

Appendix No. 2  
to the decision of the Board of Directors  
ESC KazakhExport JSC  
dated November 20, 2019 No. 10

"Approved"  
by decision of the Board of Directors  
ESC KazakhExport JSC  
Protocol dated November 20, 2019 (Protocol No. 10)

**Policy on the internal control system of the  
Export Credit Agency of Kazakhstan Joint Stock Company**  
*as amended and supplemented by No. 1, approved by the decision of the Board of  
Directors of KazakhExport ESC JSC dated April 28, 2020 (Minutes No. 4)*  
*as amended by No. 2 approved by the decision of the Board of the Export Credit  
Agency of Kazakhstan JSC dated August 09, 2024 (Protocol No. 14)*

## SUMMARY OF GNI

Name of the IRD	Policy on the Internal Control System of <b>Export Credit Agency of Kazakhstan JSC</b>
Owner of the IRD	Risk Management Department
Access level	Publicly available
Activities aimed at familiarizing structural units with the IRD	E-mail distribution within one business day from the date of posting the IRD on the Internal Portal network drive
Changes and additions made:	
In accordance with the decision of the Board of Directors of <b>Export Credit Agency of Kazakhstan JSC</b> , amendments and additions have been made.	1) dated April 28, 2019, No. 4

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## Chapter 1. General provisions

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 1 is set out in a new wording.*

1. This Policy on the Internal Control System (hereinafter referred to as the Policy) is an internal document of the Export Credit Agency of Kazakhstan JSC (hereinafter referred to as the Company) and has been developed in accordance with the Company's Charter, the Rules for the Formation of a risk management and Internal Control system, as well as the formation of reserves and actuarial calculations for the Export Credit Agency of Kazakhstan approved by the Order of the Minister of Trade and Integration of the Republic of Kazakhstan dated March 29, 2024 No.160-HK, the Company's Corporate Governance Code, the Company's Code of Business Ethics, the Methodology for Determining Business Processes, Inherent Risks and Key Risk Indicators in the Company and/or other internal documents of the Company and the COSO model (Committee of Sponsorship Organizations of the Treadway Commission).

2. The Policy defines the concept, goals and objectives of the internal control system (hereinafter referred to as the internal control system), the principles of its functioning, the key areas and main components of the internal control system, the competencies and responsibilities of internal control participants in the implementation of internal control procedures and assessment of the internal control system of the Company.

3. This Policy applies to all types of the Company's activities. The Policy is mandatory for review and application by all structural divisions and all employees of the Company.

4. Concepts, definitions, abbreviations used in this Policy:

1) **A business process is** a system of consistent, interrelated, purposeful and regulated subprocesses of a Company's activities aimed at achieving a certain set result;

2) **The owner of a business process is** a structural subdivision of the Company, which, due to its functional tasks, is or may be a potential source of material and (or) immaterial losses in the course of its activities, and also has the capabilities to identify, analyze and control exposure to events that are sources of exposure to various types of risk;

3) **RMD is** a structural unit of the Company responsible for risk management and internal control in the Company;

4) **officials** – members of the Board of Directors and the Management Board of the Company;

5) **sole shareholder** – Baiterek National Managing Holding JSC;

6) **Risk identification** is the process of finding, compiling, and describing risk elements;

7) **Audit Committee** – the Audit Committee of the Board of Directors of the Company;

8) **control** – any actions of the participants of the Internal Control System and other parties to manage risks to increase the likelihood of achieving the goals and objectives of the Company;

9) **control procedures (internal control procedures) are** a set of actions and measures aimed at eliminating (reducing) the likelihood of risks and improving the internal control system of the Company. Control procedures are an integral part of the Company's business processes;

10) **control environment** – the general attitude of the Sole Shareholder of the Company. The Board of Directors and the Management Board of the Company, the need to create and ensure the functioning of the Internal Control System in the Company, the understanding of the importance of such a system by the Company's employees and the actions taken in this regard;

11) **COSO model** – an Integrated Framework (an integrated internal control model developed by the Committee of Sponsoring Organizations of the Treadway Commission);

12) **organizational structure** – a set of bodies/structural divisions of the Company and their interrelations, within which management tasks are distributed among them, the powers and responsibilities of managers and officials are determined;

13) **subprocess** – an integral part of a business process, representing an individual step (stage, stage), on the basis of which the entire business process is formed;

14) **reasonable assurance** – an approach according to which internal control can provide only reasonable guarantees for achieving the Company's goals, but cannot provide an absolute

guarantee due to inherent limitations of the internal environment (for example, the human factor, the use of the principle of expediency of implementing control procedures, etc.);

**15) risk** – the possibility of circumstances causing uncertainty or impossibility of obtaining the expected results of the Company's activities, incurring expenses (losses);

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 4 (16) of paragraph 1 is set out in a new wording.*

**16) internal control system** – a set of control procedures, measures and techniques that ensure:

proper and effective management of the Company's financial and economic activities;

**compliance with the requirements of the legislation of the Republic of Kazakhstan regulating the Company's activities, on joint-stock companies, on the securities market, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism;**

effective division of responsibility;

timely and proper fulfillment by the Company's employees of the requirements of internal documents;

ensuring the safety of property;

prevention and detection of fraud and management errors;

timeliness of preparation, reliability and completeness of financial statements and other management reports;

**17) IAS – Internal Audit Service of the Company;**

**18) testing (effectiveness assessment) of a control procedure** – a check of the adequacy of the organization and the actual execution of a control procedure to prevent, limit and prevent the risk it is aimed at, carried out by evaluating the effectiveness of the design and evaluating the operational effectiveness of the control procedure;

**19) participants of the Internal Control System** – the Board of Directors, committees of the Board of Directors, the Management Board, the IAS, committees of the Management Board, structural divisions of the Company, as well as officials and employees of the Company responsible for the implementation of control procedures assigned to them by internal documents of the Company.

## **Chapter 2. The concept, goals, objectives and principles of the internal control system**

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), subclause 3) of clause 5 is set out in a new wording.*

5. The internal control system in the Company is created for the purposes of ensuring:

1) operational and financial efficiency of the Company's activities, which involves checking the effectiveness and profitability of managing the Company's assets and liabilities and determining the probability of losses;

2) reliability, completeness and timeliness of financial and management reports, which involves checking the preparation of reliable and high-quality financial statements and other financial documents used by the Company in decision-making;

**3) compliance with the requirements of the legislation of the Republic of Kazakhstan regulating the Company's activities, on joint-stock companies, on the securities market, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, and internal documents of the Company.**

6. Internal control is aimed at ensuring reasonable confidence in the Company's achievement of strategic and operational goals and is implemented by organizing an internal control system in the Company, the main objectives of which are:

1) improving operational efficiency;

2) ensuring the safety of assets and efficient use of resources;

3) ensuring the completeness, reliability and reliability of financial and management reports;

4) compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents;

5) reducing the likelihood of risks and the amount of possible losses (including losses, credit rating reduction, etc.);

6) monitoring the effective functioning of the main and auxiliary business processes and analyzing the results of activities;

7) assistance in building an optimal organizational structure, etc.

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 3) of paragraph 7 is set out in a new wording.*

7. The Internal Control System is a system of organizations, policies, procedures and methods adopted by the Company for:

1) ensuring the effectiveness of the Company's activities, including the effectiveness of insurance risk management, assets and liabilities, ensuring the safety of assets;

2) ensuring the completeness, reliability and timeliness of financial, regulatory and other reporting for internal and external users, as well as information security;

3) ensuring compliance by the Company with the legislation of the Republic of Kazakhstan regulating the Company's activities, on joint-stock companies, on the securities market, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, and internal documents of the Company;

4) preventing the involvement of the Company and its employees in illegal activities, including fraud, errors, inaccuracies, deception, legalization (laundering) of proceeds from crime, and financing of terrorism.

8. The Company's Internal Control system is an integral part of risk management and corporate governance systems and covers all levels of management, all internal processes and operations of the Company.

9. The organization of the Internal Control System provides for the construction by the Company of a management system capable of quickly responding to risks, exercising control over the main and auxiliary business processes and daily operations of the Company, as well as immediately informing the participants of the internal control System of the appropriate level about any significant shortcomings and areas for improvement.

10. Reliable and effective functioning of the Internal Control System requires the involvement and constant interaction within the framework of internal control of officials and employees at all levels of the Company.

11. The internal control system in the Company is based on the following principles:

1) **Integrity:** The Internal Control System is an integral component of the Company's management system at all its levels;

2) **complexity:** The Internal Control System covers all areas of the Company's activities, control procedures are carried out in all business processes of the Company at all levels of the management system;

3) **continuity of operation:** continuous and proper functioning of the internal control system, which allows timely prevention and detection of any deviations from the planned data;

4) **Responsibility:** all participants in the Internal Control System are responsible for the proper execution of control procedures within the scope of their powers, as set out in the Company's internal documents;

5) **Division of responsibilities** – The Company is guided by the principle of indivisibility of responsibility (responsibility for the execution of each individual control procedure is assigned to only one participant in the Internal Control System) and differentiation of control functions (functions are distributed among officials and employees of the Company in such a way that the same person does not combine functions related to approving transactions with certain assets, accounting for transactions, ensuring the safety of assets and carrying out their inventory);

6) **reporting of ICS participants** – the quality and timeliness of the tasks and responsibilities of each ICS person involved is controlled by a higher ICS participant;

7) **proper approval and approval of operations** – Company strives to establish a procedure for the approval of all financial and business operations by authorized bodies and persons within their respective powers;

8) **timely transmission of reports on any significant deficiencies and weaknesses of control** – the Company should set the shortest possible time for the transmission of relevant information to bodies and/or persons authorized to make decisions on the elimination of any significant deficiencies and weaknesses of control;

9) **Continuous development and improvement** – internal control procedures should be aimed at continuously identifying deficiencies and areas for improvement in the existing internal control system, taking into account its adaptation to changes in the internal and external operating conditions of the Company and new tasks that have arisen, as well as applying appropriate corrective measures and monitoring their implementation.

12. The Policy provides for the implementation of internal control procedures by officials and participants of the Internal Control System for each key area in the context of five interdependent components.

13. All employees involved in the Company's Internal Control System are required to follow the procedures and approaches described in this Policy. The following sections of this Policy describe the general procedure for work and interaction within the framework of the Company's Internal Control System.

14. The ICS operates according to the principle of continuous alternating passage of the following three stages:

- 1) formation of the Internal Control System (taking into account the results of the effectiveness assessment) by including procedures in the Company's internal regulatory documents;
- 2) management of the Company's internal regulatory documents in its work;
- 3) conducting an assessment of the effectiveness of the internal control system.

### **Chapter 3. Organization of the internal control system**

15. The Board of Directors, together with the Management Board, ensures the creation of a control environment that expresses and demonstrates to the Company's employees the materiality, importance and necessity of internal control and compliance with ethical standards at all levels of activity.

16. The Board of Directors is responsible for organizing, monitoring and evaluating the effectiveness of the Company's internal control system using a risk-based approach.

17. The Board of Directors is taking measures to improve the Internal Control System.

18. The Audit Committee is responsible for monitoring the reliability and effectiveness of the Internal Control System and making recommendations for its further improvement.

19. The Management Board is responsible for the development and implementation of the Policy approved by the Board of Directors, its reliable functioning and monitoring of the Internal Control System.

20. **The first line of protection of internal control** is provided by the structural divisions of the Company themselves. Controls are developed by structural divisions and are an integral part of business processes. The organization, control, and monitoring of internal control is carried out by the heads of the Company's structural divisions.

The first line of defense may include the following ICS participants:

- 1) Business Process Owners:

They develop, document, implement, monitor and improve control procedures, and maintain the effective functioning of the internal control system in accordance with their official duties within the framework of the business processes entrusted to them;

identify and assess the risks inherent in the processes, develop (design) internal controls to reduce the identified risks, taking into account the assessment;

They provide information exchange with all units of the second line of defense.

2) Heads of structural divisions:

carry out continuous monitoring of the execution of orders by their employees;

They ensure the high-quality execution of controls, which are attributed to their duties through job descriptions or internal documents;

They provide information exchange with all units of the second line of defense.

21. **The second line of defense** is provided by the following ICS participants:

1) RMD:

develops a unified methodology for risk assessment (quantitative, qualitative), recommendations for responding to all types of risks, and methods for determining the acceptable level of risks (quantitative, qualitative);

It collects, consolidates, and analyzes risks (Risk Register, Risk Matrix, Risk Map);

Coordinates, identifies, and evaluates financial, credit, and operational risks;

provides information exchange with all units of the second and third line of defense;

develops ICS methodologies;

provides methodological support to the owners of business processes within the framework of the work on the Internal Control System, ensures the exchange and transfer of necessary information and carries out direct control and monitoring of compliance with the requirements established by this Policy.

2) The structural unit responsible for the legal support of the Company's activities:

identifies and evaluates legal risks in the development/modification of internal documents of the Company, organizational and administrative documents in the event of events/transactions/transactions;

advises on legal risks;

ensures the exchange of information on legal risks/controls with all departments of the second and third lines of defense.

3) The structural unit or employee responsible for information security (including IT, information, physical):

identifies and evaluates information/physical security risks, fraud risks, and information technology risks;

advises on information security and information technology risks;

ensures the exchange of information on risks/controls with all departments of the second and third lines of defense.

4) Other structural divisions of the Company and employees who perform control functions in accordance with their official duties within the framework of relevant business processes.

22. **The third line of defense** is the function of an independent confirmation by the IAS of the effectiveness of the internal control environment within the framework of an audit plan that covers both the first and second lines of defense, providing an assessment of the effectiveness of the ICS in Society as a whole and consisting of the following procedures:

1) implementation of an independent assessment of the effectiveness of the Internal Control System, as well as the formation and submission of relevant reports to the Audit Committee and the Board of Directors of the Company;

2) ensuring the development and formation of an annual audit plan in accordance with the approved internal document regulating the organization of internal audit in the Company, as well as the development of plans for testing the operational effectiveness of control procedures for identified business processes;

3) ensuring the exchange of information on risks/controls with all departments of the second line of protection.

## Chapter 4. Components of the internal control system

23. The Company's internal control system is an ongoing process consisting of five interrelated components:

- 1) control environment (management control);
- 2) identification and assessment of risks;
- 3) control and separation of powers;
- 4) information exchange and interaction;
- 5) monitoring (assessment of the effectiveness of the Internal Control System) and exclusion of violations and inconsistencies (deficiencies).

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 24 is set out in a new wording.*

24. **The proper functioning of these components is an important condition for the effective operation of the Company, the operation of information systems and compliance with the standards and limits of the Company established by the Board of Directors of the Company.**

25. The Company strives to create a control environment that allows it to provide the necessary prerequisites for the effective operation of the Internal Control System through a set of internal policies and procedures that necessarily provide for the separation of incompatible functions, allowing participants in the internal control System of the Company at all levels to make comprehensive management decisions related primarily to the use of its assets, including through a system of vision/approval of documents.

### **Paragraph 1. Control environment**

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 39 is set out in a new wording.*

26. The Board of Directors, together with the Management Board of the Company, ensure the creation of a control environment that expresses and demonstrates to the Company's employees the materiality, importance and necessity of internal control and compliance with ethical standards at all levels of activity.

27. The control environment sets the atmosphere in Society, influencing the control consciousness of its staff. It is the basis for all components of the internal control system and ensures that there is a clear structure and discipline among officials and participants in the internal control system. The control environment includes:

- 1) the organizational structure of the Company;
- 2) honesty and ethical standards;
- 3) philosophy and leadership style;
- 4) the Company's personnel policy;
- 5) internal regulatory documentation.

28. The organizational structure provides for the presence of:

1) The ICS, which performs audits, analysis and evaluation of the effectiveness of the Internal Control System, risk management, corporate governance of the Company and the preparation of appropriate reports for the Audit Committee, the Board of Directors;

2) RMD, which provides an effective risk management and internal control system of the Company.

29. The Company also has an Audit Committee that monitors the reliability and effectiveness of the Internal Control System, risk management, corporate governance, and internal audit and makes appropriate recommendations to the Board of Directors.

30. The organizational structure of the Company should correspond to its strategic goals and objectives and include:

1) identification of interrelated and consistent goals and objectives at various levels of the Company's management;

2) distribution and delegation of key powers and responsibilities in the Company, as well as a clear organization of the management system and subordination ("unity of command");

3) unambiguous regulation of employee responsibility and criteria for evaluating their activities;

4) a proper internal reporting system in order to accurately record the funds spent and the results obtained;

5) ensuring effective interaction between the Company's structural divisions and employees.

31. The organizational structure of the Company should be regulated by internal documentation that discloses the goals, objectives, functions, duties, rights, competencies and powers of the Company's bodies, officials, structural divisions and employees. The competence of employees reflects the knowledge and skills necessary to fulfill the tasks set and is the basis for the successful implementation of the Company's strategic goals.

**32. Honesty and ethical standards.**

The Company has a Code of Business Ethics, which is a set of rules that establish the fundamental values and principles of business ethics, moral and ethical standards and rules of conduct that should guide every employee of the Company.

**33. Philosophy and leadership style.**

The Company's corporate values are its highest values, which reflect the mission and vision, and establish the philosophy and principles of relationships both within Society and with the state and partners in general.

34. The Company's corporate values and principles are defined by the Company's Code of Business Ethics.

35. HR policy includes a set of rules/policies and procedures in the field of human resource management, as well as the competence of the Company's employees, which is aimed at selecting and retaining highly qualified and motivated employees.

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 36 should be deleted.*

36. Excluded.

37. The Management Board is responsible for the development and implementation of the Company's personnel policy and ensures the availability and compliance with approved standards and procedures for hiring, evaluating performance, paying employees, training, staff rotation and other procedures related to personnel management, as well as monitoring these procedures.

38. Business process owners responsible for the Company's HR policy are responsible for developing internal regulatory documents governing hiring procedures, performance evaluation, employee compensation, training, staff rotation, and other personnel management procedures.

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14), paragraph 39 is set out in a new wording.*

39. The internal regulatory documentation regarding management control provides for a matrix of business processes, risks and controls developed and approved by the Company's Management Board, which defines the list of main and auxiliary business processes in the Company and which must be brought to the attention of employees without fail. The amount of information covered by the Company's internal documents must be reliable and sufficient to evaluate the Company's activities and make effective decisions by the Board of Directors, collegial bodies, the Management Board and senior employees of the Company.

40. Together with the owners of business processes, RMD develops/updates the matrix of business processes, risks and controls of the Company.

41. The Company has internal regulatory documents regulating the organization of internal audit work and defining the main tasks and responsibilities of the IAS.

## **Paragraph 2. Identification and assessment of risks**

42. Risk assessment is a dynamic, continuous process of identifying and assessing risks that hinder the achievement of the Company's goals.

The risk assessment is based on the following principles:

1) setting clear goals with sufficient clarity to be able to identify and assess risks that hinder the achievement of established goals;

2) identification of risks impeding the achievement of goals for all significant business processes of the Company, analysis and development of methods for managing identified risks;

3) consideration of the main changes in the internal and external environment affecting the implementation of the Internal control system.

43. The Company's risk management system covers all financial, operational, strategic and legal risks and ensures the implementation of all operations of the Company involving risks within the established limits and restrictions.

44. The Risk management policy is intended to define the structure and risk management system, its main components, conditions for making managerial decisions and other activities carried out in the Company.

45. The Company's Board of Directors is responsible for approving the Company's Risk Management Policy.

46. The Management Board of the Company is responsible for the development and implementation of the Company's Risk Management Policy and other internal documents adopted in the development of the Company's Risk Management Policy.

47. The RMD develops a Risk Management Policy, provides a classification of risks affecting the Company's activities, sets limits for risk control at the acceptable level, analyzes internal and external factors for predicting the likelihood of risks, and develops plans and recommendations for risk management.

### **Paragraph 3. Control and separation of powers**

48. Control procedures are a documented system of measures and actions to ensure effective internal control over the fulfillment of the Company's goals, objectives and plans, identify and perform non-standard operations, as well as prevent, limit and prevent risks and possible misconduct on the part of officials and employees of the Company.

49. Control procedures are carried out at all levels of the Company and are subject to compliance by the Company's bodies, structural divisions and employees.

50. The Management Board ensures the development of control procedures in three key areas (operational and investment activities, ensuring the reliability of financial and management reports, and compliance with legislative and internal regulatory requirements) aimed at:

1) reducing the likelihood of possible risks;

2) preventing errors from occurring and/or identifying errors after they have been committed;

3) identification and elimination of duplicate and redundant operations;

4) identifying weaknesses and areas for improvement;

5) further improvement of the Internal Control System.

51. Business process owners ensure interaction with the Company's structural divisions responsible for internal control in terms of developing, documenting, implementing, monitoring and improving control procedures. As part of this interaction, business process owners identify process-level risks and control procedures, develop/update (at least annually) a matrix of business processes, risks and controls, conduct (at least annually) a self-assessment and send a self-assessment report on the effectiveness of control procedures to the structural unit responsible for internal control.

52. It provides methodological support to business process owners in the process of developing, documenting, implementing, monitoring and improving control procedures, and ensures timely presentation of information to the IAS regarding identified process risks.

53. The IAS is responsible for:

1) conducting an assessment of the adequacy and effectiveness of the Internal Control System in all aspects of the Company's activities, providing timely and reliable information on the state of performance of assigned functions and tasks by departments, as well as providing effective and effective recommendations for improving work;

2) solving the tasks that arise when the Board of Directors performs the functions of ensuring the availability and functioning of an adequate internal control system by providing an objective assessment of the state of the internal control system and recommendations for their improvement.

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14, paragraphs 10) of paragraph 54 is set out in a new wording.*

54. Control procedures include:

1) establishing the goals and objectives, powers and responsibilities of the bodies, their committees, divisions, officials and employees of the Company at all levels of the Company's management, ensuring their effective interaction;

2) Establishment of authority to authorize operations: approval and execution of operations only by those persons who have the appropriate authority;

3) separation of duties and absence of conflicts of interest when officials and employees of the Company perform their duties;

4) creation and maintenance of a reliable information support system and effective information exchange channels between the Company's bodies, divisions and employees;

5) informing all employees and officials of the Company of their responsibilities to ensure internal control and their awareness of their role in the Internal Control System;

6) establishment of key performance indicators of the Company and functional key performance indicators for each employee of the Company's management staff;

7) risk management of the Company;

8) monitoring the acquisition/disposal, restructuring of the Company's assets and the observance of property rights to them (asset safety);

9) monitoring the effective use of Society's resources;

**10) monitoring the implementation of the action plan (budget) and the development plan of the Company;**

11) quarterly monitoring of the process of achieving set goals and objectives by submitting reports on current financial performance by the responsible structural unit to the Board of Directors and the Management Board, accompanied by planned financial performance indicators;

12) monthly monitoring by the heads of structural divisions of standard detailed reports on the results of the unit's activities, indicating the identified deviations from planned targets, as well as the reasons for non-fulfillment of planned targets;

13) diagnostics of corporate governance;

14) control over the implementation of investment policy and investment projects;

15) verification of compliance with established risk limits and implementation of measures to eliminate identified inconsistencies;

16) control over compliance with the established accounting and tax accounting procedures, preparation and timely submission of the Company's financial statements (accounting, management, financial, tax, etc.);

17) checking the timeliness, correctness, completeness and accuracy of accounting and reporting of transactions performed;

18) verification of the conditions of operations and the results of the application of risk management models;

19) conducting periodic inventory, including cash (if available) and financial instruments;

20) setting requirements for the list of operations requiring mandatory authorization;

21) control over compliance with the requirements of the legislation of the Republic of Kazakhstan, internal documents of the Company, as well as instructions of authorized state bodies;

22) control over the execution of decisions taken by the Company's bodies;

23) monitoring the implementation of recommendations of state audit bodies, external and internal auditors, as well as applicable recommendations of consultants involved;

24) monitoring of compliance with established information disclosure procedures by the Company;

25) control over compliance with the established document management procedure in the

Company;

- 26) periodic assessment of the effectiveness of the internal control system;
- 27) proper documentation of internal control procedures;
- 28) other procedures stipulated by the Company's internal documents.

#### **Paragraph 4. Information exchange and interaction**

55. Information and its transmission are a process of identification, documentation and timely communication of necessary and relevant information to the participants of the Internal Control System, and also provides for the existence of an information support system for Society.

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57. Information support system.

The Board of Directors and the Management Board are responsible for the formation and maintenance of an information support and information exchange system, including:

1) organization of a system for collecting, processing and transmitting information, including the formation of reports and messages containing information from the Company in three key areas (operational activities, preparation of financial statements and compliance with regulatory and legislative requirements);

2) the organization of effective channels and means of communication that ensure vertical and horizontal communication links within Society, as well as with third parties;

3) access and safety of information obtained from internal and external sources;

4) other necessary elements provided for by the current legislation of the Republic of Kazakhstan for insurance (reinsurance) organizations.

#### **58. Powers and responsibilities of the participants of the ICS.**

This Policy, according to the COSO model, defines an approach to building an internal control system that involves the involvement of all officials and participants in the internal control system in the process.

*In accordance with the decision of the Board of Directors of the Company dated August 09, 2024 (Minutes No. 14, paragraphs 10), paragraph 59 is set out in a new wording.:*

59. *As part of the execution of tasks under the annual audit work plan, the IAS develops plans for testing the operational effectiveness of control procedures for relevant business processes.*

60. The structural divisions of the Company ensure full and transparent interaction and timely provision of the requested information to the structural divisions of the Company responsible for risk management and/or internal control, in terms of:

1) formation of matrices of business processes, risks and controls;

2) testing the effectiveness of control procedures;

3) identify shortcomings and areas for improvement in the main and auxiliary business processes.

61. Individual functions within the framework of the Internal Control System may be assigned to specialized committees, structural divisions or individual employees of the Company established in the Company.

#### **Paragraph 5. Monitoring (evaluation of the effectiveness of the internal control system) and elimination of violations and inconsistencies (deficiencies).**

*In accordance with the decision of the Company's Board of Directors dated April 28, 2020 (Minutes No. 4), paragraph 5 was supplemented with paragraph 64-1 as follows and set out in a new wording.*

62. Monitoring (assessment of the effectiveness of the internal control system) is a continuous, integrated into daily activities or a separate assessment of the existence or functioning of

the components of the internal control system.

63. Monitoring and feedback.

The improvement of the Internal Control System, in addition to eliminating all identified deficiencies by the responsible participants of the Internal Control System, also involves continuous monitoring of the entire system to ensure its effective functioning.

64. Monitoring is a process of evaluating the components of internal control to ensure that the Company achieves its goals. Monitoring is carried out by officials, managing directors/heads of structural divisions within the framework of current operational activities and (or) through periodic testing. The Management Board is responsible to the Board of Directors for continuous monitoring of the Internal Control System and for providing information and reports to the Board of Directors that monitoring is being carried out.

64-1. On an annual basis, the Management Board submits to the Board of Directors of the Company a Report of the Management Board of the Company on the effectiveness of the internal control system no later than the fourth month following the reporting period.

65. The implementation of ICS monitoring involves the following:

- 1) formation of control procedures at all levels of Society;
- 2) periodic (self-) assessment of the effectiveness of the Company's internal control system;
- 3) monitoring of significant transactions;
- 4) bringing the necessary information to the attention of officials and business process owners;
- 5) implementation of the IAS audit plan.

66. For the purposes of effective and reliable functioning of the Internal Control System, the Board of Directors ensures procedures for continuous monitoring and providing feedback to the participants of the Internal Control System.

67. IAS reports should provide the Audit Committee and the Board of Directors with a balanced assessment of the risks and effectiveness of the IAS in managing risks in the relevant areas of the Company's activities. Any significant deficiencies and identified control weaknesses should be reflected in the report, including the impact they have had, will have or may have on the Company and the actions taken to eliminate them.

68. When evaluating the IAS reports, the Audit Committee and the Board of Directors of the Company must:

- 1) consider significant risks and assess how they are identified, assessed and managed;
- 2) evaluate the effectiveness of the Internal Control System in managing risks related, in particular, to any significant deficiencies and weaknesses of internal control described in the report;
- 3) To consider whether appropriate actions have been taken immediately to correct the identified significant deficiencies and weaknesses in control;
- 4) to determine whether there are grounds in the detected shortcomings and weaknesses of the control that signal the need for more intensive monitoring of the internal control system.

69. **The effectiveness of the Internal Control System** is assessed to determine the likelihood of errors affecting the achievement of the goals and reliability of the Company's financial statements, to determine the materiality of these errors and to determine the ability of the Internal Control System to ensure the fulfillment of its goals and objectives.

70. The periodic procedure for evaluating the effectiveness of the Internal Control System provides for the direct involvement of officials and participants of the Internal Control System in this process. The frequency of efficiency assessment is determined by the Company's internal regulatory documents.

71. The Board of Directors regularly evaluates the effectiveness of the Company's Internal Control System based on the information provided by the IAS. The Board of Directors should form its own opinion on its effectiveness after proper and thorough examination of the information provided to it by the IAS based on the reports.

72. The Audit Committee assists the Board of Directors of the Company in evaluating the effectiveness of the Internal Control System through preliminary review, analysis and development

of recommendations on the functioning of the Internal Control System.

73. The IAS evaluates the effectiveness of the Internal Control System in accordance with the procedure established by the Company's internal regulatory documents.

74. The owners of business processes and participants of the Internal Control system provide direct assistance to the Internal Control System in the process of evaluating the effectiveness of the internal control system.

75. The Management Board, managing directors (overseeing the work of the relevant structural unit (an employee who is not part of the structural unit)/The heads of the structural divisions participating in the IAS ensure the implementation of the IAS recommendations issued as part of the IAS effectiveness assessment report.

76. Only if there is an effective internal control system, the Sole Shareholder, the Board of Directors, and the Audit Committee can be reasonably confident that the Company will achieve its goals.

77. Despite the existence of the fundamentals of the effectiveness of the ICS, the Company recognizes that there are a number of limitations of the ICS, such as:

- 1) erroneous professional judgment;
- 2) erroneous decisions;
- 3) external negative factors beyond the control of Society;
- 4) setting initially unattainable goals;
- 5) the human factor;
- 6) the ability of the Company's employees to circumvent the implementation of controls;
- 7) the ability of the Company's management to exceed its authority;
- 8) the possibility of employee collusion.

## **Chapter 5. Final provisions**

78. This Policy, as well as all additions and amendments to it, are reviewed and approved by the Board of Directors, taking into account the relevant recommendations of the Audit Committee.

79. Issues not regulated by this Policy are regulated by the legislation of the Republic of Kazakhstan and internal documents of the Company.

80. In case of changes in the norms of the legislation of the Republic of Kazakhstan and the entry into conflict with them of certain provisions of this Policy, the participants of the Internal Control System must comply with the requirements of the legislation of the Republic of Kazakhstan.