

Annex 10 to the Minutes  
of the Board of Directors  
of EIC "KazakhExport" JSC  
No. 6 dated July 10, 2020

"Approved"  
with the Resolution of the Board of Directors  
of EIC "KazakhExport" JSC  
minutes No.6 dated July 10, 2020

**Regulations of the Export Insurance Company "KazakhExport" Joint  
Stock Company for insurance of civil liability of an exporter on bonds**

IRD name	Regulations of the Export Insurance Company "KazakhExport" Joint Stock Company for insurance of civil liability of an exporter on bonds
IRD owner	Insurance Department
Access level	Public
Measures to familiarize all employees of the Company with IRD	Distribution by e-mail within 1 (one) business day from the date of IRD publication on the network resource "Internal portal"
In accordance with the Decision of the Board of Directors of EIC "KazakhExport" JSC the amendments and additions are made:	

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## Chapter 1. General provisions

1. Regulations of Export Insurance Company "KazakhExport" Joint Stock Company on insurance of civil liability of the exporter under bonds (hereinafter referred to as the Regulations) have been developed in accordance with the Civil Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan "On insurance activities", the Law of the Republic of Kazakhstan "On securities market", the Charter of Export Insurance Company "KazakhExport" JSC (hereinafter referred to as the Insurer).

2. The Insurer concludes insurance contracts for civil liability under issued bonds (hereinafter - the Insurance contract) on the basis of these Regulations.

3. Insurance coverage is provided to bondholders for the fulfillment by exporting issuers of their obligations to redeem these bonds for projects, support for which is carried out in accordance with the goals and objectives of the Insurer in accordance with its Charter.

4. According to these Regulations, the Insurant undertakes to pay the insurance premium in the amount, procedure and terms stipulated by the Insurance Contract, and the Insurer undertakes to pay the Insurance benefit to the Beneficiary, to whom, in accordance with the legislation of the Republic of Kazakhstan, the Insurant shall bear civil liability, within the Insurance amount, upon occurrence of the Insured event stipulated in the insurance Contract.

5. The purpose of these Regulations is to determine basic conditions of insurance of civil liability for repayment of bonds, namely the risks of occurrence of events specified in Chapter 3 hereof.

6. The following concepts are used herein:

1) Deductible Franchise - the amount specified in the Insurance Contract, deductible from the Insurance Payment. Unconditional franchise is set either as a percentage of the sum insured or in absolute amount;

2) Block - temporary prohibition on registration of civil transactions with securities in the system of register of securities holders and in nominee holding record system, imposed for ensuring preservation of securities;

3) Beneficiary - Bondholder who is the recipient of the Insurance payment under the Insurance Contract;

4) Personal account statement - a document, not classified as a security, issued by the central depository, registrar or nominee holder, and confirming rights of registered entity for financial instruments at the certain moment;

5) Stock issue - actions of the issuer aimed at creation of equity securities as an object of civil rights, or set of certain securities, placement, circulation and repayment of which shall be performed as per prospectus of issue of such equity securities;

6) Bond holder - a legal person registered in the system of registers of securities holders or in the nominal holding record system, having rights under the bonds;

7) Default - non-performance of obligations under equity securities and other financial instruments;

8) Foreign Counterparty - a legal entity or individual of a foreign country acting as a buyer or customer and concluding a Contract with an Exporter;

9) Contract - a written agreement between an exporter and a foreign counterparty for the export of Kazakhstani goods, works and services;

10) International Identification Number (ISIN code) – an alphanumeric code assigned by the Central securities Depository to securities and other financial instruments for the purpose of their identification and systematization of accounting;

11) Nominal value of a bond - a monetary expression of the value of the bond determined at the time of its issue, on which interest is accrued on the coupon bond, as well as the amount to be paid to the bondholder upon its repayment;

13) Bond - a security with circulation period pre-defined at the issue, certifying rights of a person, issuing a bond, for obtainment of interest under bond as per issue conditions, and upon expiry of the circulation period - bond principal amount in cash or other property equivalent;

14) Circulation - execution of civil transactions with securities on the secondary security market;

15) Deferred period - a period of time specified in the Insurance Contract upon expiration of which the insured event is deemed as occurred. The deferred period shall start on the next day upon receipt of the notification on Insured Event by the Insurer from the Beneficiary;

16) Paying agent - a bank or institution executing certain types of banking operations;

17) Redemption of bonds - actions of the Issuer to withdraw placed bonds from circulation by paying interest and the nominal value (without the purpose of subsequent sale) of the bond or converting it into a share (shares) of the same Issuer in accordance with the procedure established by the bond issue prospectus;

18) Representative of bond holders - an organization acting in the interests of bond holders on the basis of an agreement concluded with the Issuer in the process of circulation of bonds on the secondary securities market, payment of interest on bonds and repayment;

19) Prospectus - a prospectus of issue of equity securities, i.e. a document containing information on the Issuer, its financial state, bonds for sale, the volume of issue, the number of securities in issue, the procedure and procedure for their issue, placement, circulation, payment of remuneration, redemption and other information that may affect the investor's decision to purchase securities;

20) Placement - sale of bonds on the primary securities market;

21) Insurant - Exporter acting as a bond Issuer that has concluded an Insurance Contract with the Insurer;

22) Insurance interest - the property interest of the Insurant in preventing risks and preventing the occurrence of an Insured event;

23) Insurance premium - the amount of money expressed in Kazakhstani tenge, which the Insurant is obliged to pay to the Insurer for his/her acceptance of obligations to make an Insurance payment to the Beneficiary on the terms and in the amount determined by the Insurance Contract;

24) Amount of coverage - an amount of money, for which the object is insured, and which presents maximum scope of liability of the Insurer under the Insurance Contract in case of occurrence of insured event; The type of Insurance currency is defined in the Insurance Contract;

25) Insurance payment - the amount of money, expressed in Kazakhstani tenge, paid by the Insurer to the Beneficiary within the Insurance amount upon the occurrence of an Insured event, taking into account the unconditional deductible;

26) Insured Event - an event under which the Insurance Benefit is to be paid according to the Insurance Contract;

27) Issue structure - information on quantity of issued equity securities, types, principal amount (for bonds);

28) Authorized body of the Insurer - internal collegiate body of the Insurer, which takes decisions on provision of insurance coverage in relation to submitted applications;

29) Loss - loss of the Beneficiary arising from the failure of the Insurant to fulfill its obligations under the Bond. In the definition of Loss does not include the incurrance of an Insurant to a Beneficiary of the repay (payment): lost profits; penalties, fines and interest; accrued and outstanding interest, commissions and other similar payments, in the nature of cash payments, non-payments carried out export deliveries; moral damages; legal costs in connection with the appeal, including the judicial authorities, for the recovery of any debt according to the Prospectus; and losses caused by unlawful use of other people's money;

30) Exporter - a legal entity or individual entrepreneur that exports Kazakhstani goods, works, and services;

31) Issuer - Exporter that issues equity securities.

The above concepts are understood in the meaning in which they are defined in this clause,

regardless of their use in the text of the Regulations in the singular or plural, with uppercase or lowercase letters, unless otherwise provided by the Regulations.

## **Chapter 2. The Insured Item**

7. Insured Item is the property interest of the Insurant related to the occurrence of civil liability in the event of non-fulfillment and/or improper fulfillment of its obligations under the Prospectus, which provide for a direct obligation of the Insurant to make a payment to the Beneficiary for the repayment of bonds issued by the Insurant.

8. The Insurant may be the Exporter initiating issue of bonds for attraction of capital for export activities.

9. Under the Insurance contract, beneficiaries are Bond Holders, towards to whom the Insurant is obliged to repay bonds.

## **Chapter 3. Insured events**

10. As per these Regulations, the insured event is fact of occurrence of civil liability of the Insurant for untimely repayment of issued bonds, namely, untimely payment of the bond principal amount to the Beneficiary in order stipulated by bond prospectus.

11. Insured events of a political nature:

1) war, civil unrest, disorder of mass character in the Republic of Kazakhstan and beyond its limits, preventing fulfillment of obligations on repayment of bonds;

2) an unforeseen action of a state body restricting or prohibiting the conversion into a freely convertible currency and/or payment processing.

12. Insured events of a commercial nature:

1) failure/improper performance of obligations to repay the bonds by the Insurant;

2) bankruptcy of the Insurant.

13. The insured event is the fact of occurrence of one or more insured events defined by this chapter and the Insurance Contract, and caused losses to the Beneficiary.

14. An event considered as an Insured Event shall have all of the following characteristics:

1) probability and randomness of the event occurrence;

2) unpredictability regarding the specific time or place of occurrence of the event, as well as the amount of losses as a result of the event;

3) absence of the risk that the event is inevitable and objectively shall occur within the scope of the Insurance Contract, which the Parties or, at least, the Insurant knowingly knew or were aware of in advance;

4) occurrence of an event has negative, unprofitable economic consequences for the property interest of the Insurant;

5) occurrence of the event is not related to the will and/or intent of the Insurant and does not provide for the purpose of extracting benefits and/or obtaining winnings (speculative risk).

## **Chapter 4. Exclusions from insured events and insurance limits**

15. Unless otherwise provided in the Insurance Contract, the coverage shall not protect the losses resulting from the impact of a nuclear explosion, radiation or radioactive contamination, as well as the insurance cover shall not apply to the events arising prior to conclusion of the Contract.

16. Unless otherwise provided in the Insurance Contract, the Insurer shall not be liable for:

1) for any claims for indemnity of losses exceeding the Insured amount or not stipulated by the Insurance Contract;

- 2) Losses or expenses arising from, caused by or related to:
    - ionizing radiation from pollution or radioactivity from any nuclear fuel or from any nuclear waste or from the burning of nuclear fuel;
    - radioactive, toxic, explosive or other hazardous or polluting properties of any nuclear installation, reactor or nuclear assembly thereof, or nuclear component;
    - any military weapon using an atomic or nuclear reaction and / or synthesis, or other similar reaction, radioactive force or substance;
    - radioactive, toxic, explosive or other hazardous or polluting properties of any radioactive substance. This subparagraph shall not apply to radioactive isotopes other than nuclear fuel if such isotopes are produced, transported, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
    - the impact of any chemical, biological, biochemical or electromagnetic weapon.
  - 3) payment of additional losses and expenses (penalty, fine, penalty, court and other expenses of the Beneficiary);
  - 4) any Loss caused as a result of a war (which began before or after the outbreak of hostility) between any of the following five countries: the People's Republic of China, the United States of America, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the French Republic;
  - 5) Loss incurred as a result of non-payment of coupon interest.
17. Insurance Contract may provide for other exceptions to insurance claims, exemptions from insurance payments, and other insurance restrictions.

## **Chapter 5. Procedure for concluding an Insurance Contract**

18. Insurance Contract is concluded on the basis of a written application of the Insurant.
19. Insurance Contract is concluded between three parties: the Insurer, the Insurant, and the Representative of the Bondholders who signs the contract on behalf of the Beneficiaries. Insurance Contract is executed in three copies, one copy for each Party of the Insurance Contract.
20. Together with the application for insurance coverage for the type of insurance specified in these Regulations, the Insurant shall provide the Insurer with a completed client questionnaire and a list of documents approved by the Insurer. Questionnaire of customer is provided by the Insurant prior to establishment of business relations with the Insurer in order to comply with the legislation of the Republic of Kazakhstan on anti-laundering of the proceeds of crime and financing of terrorism.
21. Before signing the insurance contract, the Representative of the bondholders shall submit the client's application form and documents according to the list of the Insurer.
22. The Insurant shall present draft Prospectus and other documents, characterizing insurance risk, for conclusion of the Insurance risk. Upon conclusion of the insurance contract and registration of Bond issue and Prospectus in the authorized body, the Insurant shall provide to the Insurer notarized copy of the Prospectus with registration mark in mandatory order. In case of failure to provide a notarized copy of the Prospectus or introducing changes to the Prospectus without the agreement of such changes with the Insurer, the Insurer has the right to refuse to pay the Insurance benefit in case of occurrence of the Insured event.
23. The Insurer has the right to terminate the Insurance contract or refuse to pay the Insurance benefit, if the Insurant or the Representative of bond holders provide incorrect documents/information or incomplete data on the basis of which the Insurer has provided the insurance coverage.
24. Acquisition of bonds by the Beneficiary means consent of the Beneficiary with the term of the Insurance contract, including clauses on rights and obligations of the Beneficiary.
25. All amendments of the Insurance contracts upon placement of bonds, not agreed with the Representative of bond holders, shall be deemed invalid.
26. The Insurance contract shall contain name and details of the parties, international identification number (ISIN code) of bond issue, the insurance benefit, insurance period, amount,

terms and procedure for payment of the insurance benefit, amount of the unconditional franchise, as well as other mandatory provisions, stipulated by legal regulations of the Republic of Kazakhstan.

27. In case of loss of the Insurance Contract, the Insurer shall issue a duplicate of the Insurance Contract on the basis of a written application of the Insurant/the Representative of bond holders, after which the lost Insurance Contract shall be deemed invalid.

28. By agreement between the Insurant, the Insurer and the Beneficiary, on the basis of these Insurance Regulations and by decision of the collegial body of the Insurer, insurance contracts may be concluded that provide for changes or exceptions to certain provisions of the Insurance Regulations, as well as additional conditions determined at the conclusion of the insurance contract.

## **Chapter 6. Period and place of validity of the Insurance Contract**

29. The Insurance Contract shall enter into force and become binding upon the parties from the date of payment of insurance premium by the Insurant, and in case of instalment payment - from the first insurance premium, unless otherwise stipulated by the insurance contract.

30. The period of validity (term) of the insurance coverage is specified in the Insurance Contract .

31. Insurance Contract shall be terminated in the cases provided for in chapter 15 hereof.

32. Place of validity of the Insurance Contract (insurance territory) shall cover only the territory or territories specified in the Insurance Contract.

## **Chapter 7. Procedure for determination of the Insured Amount**

33. The total amount of coverage under the Insurance contract is equal to the Principal amount of all volume of bond issue.

34. The total amount of insurance benefits paid to all Beneficiaries may not exceed the total Insurance amount.

## **Chapter 8. Insurance Premium**

35. The amount of the Insurance premium payable under the Insurance Contract is calculated in accordance with the insurance rate determined by the Insurer.

36. The amount of the Insurance Premium may be adjusted if the insured amount changes during the term of the Insurance Contract by entering into an additional agreement to the Insurance Contract.

37. If the Insurant fails to pay the Insurance premium within the terms stipulated in the Insurance Contract, the insurance coverage is suspended from the date of non-payment of the Insurance premium, unless otherwise provided by the Insurance Contract. In this case the Insurant shall remain liable towards the Insurer for full payment of the minimum insurance premium payable for the insurance period till the date of termination of insurance coverage.

38. If the Insurant event occurs prior to payment of certain insurance contribution, the Insurer shall provide the insurance benefit only upon payment of the full amount of the insurance benefit by the Insured. The Insurer has the right to make an Insurance payment less the amount of the unpaid Insurance premium.

39. The Insurance Contract is terminated by the Insurer unilaterally if, within 30 (thirty) calendar days after the suspension of Insurance Coverage under the Insurance Contract, the Insurant has not paid the Insurance Premium (overdue Insurance Premium and/or next Insurance Premium, if such payment is due). In this case, the Insurer shall notify the Insurant and the Beneficiary in writing of the termination of the Insurance Contract in accordance with Chapter 15 of the Regulations.



40. Insurance coverage may be renewed if it was terminated due to non-payment of the Insurance Premium by the Insurant. The Insurer shall not be liable under the insurance contract from the date of termination of the insurance coverage until its renewal, and the insurance benefit for insured events that occurred during this period shall not be paid.

## **Chapter 9. Rights and obligations of the parties**

41. The Insurant is entitled to:

- 1) request explanations on insurance conditions, its rights and obligations under the Insurance Contract from the Insurer;
- 2) get a duplicate of the Insurance Contract in case of loss;
- 3) challenge the decision of the Insurer on refusal from payment of Insurance Benefit or reduction of its amount in order set forth by the legislation of the Republic of Kazakhstan;
- 4) perform other actions stipulated by the laws and regulations of the Republic of Kazakhstan.

42. The Insurant is obliged to:

- 1) within terms specified in the Insurance contract, to provide to the Insurer copies of documents confirming placement of bonds;
- 2) to agree changes in the terms of the Prospectus with the Insurer;
- 3) to inform the Insurer on all facts, circumstances and conditions in its knowledge, which may significantly affect occurrence of the insured event, both prior to conclusion of the Insurance Contracts and during validity period of the Insurance Contract;
- 4) to ensure availability of all required licenses and permits prior to issue and placement of bonds;
- 5) to provide the Insurer with all information required for conclusion and performance of the insurance contract;
- 6) to take, including by the Insurer's instructions all measures to prevent occurrence of an insured event and to minimize the amount of loss upon the occurrence of an insured event, as well as to obtain compensation for losses;
- 7) pay insurance premiums (insurance contributions) in the amount, order and terms set forth by the insurance contract;
- 8) not to disclose fact of presence or the Insurance contract to the third parties without prior written consent of the Insurer;
- 9) immediately inform the Insurer of any significant changes in the circumstances reported to the insurer at the conclusion of the contract, if these changes may significantly affect the increase in the insurance risk during the period of validity of the property insurance contract.

43. The Insurer is entitled to:

- 1) require from the Insurant and the Beneficiary to submit the information necessary for conclusion and implementation of the Insurance Contract, except for the information constituting a trade secret and is not related directly to the Insurance Contract.
- 2) request documents confirming fact of occurrence of the insured event and the amount of loss from the relevant authorities;
- 3) involve an independent expert or appraiser to determine the extent of loss in case of occurrence of an insured event;
- 4) participate in activities on mitigating loss and recovery of debts following the obtainment of notification on default of the Insurant from the Beneficiary or the Representative of bond holders;
- 5) refuse to pay the insurance benefit to the Beneficiary in full or in part on the basis stipulated by chapter 4 hereof;
- 6) refuse to pay the insurance benefit or to demand its return in the case of presenting false information or failure to notify on received payment from the Insurant or third party for repayment of bonds;
- 7) perform other actions stipulated by the laws and regulations of the Republic of

Kazakhstan.

44. The Insurer is obliged to:

- 1) familiarize the Insurant, the Beneficiary and the Representative of the bondholders with the Regulations for the insurance of civil liability of the exporter for bonds and, upon their request, submit (send) a copy of these Regulations;
- 2) when the insured event occurs, to pay insurance benefit to the Beneficiary in the amount, order and terms specified in the Insurance contract;
- 3) to use services of paying agent for payment of the insurance benefit;
- 4) To ensure secrecy of insurance as per the legislation of the Republic of Kazakhstan;
- 5) reimburse the Insurant (insured) for expenses incurred to reduce losses in the event of an insured event;
- 6) notify the Beneficiary of the missing documents required for making the Insurance payment within 30 (thirty) calendar days from the date of receipt of the previous document, unless otherwise provided in the Insurance Contract.

45. The Representative of bond holders is entitled to:

- 1) to receive information on insurance conditions from the Insurant and the Insurer on a free of charge basis;
- 2) to inform the Insurer about the occurrence of insured event;
- 3) to contact the authorized state bodies of the Republic of Kazakhstan for questions;
- 4) to participate in investigation of insured event, including participation of its authorized representative;
- 5) to appeal against decisions on occurrence of an Insured event to the authorized state body or court;

46. The Representative of bond holders is obliged to:

- 1) in case of confirming information, specified in the application of the Insurant as per clause 22 of the Regulations, to inform the Insurer on all known circumstances with significant meaning for evaluation of insurance risk and taking decision by the Insurer on conclusion of the Insurance contract;
- 2) to comply with the terms of the insurance;
- 3) to provide the Insurer with all information available, allowing to judge the causes, progress and consequences of the Insured event, the nature and extent of the loss caused.
- 4) to notify the Insurer about the occurrence of an event that has the signs of an Insured event and/or the consequence of which may be the occurrence of an insured event, within the terms established by the Insurance Contract;
- 5) within its powers, to provide the Insurer with all original documents that are necessary for Insurance benefit, and subsequently for recovery in the order of subrogation of the amount of the Insurance benefit;
- 6) to coordinate with the Insurer in writing all actions for collection and settlement of debt under bonds;
- 7) to properly provide transition to the Insurer of the right of claim to the Insurant under bonds and penalties provided by the Prospectus for untimely repayment of bonds.

47. The Beneficiary has the right:

- 1) to receive information on insurance conditions from the Insurant and the Insurer on a free of charge basis;
- 2) to inform the Insurer about the occurrence of insured event;
- 3) to contact the authorized state bodies of the Republic of Kazakhstan in relation to insurance issues;
- 4) to participate in investigation of insured event, including participation of its authorized representative;
- 5) to appeal against decisions on occurrence of an Insured event to the authorized state body or court;
- 6) to receive the insurance benefit in the manner and on the terms established by the Insurance

Contract.

48. The Beneficiary is obliged:

- 1) to comply with the terms of the insurance;
- 2) to provide the Insurer with all information available, allowing to judge the causes, progress and consequences of the Insured event, the nature and extent of the loss caused.
- 3) to notify the Insurer about the occurrence of an event that has the signs of an Insured event and/or the consequence of which may be the occurrence of an insured event, within the terms established by the Insurance Contract;
- 4) to provide the Insurer with all original documents that are necessary for Insurance benefit, and subsequently for recovery in the order of subrogation of the amount of the Insurance benefit;
- 5) to coordinate with the Insurer in writing all actions for collection and settlement of debt under bonds;
- 6) to properly provide transition to the Insurer of the right of claim to the Insurant for the principal amount of bonds and penalties provided by the Prospectus for untimely repayment of bonds.

49. The Insurance contract may stipulate other rights and obligations not contradicting the legislation of the Republic of Kazakhstan.

#### **Chapter 10. Consequences of increased insurance risk within the insurance contract validity period**

50. During the Insurance Contract validity period, the Representative of bond holders and the Insurant are obliged to inform the Insurer in writing on the planned amendment and addition to the Prospectus not later than in 5 (five) business days, unless otherwise specified in the Insurance Contract. The Insurer may require the Insurant to pay an additional insurance premium if the insurance risk is increased by making amendments and additions to the Prospectus. If the Insurant does not agree with the additional payment of the insurance premium or the Insurer refuses to increase the insurance risks arising as a result of a significant change or addition to the Prospectus, the Insurer has the right to terminate the Insurance Contract with the return of paid insurance premium for unused period of insurance coverage, minus the percentage of deduction from the amount of paid insurance premium defined in the Insurance Contract.

51. The Insurer has the right to refuse to pay the Insurance benefit if the Representative of bond holders and the Insurant do not agree introducing of amendments or additions to the Prospectus in the manner specified in clause 50 of the Regulations.

#### **Chapter 11. Actions of the Insurant in case of occurrence of the insured event**

52. Proof of the occurrence of the Insured Event, as well as the losses caused by it, lies with the Insurant and (or) the Beneficiary, and (or) the Representative of the bondholders.

53. Unless otherwise stipulated in the insurance Contract/decision of the Authorized Body of the Insurer, upon the occurrence of an event that has the characteristics of an Insured event and/or the consequence of which may be the occurrence of an Insured event and/or increases the risk of an Insured event, as well as upon the occurrence of an Insured event, the Insurant and/or the Beneficiary and/or the representative of the bondholders:

- 1) take all measures to prevent or reduce possible losses;
- 2) to take all measures to obtain documents confirming occurrence of the insured event;
- 3) to notify the Insurer in terms not later than in 15 (fifteen) calendar days from the date of full or partial repayment of bonds;
- 4) to provide the Insurer with all documents and information required for making of insurance benefit;
- 5) provide the Insurer with the opportunity to investigate the causes and amount of the Loss,

to participate in measures to reduce the Loss.

54. The Insurer or its representative may initiate an investigation of an insured event without waiting for the Insurant and (or) the Beneficiary and (or) the representative of the bondholders to be notified of an event that has the characteristics of an Insured event. The Insurant and (or) the Beneficiary and (or) the Representative of the bondholders may not prevent them from doing so.

55. The Insurant and (or) the Beneficiary and (or) the Representative of the bondholders shall provide all information on the Insured event and provide the necessary assistance to the Insurer.

## **Chapter 12. The list of documents confirming occurrence of the insured event and the amount of losses.**

56. Insurance benefit is paid by the Insurer on the basis of the application of the Representative of bond holders and/or the Beneficiary for the Insurance payment and the certificate on occurrence of the insured event.

57. The Certificate on the insured event shall be prepared by the Insurer or an authorized person.

58. The Certificate on the insured event shall not be drawn up if during the verification of application for the insured event it is identified that the loss to the Beneficiary was not caused as a result of the insured event, or due to untimely notification, it is not possible to establish the fact of the loss of the Beneficiary and/or the amount of this loss. In this case, the Insurer shall draw up a reasoned refusal to pay the Insurance benefit.

59. In order to receive the Insurance payment, the Beneficiary and/or the Representative of the bondholders shall submit the following documents:

- 1) claim for an insured event in accordance with the form posted on the Insurer's corporate Internet resource;
- 2) identity card of the applicant (if the applicant is an individual);
- 3) power of attorney issued to represent the interests of the Beneficiary and/or the Representative of bond holders (if required);
- 4) documents confirming ownership right for bonds, including personal account statement of the Beneficiary at the date on notification;
- 5) documents confirming block of bonds;
- 6) copies of documents and regulatory legal acts of state bodies confirming occurrence of the Insured event, or any other information or evidence obtained from any official and unofficial sources (including the media) confirming occurrence of the insured event;
- 7) other documents confirming the amount of incurred loss.

## **Chapter 13. Payment procedure and conditions of insurance benefits**

60. Upon receipt of a written notification on an event with the signs of the insured event from the Beneficiary and/or the Representative of bond holders, and upon provision of all documents required for payment of the insurance benefit, the Insurer shall perform the following actions:

- 1) to establish the fact and causes of the occurrence of the event having the signs of the Insured event;
- 2) to verify information in the application for occurrence of the insured event of the Beneficiary and/or the Representative of bond holders for compliance with reality;
- 3) to check whether the Beneficiary is interested in preserving the insured object;
- 4) to determine the need to engage experts, appraisers;
- 5) during the deferred period jointly with the Beneficiary or the Representative of bond holders or on its own, to take measures for mitigating Loss, if it is possible;
- 6) when the case is recognised as the insured event, to determine the amount of insurance

benefit and to draw up the certificate on the insured event.

61. Insurance benefit shall be paid by the Insurer after expiry of the deferred period specified in the Insurance Contract, based on the documents submitted by the Beneficiary, specified in chapter 12 hereof and the certificate on the insured event. The amount of the Insurance benefit is calculated in the following order: Insurance payment is made by the Insurer within the Insurance amount in the amount of the loss incurred by the Beneficiary as a result of the occurrence of the Insured event, minus the Unconditional deductible

(Insurance Benefit = loss within the Amount of Coverage - Unconditional Franchise).

62. Rate of the Unconditional deductible is determined by the Insurer based on the financial and legal analysis of terms of the bond prospectus, financial condition of the Insurant conducted by Insurer or third parties. The procedure for deducting an Unconditional deductible in the event of an Insured event is defined in the Insurance Contract.

63. Amount of loss shall be determined in the Kazakhstani tenge at the official rate of the National Bank of the Republic of Kazakhstan to the currency of the country bond issue at the date of submission of notification on the insured event, unless otherwise stipulated by the Insurance contract.

64. The Beneficiary shall enter into an agreement with the Insurer to assign the right of claim for the bonds.

65. If the Beneficiary receives reimbursement for incurred loss from the Insurant or third parties, the Insurer shall pay the insurance benefit to the extent of difference between the amount of incurred loss and reimbursement obtained by the Beneficiary, taking into account the unconditional franchise.

66. Upon payment of the insurance benefit, the Beneficiary, obtained payment or reimbursement for incurred loss from the Insurant or third parties, shall return obtained insurance benefit to the Insurer.

67. In case of disputes between the parties about the causes and amount of the loss, each party has the right to request independent examination. The examination is carried out at the expense of the requesting party.

68. The Insurer shall be exempt from paying insurance benefit in respect of those losses that have arisen due to the fact that the Beneficiary has not intentionally taken reasonable and available measures to reduce possible losses.

69. Insurance benefit shall not be paid if the Beneficiary fails to submit the documents specified in chapter 12 of these Regulations.

#### **Chapter 14. Terms for taking decision on insurance payment or refusal of insurance Payment**

70. Deferred period is started from the moment of receipt by the Insurer of the notification from the Beneficiary and/or the Representative of bond holders on occurrence of the event having the signs of the Insured event, and such period shall be specified in the Insurance contract and may not exceed 120 (one hundred twenty) calendar days.

71. If the insurer decides to refuse in the insurance benefit, it shall indicate the reason for refusal on a reasonable basis. Such reason shall be informed to the Representative of bond holders within 3 (three) working days from the date of the decision.

72. The Insurer shall make a decision and pay the insurance benefit to the Beneficiary within 30 (thirty) business days from the date of expiry of the deferred period.

73. Refusal of the Insurer to pay the Insurance benefit may be appealed by the Beneficiary in court.

74. The Insurer has the right to postpone the decision on the insurance benefit if it has (well-documented) reasonable doubts in relation to authenticity of documents confirming the insured event or the extent of losses until the authenticity of such documents is confirmed.

75. In case of untimely payment of regular Insurance Payment, the Insurer is entitled to

demand the payment of penalty from the Insurant in order and in the amount specified in the Civil Code of the Republic of Kazakhstan.

### **Chapter 15. Conditions of termination of the insurance contract**

76. The Insurance Contract shall be terminated in the following cases:

- 1) performance of obligations by the Insurant against the Beneficiary on repayment of bonds;
- 2) fulfillment of all obligations by the Insurer towards the Beneficiary under the Insurance Contract;
- 3) Expiration of the Insurance Contract;
- 4) Liquidation of the Insurer in accordance with the legislation of the Republic of Kazakhstan;
- 5) Other cases specified in legislative acts of the Republic of Kazakhstan;
- 6) by agreement of the parties.

77. The parties have the right to terminate the Insurance Contract with the consent of the other parties to the Contract by concluding a separate agreement of the parties.

78. The Insurance Contract is terminated prematurely under one of the following circumstances:

- 1) the insured item ceased to exist;
- 2) likelihood of occurrence of insured event has disappeared, and the existence of the insured risk has ceased due to circumstances other than the Insured event;
- 3) entry into force of the court decision on compulsory liquidation of the Insurer, except for the cases provided by the Law of the Republic of Kazakhstan "on Insurance activities";
- 4) if within 30 (thirty) calendar days after the suspension of insurance coverage under the Insurance Contract, the Insurant has not received payment of the Insurance premium (overdue insurance premium and (or) the next insurance premium, if such payment is due);
- 5) in other cases stipulated by the legislation.

In these cases, the Insurance Contract shall be deemed terminated from the moment of occurrence of the circumstances provided for by this paragraph as a basis for termination of the Insurance Contract, for which an interested party shall immediately, but not later than 10 (ten) business days notify the other party in writing with the provision of copies of supporting documents. In this case, such a written notification is sufficient documentary evidence of the termination of the Insurance Contract, and the Insurer shall have the right for a part of the Insurance Premium, in proportion to the time during which the coverage was valid.

79. In the case of cancelling the Insurance Contract before its maturity in accordance with clause 78 hereof, the Insurer shall be entitled to withhold 20% (twenty) of the amount of the insurance premium to be returned to the Insurant and proportional to the insurance period from the date of termination to the date of the insurance period completion as a fee for Insurance Contract termination before maturity.

### **Chapter 16. Subrogation**

80. The Insurer who has paid the Insurance benefit shall be entitled to claim up to the amount paid by the Beneficiary to the person responsible for the losses, to be recovered as a result of the insurance.

81. The Beneficiary shall, upon receipt of the Insurance benefit, without delay hand over to the Insurer all documents and evidence available and provide all information necessary for the Insurer to exercise the right of claim transferred to it.

82. The indemnities, made by the person responsible for the losses or by a third party for

repayment of the loss arising from the insured event, shall belong to the Insurer upon payment of the insurance benefit. The Beneficiary is obliged to inform the Insurer on such indemnities and to transfer them to the Insurer within 5 (five) calendar days from the date of receipt;

83.If the Beneficiary waives its right to claim against the third person responsible for the losses indemnified by the Insurer, or the exercise of this right becomes impossible due to the fault of the Beneficiary, the Insurer shall be exempted from payment of the Insurance benefit in full or in the relevant part and shall be entitled to demand the refund of the overpaid amount.

#### **Chapter 17. Additional Conditions.**

84.By agreement of the parties, the insurance contract, duly signed as per these Regulations, may include additional conditions, not contradicting the legislative acts of the Republic of Kazakhstan.

#### **Chapter 18. Dispute settlement procedure**

85.Disputes under the insurance contract arising between the Insurer and Insurant and/or the Beneficiary shall be settled through negotiations between the parties.

86.If no agreement is reached between the parties, the dispute is resolved in accordance with the procedure provided for by the current legislation of the Republic of Kazakhstan.