy;

6) approves risk limits by types of transactions within the limits of risks established by the Board of Directors;

7) ensures the adoption of effective measures to control compliance with the specified limits on the basis of monthly calculations of the structural unit responsible for coordinating the risk management system;

8) ensures compliance of the tariff policy with predicted trends in the development of risks based on reliable statistics on risks;

9) ensures regular analysis of internal and external economic factors that represent a potential risk for the organization, assessment of the degree of their impact on financial performance;

10) provides recommendations to the Board of Directors of the Company in terms of drawing up annual budgets, strategic plans, taking into account the current and future economic environment, the legal framework, the amount of capital;

11) controls the implementation of the action plan in conditions of financial instability and emergency situations and the provision of the corresponding quarterly report;

12) conducts a regular analysis of compliance with contractual relations, the requirements of the legislation of the Republic of Kazakhstan on insurance and insurance activities, on compulsory insurance, on joint-stock companies, on the securities market, on countering the legalization (laundering) of incomes from crime and the financing of terrorism, internal documents organizations regulating operations with financial instruments;

13) monitors compliance of structural divisions with policies in the management of possible and potential risks, the size of risks within the established limits;

14) ensures the analysis of changes in income (expenses) from operations with financial instruments, taking into account the dynamics of their market value;

15) ensures compliance of the equity capital of the Company with the minimum required level in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities;

16) ensures the improvement of the accounting and reporting system, taking into account the recommendations of external auditors;

17) analyzes audit reports and submits proposals to the Board of Directors for taking appropriate measures to eliminate identified deficiencies;

18) *preliminarily approves, on an annual basis, the work plan of the structural division of the Company responsible for coordinating the risk management system;*

19) on an annual basis, submits to the Board of Directors of the Company the Report of the Management Board of the Company on the effectiveness of the risk management system no later than the fourth month following the reporting period;

20) determination of the human capital necessary for the implementation of strategic and operational goals, increasing the level of competence of employees, the formation of an effective system of incentives and assessments for the achievement of long-term and short-term tasks by employees (with the assistance of the structural unit responsible for human resource management);

21) communication with the Company's employees regarding the strategic vision of risk management, risk culture and compliance with risk management processes.

33. In order to effectively organize risk management, collegial bodies established under the Management Board of the Company may be entrusted with the functions and powers to support the Management Board of the Company, which are determined by the relevant regulatory documents.

*Subparagraph 17) of paragraph 34 is set out in the wording in accordance with the decision of the Board of Directors of the Company dated February 27, 2023 (Minutes No. 2)*

34. The third level in the risk management process is the structural subdivision of the Company responsible for coordinating the risk management system. The main functions of which are:

1) organizing and coordinating the process of identifying and assessing risks, as well as coordinating with risk owners the register and risk map, the matrix of business processes of risks and controls, key risk indicators, the Company's risk management action plan, as well as monitoring the implementation of the plan;

2) development of risk management policy;

3) informing the Management Board of the Company and the Board of Directors of the Company about significant deviations in risk management processes;

4) maintaining a database of implemented risks, tracking external factors that may have a significant impact on risks;

5) preparation and provision of information on risks to the Management Board of the Company and the Board of Directors of the Company;

6) participation in the organization of a periodic assessment of risk management systems by making proposals for the assessment of the subcomponent "Risk Management" as part of diagnosing the level of corporate governance;

7) development, implementation and updating (if necessary) of the methodological framework, policies and rules for identifying, assessing and managing the risks of the Company, procedures for monitoring risks;

8) ensuring the integration of risk management into other business processes and the development of a culture of risk management in the Company;

9) providing methodological and consulting support to the Company's employees on risk management issues;

10) putting forward proposals in terms of conducting training seminars on risk management for the Company's employees;

11) interaction with the Internal Audit Service of the Company in terms of developing an internal audit plan, exchanging information, discussing the results of audits, exchanging knowledge and methodologies;

12) identification and assessment of risks, including the determination of descriptive and quantitative values of risk indicators associated with the activities of the Company, as well as the determination of the maximum allowable values of risk indicators;

13) analysis of the coefficients of the Company's risk assessment system on the basis of annual financial and other statements in the form in accordance with Attachment 3-1 to the Rules No. 198, operating in the "general insurance" industry;

14) taking measures to manage risks arising in the course of the Company's activities;

15) monitoring, assessment and control of identified risks, drawing up a risk map, including:

taking measures jointly with other divisions of the Company to identify risks;

risk assessment, including an assessment of the frequency of occurrence of risks, the subsequent classification of the impacts caused by these risks, and the establishment of risk limits;

risk monitoring, including monitoring of changes in the values of risk indicators and the maximum allowable values of risk indicators, as well as measures taken to minimize risks in case of discrepancy between the values of risk indicators and risk limits;

16) immediate reporting to the Board of Directors on any significant cases that could cause damage and (or) affect the activities of the Company, or are illegal;

17) organization of the process for the development of the risk management action plan by the relevant divisions of the Company and further monitoring of the risk management action plan approved by the Board of Directors of the Company;

18) organization of measures for the implementation of the plan in case of emergency and ensuring the continuity of the Company's activities;

19) regular analysis:

of financial indicators (within the framework of stress tests and regular monitoring of the level of accepted risks);

of the impact of changes in prices for financial instruments on liquidity, solvency, capital adequacy indicators (within the framework of stress tests and regular monitoring of the level of accepted risks);

20) forecasting the impact of macroeconomic factors on profitability, liquidity, equity capital adequacy;

21) provision to the Board of Directors and the Management Board on a quarterly basis of a report on the assessment and analysis of the risk management system;

22) constant monitoring of the implementation of the decisions of the Management Board of the Company and determining the effectiveness of the decisions made;

23) ensuring compliance of the activities of divisions with approved internal policies in terms of risk management;

24) ensuring the fulfillment of obligations to manage the risk of underwriting, reinsurance, insurance payments, insufficient insurance reserves, investment, operational, associated and compliance risks in accordance with the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated August 27, 2018 No. 198 “On approval of the Rules for the formation of a risk management system and internal control for insurance (reinsurance) companies, branches of insurance (reinsurance) companies-non-residents of the Republic of Kazakhstan”;

25) in order to adjust the corporate strategy and internal risk management policy, submit to the Management Board at least once a year:

a report containing a detailed overview of the current state of the Company, taking into account quantitative and qualitative data on all risks, their degree of probability, the degree of readiness of the organization, the measures taken to minimize them, and response measures;

together with the Compliance Service in terms of changes in the legislative acts of the Republic of Kazakhstan, as well as together with the structural unit responsible for strategy and economic planning in terms of reviewing the financial condition and performance of the Company, in particular:

a report containing an overview of the financial condition and performance of the Company, as well as changes in the legislative acts of the Republic of Kazakhstan on insurance and insurance activities, on compulsory insurance, on joint-stock companies, on the securities market, on countering the legalization (laundering) of incomes from crime, and financing of terrorism that can affect the financial condition of the organization, the Company's risk map.

26) annually:

measurement and forecasting of catastrophic risks, involving the use of models that include scenarios for the onset of natural and man-made disasters;

assessment of the insurance portfolio for the ability to withstand catastrophic events. The catastrophe risk report is submitted for consideration to the Board of Directors and the Management Board once a year as part of the Company's risk report;

27) submission for approval to the Board of Directors of the Company:

no later than April 1 of the year following the reporting year, analysis of the coefficients of the risk assessment system (with explanations for coefficients that go beyond the standard range); an action plan to improve the coefficients of the risk assessment system in the event of four or more deviations of the coefficients of the organization's risk assessment system from the approved limits of the standard range;

28) after approval by the Board of Directors of the Company, but no later than April 30 of the year following the reporting one, submission to the authorized body of the analysis of the coefficients of the risk assessment system (with explanations for coefficients that go beyond the standard range) in the form in accordance with Attachment 3-1 to the Rules, if there are four or more deviations of the coefficients of the Company's risk assessment system from the approved limits of the standard range, an action plan approved by the Board of Directors of the Company to improve the coefficients of the risk assessment system or a decision of the Board of Directors on the absence of the need to develop an action plan to improve the coefficients of the risk assessment system;

29) providing the Sole Shareholder with an analysis of the coefficients of the risk assessment system (with explanations for coefficients that go beyond the standard range), and an action plan approved by the Board of Directors of the Company to improve the coefficients of the risk assessment system (if any);

30) as well as other functions that meet the specifics of the Company's activities.

35. Responsibility, powers of employees of the structural unit of the Company responsible for coordinating the risk management system, and the requirements for reporting are provided by this Policy, the regulations on the structural unit responsible for coordinating the risk management system, and job descriptions of employees of the structural unit of the Company responsible for coordination risk management systems.

36. Employees of the structural subdivision of the Company responsible for coordinating the risk management system should interact with other subdivisions, as well as external and internal auditors of the Company for the effective implementation of the goals and objectives of the risk management system.

37. Employees of the structural subdivision of the Company responsible for coordinating the risk management system must have access to information, documents of the Company necessary to perform their functional duties specified in this Policy and job descriptions of these employees.

38. In order to monitor the implementation of decisions of the Management Board of the Company, the Secretary of the Management Board of the Company brings to the attention of the structural unit responsible for coordinating the risk management system, the decisions of the Management Board of the Company within the framework of issues related to the management of the risks of the Company.

39. Risk managers have the right to inform the Board of Directors of the Company about any significant cases that could cause damage and (or) significantly affect the activities of the Company, or are illegal.

40. The Company's executives and heads of structural subdivisions are responsible for timely and complete communication to the attention of the structural subdivision responsible for coordinating the risk management system of all necessary information related to the risk assessment.

41. Managers must meet the following qualification requirements:

- 1) higher education corresponding to the field of activity of the Company;
- 2) experience in managerial positions for at least 5 years;
- 3) the presence of positive achievements and impeccable business reputation in the business and/or industry environment necessary to fulfill the duties and organize the efficient operation of the Company;
- 4) knowledge of the legislative and other regulatory legal acts of the Republic of Kazakhstan that regulate the activities of the Company, as well as issues of combatting the legalization of illegally obtained income and the financing of terrorism.

42. The risk manager must meet the following qualification requirements:

- 1) higher economic or financial education;
- 2) work experience in the field of activity for at least three years;
- 3) skills in working with a personal computer, specialized programs, information and reference software;
- 4) knowledge of insurance activities, financial analysis, risk assessment methods;
- 5) knowledge of legislative and other regulatory legal acts of the Republic of Kazakhstan that regulate the activities of the Company, as well as issues of combatting the legalization of illegally obtained income and the financing of terrorism.

43. The Underwriting Council in the risk management process performs the following main functions:

- 1) adoption of underwriting decisions within the limits established by the Board of Directors;
- 2) control over the adequate assessment of the accepted risks;
- 3) ensuring the adequate insurance rate for the object and risks accepted for insurance;
- 4) determination of the terms of insurance coverage for risks accepted for insurance;
- 5) ensuring increase in the positive difference (taking into account the probabilistic criteria for the occurrence of insured events) between the net premiums received and the insurance



payments made under insurance (reinsurance) contracts concluded within a certain period of time. Net premium - the amount of money estimated by the Actuary on the basis of actuarial methods, which is payable to the Company for the assumption of obligations solely for the implementation of insurance payments without covering other expenses of the Company;

6) determination of the list of basic and additional conditions included in the insurance (reinsurance) contract.

44. The Assets and Liabilities Management Council of the Company (hereinafter referred to as the Council) performs the following functions in the process of risk management:

1) consideration and provision of recommendations on internal documents regulating the management of assets and liabilities of the Company;

2) making investment decisions;

3) making a decision on the return/cancellation of previously received insurance premiums;

4) decision-making on the implementation of insurance payments, within the limits approved by the Board of Directors of the Company;

5) consideration of reports on compliance by the Company with the limit for counterparty banks/counterparties, determined by the Regulations for the management of financial assets and liabilities of the Company and the recommended limits by the Holding;

6) preliminary adoption of decisions on changing the limit for counterparty banks/counterparties, determined by the Regulations for the management of financial assets and liabilities of the Company and/or recommended by the Holding;

7) consideration and provision of recommendations in terms of loans, financial assistance and guarantees issued by the Holding/subsidiaries to the Company, as well as on loan financing of the Company, within the framework of the current internal documents of the Company and the Holding;

8) quarterly review (of the following reports/analyses):

8.1 macroeconomic analysis according to the degree of attractiveness of investment markets depending on the current geopolitical situation, investment currency, sector of the economy;

8.2 analysis of issuers and financial instruments issued (provided) by them, including analysis of the financial condition of the issuer, the potential for further growth in the value of its assets, the ability to meet obligations assumed, the risks associated with investing in financial instruments of this issuer;

8.3 analysis of the investment portfolio, including information on the structure of the portfolio, the dynamics of changes in profitability, analysis of unprofitable positions and recommendations for optimizing the structure of the portfolio;

8.4 predictive analysis of the receipt of insurance premiums and the implementation of insurance payments for the next 12 (twelve) calendar months, as well as the structure of the organization's obligations by the timing of their occurrence;

8.5 gap analysis, which includes a review of limits on cash gap positions, taking into account changes in the ability to mobilize liquid assets, including monitoring the ability to generate liquid assets necessary to repay liabilities;

8.6 analysis of the financial condition of reinsurers with whom reinsurance agreements have been concluded;

8.7 analysis of payments received from reinsurers over the past 5 (five) years and assessment of the feasibility of reinsurance of insurance risks;

8.8 reviewing the adequacy of own retention limits set by the Actuary;

8.9 report on the activities of the Council;

9) consideration of the analysis of the financial condition of counterparty banks (with the frequency established by the decision of the Council);

10) determination of the list of financial instruments for which "stop-loss" and "take-profit" limits are set.

11) consideration of the opinion on exposure to credit, interest and currency risks of the investment portfolio;

12) annual review of the Council's report on the results of operations (transactions) performed to invest the Company's assets;

13) making a decision on the choice of a broker/dealer/custodian, in accordance with the internal regulatory documents of the Company;

14) making decisions on other issues related to the management of assets and liabilities of the Company that do not contradict the legislation of the Republic of Kazakhstan, the Charter of the Company and internal regulatory documents of the Company/Holding.

45. The Internal Audit Service of the Company in the process of risk management performs the following main functions:

1) audit and analysis of the effectiveness of risk management procedures and risk assessment methodology, as well as the development of proposals to improve the effectiveness of risk management procedures;

2) assessing the adequacy and effectiveness of internal control systems for all aspects of the Company's activities, providing timely and reliable information on the state of performance of assigned functions and tasks by units, as well as providing effective and efficient recommendations for improving work;

3) solution of problems arising from the implementation of functions by the Board of Directors to ensure the availability and functioning of the adequate internal control system by providing the objective assessment of the state of the internal control system and recommendations for their improvement;

4) submission of the report on the risk management system for the Board of Directors of the Company;

5) other functions in accordance with the approved regulatory documents.

46. One of the important elements in the structure of the risk management system are the structural divisions of the Company in the person of each employee and other employees who are not included in the structural divisions. Structural divisions and other employees outside the structural divisions must understand that they play a key role in the risk management process. The Company's employees work with risks on a daily basis, manage them and monitor their potential impact in the area of their functional duties. Structural divisions and other employees of the Company that are not included in the structural divisions are responsible for the implementation of the risk management action plan, must promptly identify and inform about significant risks in their field of activity and make proposals for the risk management to be included in the action plan.

47. The regulations on structural divisions and job descriptions of the heads of structural divisions, as well as employees who are not part of the structural divisions of the Company should reflect the functional responsibilities for managing risks associated with business processes and tasks of these divisions and employees, as well as their decisions.

48. The main functions of structural divisions, as well as employees not included in the structural divisions of the Company in the process of risk management, are:

1) identification of risks on a regular basis;

2) participation in the development of methodological and regulatory documentation within their competence;

3) implementation of approved risk response measures;

4) assistance to the development of risk communication.

49. Employees of all structural divisions (also employees who are not part of the structural divisions of the Company) at least once a year undergo training and improve their skills

(training courses, seminars, etc.).

50. The structure of risk management in the Company ensures an adequate flow of information - both vertically and horizontally. At the same time, the information coming from the bottom-up provides the Board of Directors and the Management Board of the Company with information on: current activities; on the risks taken in the course of activities, their assessment, control, response methods and the level of their management. Information sent from top to bottom ensures that goals, strategies and tasks are communicated through the approval of internal documents, regulations and instructions. Horizontal transmission of information implies the interaction of structural divisions and other employees of the Company and the interaction of structural divisions responsible for coordinating the risk management system of the Company and the Holding.

### **§3.2 Goals setting**

51. The Company is exposed to risks from external and internal sources, and the main condition for effective identification, assessment and development of risk management methods is the setting of goals. The goals of the Company's activities are determined by the Company's Development Strategy and establish the basis for developing operational goals.

52. The goals and objectives of the Company must comply with the mission of the Company and are consistent with the risk appetite of the Company. Goals are defined before identifying potential risks that may negatively affect their achievement.

53. Risk appetite is aimed at integrating risk factors into the Company's management processes. Risk appetite reflects the acceptable levels of risk by the Company's stakeholders, including shareholders, customers, the public, regulators and investors.

54. The level of risk acceptable by the Company should be reflected in the risk appetite structure, which includes, but is not limited to such components as efficiency, profitability and liquidity.

55. Annually, after preliminary consideration by the Management Board of the Company, the Board of Directors of the Company reviews and approves the risk appetite in order to ensure its compliance with the Company's strategy, business environment and stakeholder requirements in accordance with Attachment 1 to the Policy.

56. Risk appetite is also an integral part of the strategic planning and budgeting of the Company. The risk appetite components are transformed into the Company's operating activities through limits and targets that are mandatory.

57. Limits are risk appetite parameters that the Company must not exceed. Another definition of limits is risk tolerance, that is, this is the level of risks that the Company is able to accept without significant damage to its activities, in other words, the Company should not accept risks greater than its tolerance level.

58. At the same time, target levels can be set to determine the optimal level of risk that the Company should achieve.

59. When creating the risk appetite, all available information, both quantitative and qualitative, should be used in order to determine the optimal risk profile of the Company.

60. The main components of risk appetite, covering most aspects of risk management, are determined based on the characteristics of the Company's activities.

61. The components for determining the risk of appetite are, among other things:

- efficiency;
- capital adequacy;
- profitability;
- liquidity.

62. The "Efficiency" risk appetite component is an important component of the Company,



due to the Company's need to maintain a balance between the Company's insurance premiums and insurance payments.

63. Capital adequacy is an important component in view of the need to maintain an overall balance between available capital and the risk profile of the Company, to meet the requirements of regulatory authorities (if any).

64. Profitability is an important component due to the need for the Company to achieve its strategic goals, taking into account, at a minimum, the break-even of its activities.

65. Liquidity is an important component due to the need to ensure the timely and full performance of its obligations.

66. The limit for each of the components used is determined based on the principles of risk aversion and risk preference:

The principle of not accepting an unmanageable level of risk contributes to determining the amount of risk that the Company is ready to take on, expressed in the versatility (volatility) of the Company's profit and loss;

the principle of risk preference helps to determine the level and type of risks that the Company is willing to take on in order to achieve strategic goals.

67. In their activities, the structural divisions of the Company and employees must be guided by the principle of not accepting an unmanageable level of risk, while taking into account the risks in their activities in the implementation of the main operations and functional tasks of one or another structural division of the Company.

68. Each component may include different metrics to help evaluate the components under consideration.

69. The risks of the Company in the creation of the Development Strategy and setting goals can be reduced by:

- 1) accounting for strategic and program documents of the Republic of Kazakhstan;
- 2) analysis of the external and internal environment;
- 3) determining the risk of appetite;
- 4) discussion and approval of the Development Strategy with the Holding, structural divisions and other employees of the Company, working groups;
- 5) setting target indicators for monitoring the effectiveness of the Company's activities and supporting the achievement of strategic goals.

70. Control is carried out within the framework of the general control of the process of determining and assessing risks and is provided by the internal audit service of the Company.

### **§3.3 Risk Identification**

71. Risk identification is the determination of the Company's exposure to risks, the occurrence of which may negatively affect the ability to achieve the planned goals and implement the tasks set.

72. The Company's corporate risk management system is aimed at identifying a wide range of risks and considering them as a whole, which contributes to reflecting a holistic picture of existing risks and improves the quality of the risk analysis.

73. In accordance with the best international risk management practice, the Company regularly (including when implementing internal documents, when making corporate decisions, as part of the functional tasks of all employees and as part of the management reporting system) identifies risks with the participation of employees of all structural divisions, as well as employees outside the structural divisions in order to identify the maximum range of risks, increase awareness of the surrounding risks and stimulate the development of the risk culture of the organization.

74. A combination of various methodologies and tools is used to identify risks, such as risk identification based on strategic goals and objectives, expert analysis (including SWOT analysis,

scenario analysis, industry and international comparisons), business process analysis, interviews and questionnaires, a database of potential and realized risks, key risk indicators, statistical methods, seminars, discussions and other tools described in more detail in the Company's internal documents governing the identification and assessment of the Company's risks.

75. Identified events and risks are systematized in the form of a risk register. The Company's risk register is a list of risks faced by the Company in its activities, which also includes the possible consequences of risk realization. For each risk, risk owners are identified, i.e. subdivisions (also employees not included in structural subdivisions) that deal with this risk due to their functional duties. The risk register is supplemented by structural subdivisions and employees of the Company on an ongoing basis as new risks are identified. Structural divisions and employees not included in structural divisions are responsible for providing information to fill in the Company's risk register.

76. Systematization of identified risks allows:

1) to achieve consistency in the classification and quantitative assessment of risks, which allows you to improve the comparison of the risk profile (by business processes, structural units, projects, etc.);

2) to provide a platform for building more complex tools for quantitative risk assessment technologies;

3) to provide an opportunity for coordinated management and control of risks in the Company.

77. Risks in the register are classified into categories (for example, strategic risks, credit risk, market risks, liquidity risk, operational risks and others). The division of categories into areas is different for each organization, depending on the scope of its activities. The classification of risks into categories has a purely navigational function.

### **§3.4 Risks assessment**

78. Risk identification and assessment aims to provide an overview of existing risks and their magnitudes by performing a basic ranking to determine the most “weak” places. This process allows an assessment of the methods and procedures used to manage the main risks.

79. An assessment of the probability of occurrence and the possible impact of risks allows developing an understanding of risks, provides the necessary informative basis for making decisions on the need to manage a particular risk, as well as the most appropriate and cost-effective strategies for its reduction.

80. For risks systematized in the risk register, the risk assessment process is carried out in order to identify the most significant (critical) risks that may negatively affect the Company's activities and the achievement of strategic goals and objectives. These risks must be brought to the attention of the Board of Directors, which must make decisions about the management and control of these risks.

81. Within the framework of the assessment and analysis of risks, the Company uses qualitative, quantitative analyses or a combination of them, which create a methodological basis for the risk management process.

82. Risk assessment includes consideration of the sources and causes of each risk, the negative consequences of their occurrence, and the likelihood that a particular event will occur.

83. Initially, risk assessment is carried out on a qualitative basis, then for the most significant risks, a quantitative assessment can be carried out. Risks that cannot be quantified, there is no reliable statistical information for their modeling, or the construction of such models is not cost-effective, they are evaluated only on a qualitative basis.

84. All identified and assessed risks, which are systematized in the risk register, are reflected in the risk map. The risk map allows you to evaluate the relative importance of each risk

(compared to other risks), as well as highlight the risks that are critical and require the development of measures to manage them.

85. Identification and assessment of the risks of the Company in the complex is carried out in accordance with the relevant internal documents of the Company.

*Paragraph 86 is set out in the wording in accordance with the decision of the Board of Directors of the Company dated February 27, 2023 (Minutes No. 2)*

86. The company evaluates individual risks using various quantitative methods such as VAR, gap analysis, historical simulation method, stress testing, key risk indicators (KRI) and so on.

Also, stress testing for the risks of the Company is carried out by the Company on a quarterly basis in accordance with the Rules for the formation of a risk management and internal control system for insurance (reinsurance) companies, branches of insurance (reinsurance) companies-non-residents of the Republic of Kazakhstan "approved by the Resolution of the Board of the National Bank of the Republic, Kazakhstan dated August 27 2018 No. 198, the Company, based on the financial and other statements of the Company's organization, as of the reporting date, carries out stress testing for the risks. The results of stress testing are submitted to the authorized body no later than the fifteenth working day of the month following the reporting quarter. The risk stress testing is accompanied by an opinion of the head of the structural unit responsible for coordinating the risk management system, which contains an analysis of the organization's exposure to risks and the identification of risks that affect the organization's financial position to a greater extent.

### **§3.5 Internal criteria for assessment of risk management system effectiveness**

87. Evaluation of the effectiveness of the risk management system is carried out by the Internal Audit Service. The following indicators can be recognized as criteria for the effectiveness of the risk management system:

- 1) organization of risk management processes;
- 2) identification of risks;
- 3) risk assessment;
- 4) risk management;
- 5) monitoring.

### **§3.6 Risk management**

88. The Company determines risk response methods and develops a risk management plan that is consistent with the Company's risk appetite.

89. Risk management is the process of developing and implementing measures to reduce the negative effect and the likelihood of losses or receive financial compensation in the event of losses associated with the risks of the Company's activities. To ensure the efficiency of the process and reduce the costs of its implementation, the Company must focus on the risks that may have the most significant impact on its financial condition and the achievement of goals and objectives.

90. The choice of risk response methods and the development of a risk management action plan to ensure an acceptable level of residual risk includes the following options:

1) reduction and control of risks - impact on risk by using preventive measures and planning actions in case of risk realization, which includes changing the degree of probability of risk implementation downward and changing the causes of occurrence or consequences from risk realization in order to reduce the level of possible losses;

2) retention/acceptance of risk, which implies that its level is acceptable for the Company, and the Company accepts the possibility of its development, it is also possible to accept residual

risk after taking measures to minimize it;

3) risk financing - transfer/sharing of risk or partial transfer of risk to another party, including the use of various mechanisms (conclusion of contracts, insurance agreements, determination of the structure) that allow the division of responsibilities and obligations;

4) avoidance (evasion) of risk/avoidance of risk by making a decision against continuing or taking an action that is the source of the risk.

91. Risk mitigation and control includes activities aimed at:

1) prevention of losses - reduction of the probability of a certain risk (loss);

2) loss control - reducing the amount of loss in the event of a risk;

3) diversification - the distribution of risk in order to reduce its potential impact.

92. Risk mitigation and control methods involve the introduction of procedures and processes in the Company aimed at reducing the possibility of losses.

93. Methods for reducing and controlling the financial risks of the Company include setting limits on the level of accepted risk, in accordance with the internal documents of the Company that regulate the procedure for setting and calculating limits by types of risks.

94. Methods for reducing and controlling the legal risks of the Company are the monitoring of changes in legislation by the structural unit of the Company responsible for legal support, which, together with the interested structural units, assesses the impact of changes on the activities of the Company and develops the measures necessary for their adoption. Any document that regulates the internal procedures of the Company or in accordance with which the Company has obligations must undergo a mandatory examination.

95. Reduction and control of the strategic risk of the Company is carried out by monitoring the implementation of approved short-term and long-term plans and strategies, based on the results of which corrective measures are taken, including to reflect changes in the internal and external environment.

96. Reduction and control of operational risks in the Company is carried out by analyzing established business processes and developing appropriate action plans for their improvement in accordance with the documents governing the management of operational risks of the Company.

97. In the event that the methods used to reduce and control risks are associated with company costs, and these costs are significant, the following analysis is carried out:

1) to what extent these measures are necessary, and whether they can be reduced by retaining and/or financing (transferring) risks;

2) what is the opportunity cost of the costs of activities compared to the cost of holding/transferring risks.

98. Risk retention. In the course of identifying and assessing key risks, the Company's risk appetite is calculated, which reflects the acceptable level of risk. At the same time, risk tolerance is determined, meaning, this is the level of risks that the Company is able to accept without significant damage to its activities.

99. Financing (transfer) of risks includes the following instruments:

1) insurance (for "pure" risks - risks, the occurrence of which entails only losses and cannot lead to income);

2) hedging (for "speculative" risks - risks, the implementation of which can lead to both losses and income);

3) transfer of risk under the contract (transfer of responsibility for the risk to the counterparty for additional remuneration or a corresponding increase in the value of the contract);

4) conditional credit line - access to bank financing on agreed terms upon the occurrence of certain events;

5) other alternative methods of risk financing.

100. The main distinguishing feature of these instruments is the presence of a "payment" for the risk, which, accordingly, requires the optimal use of this instrument in order to reduce the Company's expenses.

101. Risk avoidance/risk avoidance includes actions aimed at stopping or refusing to carry out transactions that will potentially lead to negative consequences for the Company.

102. The choice of the most appropriate option is made taking into account the balancing of the costs associated with a certain method, with the benefits that its use entails, and other direct and indirect costs.

103. The application of appropriate measures and methods for responding to risks is described in the risk management action plan. This plan includes a list of necessary actions and responsible executors.

104. The main financial principles of all treasury operations conducted by the Company are, in order of priority:

1) safety (safety of funds) - implies, among other things, compliance with the Company's internal documents on risk management related to the money management process;

2) liquidity (the ability to convert assets to cash in the shortest possible time);

3) profitability (the highest income that can be obtained subject to the principles of security and liquidity defined by this Policy).

105. The principles of safety and liquidity take precedence over the principle of profitability.

106. In order to ensure a high level of financial investment security, the Company forms portfolios of temporarily free liquidity according to the criteria for minimizing the level of investment risk, while the Company can form both short-term and long-term free liquidity portfolios.

107. Allocation of funds is carried out in compliance with the established limits and restrictions in accordance with the internal documents of the Company, approved by the authorized body of the Company.

108. Limitation of accepted risks and establishment of restrictions on transactions (operations) is carried out by the Board of Directors of the Company. When limiting, the following parameters are determined:

1) the indicator for which the limit is set;

2) the method of calculating the indicator for which the limit is set;

3) limit (maximum, minimum) value of the indicator.

109. Control over compliance with limits on the placement of funds is carried out by a structural unit or a person carrying out treasury operations and a structural unit responsible for coordinating the risk management system. The structural subdivision responsible for coordinating the risk management system provides the Holding with monthly reports on compliance with the maximum limits when allocating funds.

*Paragraph 110 is set out in the wording in accordance with the decision of the Board of Directors of the Company dated March 11, 2022 (Minutes No. 2)*

110. Control over the implementation of the established limits on insurance activities is carried out by the structural unit responsible for coordinating the risk management system. The structural units initiating the transaction/operation are responsible for compliance with the established limits on insurance/reinsurance activities. The structural unit responsible for underwriting is responsible for compliance with the limits of liability (insurance amounts) under insurance contracts within the established limits for the structural unit responsible for underwriting.

111. If the Company exceeds the established limits within the framework of the allocation of funds, measures are taken in accordance with the internal regulatory documents of the Company that regulate the procedure for allocation and management of funds.



112. If the Company exceeds the established limits within the framework of insurance activities, the structural unit responsible for coordinating the risk management system submits this issue for consideration by the meeting of the Management Board of the Company, where a decision is made on further actions to resolve the excess of the established limits.

113. In order to diversify financial risks when placing free liquidity (temporarily free cash) on accounts in second-tier banks, the amount of deposits and current or correspondent accounts in each of them should not exceed 30 (thirty) percent of the total volume of free liquidity (temporarily free cash). This requirement does not apply when allocating funds within the Holding group or in the National Bank of the Republic of Kazakhstan.

114. In order to ensure operational funding of the Holding and the Company, it is possible to redistribute financial resources by providing financing and issuing guarantees between the Holding and the Company. The specified financing and provision of guarantees is carried out without establishing limits and restrictions, unless otherwise provided by the legislation of the Republic of Kazakhstan, the charters of the Holding and the Company.

115. Speculative operations with foreign currency, i.e. transactions with foreign currency that are not related to financial and economic/core activities are strictly prohibited.

116. In order to minimize currency risks, the Company may consider the possibility of hedging by concluding transactions with derivative financial instruments and submit this issue for consideration by the authorized body.

117. In order to effectively manage the obligations of the Company, the responsible divisions of the Company carry out the following monitoring:

1) monitoring and analysis of types of borrowings, in order to determine the liquidity of the volumes of temporarily unused borrowed funds and the possibility of using liquid instruments to provide a funding base;

2) monitoring the current state of assets and liabilities, other indicators in order to determine the liquidity risk, as well as interest, currency and other risks.

118. In order to minimize compliance risks when establishing business relations with affiliates and persons associated with the Company by special relations, in the manner prescribed by internal documents, registers of affiliated persons and persons associated with the Company by special relations are formed in accordance with the internal documents of the Company.

119. The Company does not finance and provide guarantees to individuals and legal entities, unless otherwise provided by the legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Government of the Republic of Kazakhstan, with the exception of financing the Company and providing guarantees for the obligations of the Company.

### **§3.7 Control actions**

120. After identifying the key risks and risk management activities, the main business processes exposed to these risks are identified. A stepwise analysis of business processes is carried out to determine whether it is appropriate to include appropriate control activities. In addition, an analysis of the planned risk management activities is carried out, control actions and (or) indicators necessary to ensure the effective implementation of such activities are determined. Often, control actions are a risk management technique by themselves.

121. Control activities are policies and procedures that help ensure that risk management measures are implemented. Control actions are included in business processes at all levels of the Company. Control activities include a wide range of measures such as approval,

authorization, verification, reconciliation, transaction analysis, asset security and distribution of duties.

122. Responsibility for analyzing business processes and determining the need for and expediency of introducing additional control actions is borne by risk owners - heads of the relevant structural divisions of the Company, employees not included in structural divisions. The structural unit responsible for coordinating the risk management system provides methodological support to the owners and participants of business processes in the development and implementation of control procedures.

123. The results of risk identification and assessment are submitted to the Management Board and the Board of Directors of the Company, as well as to the relevant committees, in the form of a risk report, which includes information on critical risks, the action plan for the risk management, proposals for improving existing measures.

124. On the basis of regular reporting on risks, the Company controls current risks and the implementation of measures to respond to risks.

125. Employees and officials of the Company have the right to report confidentially to the Audit Committee of the Board of Directors or to the Board of Directors of the Company about violation or incorrect implementation of management or internal control procedures, or other policies, as well as cases of fraud, violation of the law.

### **§3.8 Information and Communication**

126. In the process of implementation of each component of the risk management system, information is exchanged between the structural divisions of the Company. All materials and documents prepared within the framework of the risk management system are coordinated with the interested structural units, which make their comments and suggestions. The following are submitted to the Board of Directors for consideration at least once a year: proposals on the Company's risk appetite, analysis of key risks and an action plan for risk management.

127. Information and communication in the Company make it possible to provide participants in the risk management process with reliable and timely information about risks, increase the level of awareness of risks, methods and tools for responding to risks. Relevant information is determined, recorded and provided in a form and at a time that allows employees to effectively perform their functions.

128. Structural divisions of the Company, as well as employees not included in structural divisions, constantly monitor and inform the structural division responsible for coordinating the risk management system about the losses that have occurred. For each such case, an analysis of the causes of losses is carried out and measures are taken to prevent similar incidents in the future (database on realized and potential risks).

129. The Company communicates information on risk management to partners, creditors, external auditors, rating agencies and other interested parties (including as part of the annual report), while ensuring that the level of detail of the disclosed information corresponds to the nature and scope of the Company's activities. The annual report discloses the degree of materiality for key risks, measures aimed at managing and minimizing key risks.

### **§3.9 Monitoring**

130. The Company monitors the effectiveness of the risk management system (including existing management methods and risk controls) and, if necessary, modifies and improves it.

Monitoring is carried out on a regular basis at least once a year.

131. The Company monitors and controls its risks in accordance with the main principles, policies, rules and regulations established by the Board of Directors of the Company.

132. Monitoring is carried out by constantly monitoring the implementation of policies, procedures and activities of the risk management system and targeted audits. The scope and frequency of targeted inspections depend on risk assessment and the effectiveness of ongoing monitoring. Shortcomings of the risk management system should be brought to the attention of the Board of Directors and the Management Board of the Company.

133. After the Board of Directors of the Company approves action plans for risk management, the structural unit responsible for coordinating the risk management system exercises control over the implementation of measures in accordance with the deadlines for the implementation of each event.

134. The delegation of responsibility and duties between the Internal Audit Service and the Executive Body within the structure of the Company is based on the principles of corporate governance in order to monitor and control the main risks associated with the Company's activities.

135. The work of the Management Board and structural subdivisions of the Company is checked by the Internal Audit Service of the Company.

136. The risk report should contain at least the following:

1) a risk register (identified risks; risks that may arise in the course of conducting current activities), a risk map and an action plan for the risk management;

2) information on the implementation of the action plan for risk management (the ongoing work to minimize the exclusion of risks);

3) information on key risk indicators that may have a significant impact on the risk portfolio;

4) information on realized risks;

5) action plan to minimize risks;

6) information on significant deviations from the established risk management processes (if any);

7) information on non-compliance with financial risk limits approved by the Company (if any);

8) information on compliance with regulatory requirements in the field of risk management (if any);

9) report on financial risks in accordance with the rules for managing certain types of financial risks, approved by the authorized bodies of the Company;

10) risk appetite for the forecast year (once a year), adjusted risk appetite quarterly (if necessary);

11) a brief analysis of financial indicators for the reporting period;

12) the adequacy and effectiveness of the risk management system.

137. Internal audit of the risk management system and verification of the implementation of plans to eliminate deficiencies in the risk management and internal control system is carried out in accordance with the Internal Audit Plan approved by the Board of Directors of the Company. Internal audit is carried out in accordance with the regulatory documents governing the process of internal audit.

## Chapter 4. Final Clauses

138. Changes and additions to this Policy are made in the manner prescribed by the internal regulatory documents of the Company.

139. Issues not regulated in this Policy are regulated by the legislation of the Republic of



Kazakhstan, including the regulatory legal acts of the authorized body for the regulation and supervision of the financial market and financial organizations, the Charter and other internal documents of the Company.

**Attachment 1**  
To the Risk Management Policy  
of the EIC «KazakhExport» JSC

**Form of the Risk Appetite**

Component	Metric	Limit	Target Level
Component 1	Metric 1		
	...		
	Metric N		
...	Metric 1		
	...		
	Metric N		
Component N	Metric 1		
	...		
	Metric N		

### Approval List

**On Project:** Risk Management Policy of the «EIC «KazakhExport» JSC

**Developer:** Department of the Risk Management

**IG Owner:** Department of the Risk Management

Position Title	Surname, Name, Middle name (if available)	Signature	Signing Date
Deputy Chairman of the Management Board	Bektybayeva A.E.		
Director of Legal Department	Nurmukhambetov S.K.		
Head of Compliance Service	Kabsamatov K.A.		
Department of business analysis	Battalova AZh.		
Director of Treasury Department	Mukhazhanov A.B.		

Director of the Risk Management Department \_\_\_\_\_/Shabarbayeva L.G.  
(signature)

Done by: Manasova Zh.A. (ext.177).

