



KAZAKHEXPORT

RELIABLE PROTECTION  
OF EXPORTERS

2021

# ANNUAL REPORT

«KAZAKHEXPORT» EXPORT IN-  
SURANCE COMPANY» JSC

### Dear reader!

We would like to bring to your attention the Annual report, which presents results of the work of **KazakhExport** EIC JSC summarizing the results at the end of 2021.

Our public report demonstrates approaches to the formation of the practical aspects of financial, insurance and non-financial support of Kazakhstani export enterprises, as well as the contribution to the growth of exports of non-primary goods, works, services in priority sectors of economy.

The design of the report is made with elements of the national style, which is based on three pillars: conciseness, traditional values, naturalness.

The report design reflects the path of the new modern Kazakhstan, which remembers, honors and respects its origins, confidently moving forward in a harmonious vector of development.

Thus, we want to express our position and aspirations to support and protect domestic exporters of the non-resource segment, Kazakh production and foreign importers.

We wish you a pleasant reading!

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## ABOUT THE COMPANY



### KAZAKHEXPORT EXPORT INSURANCE COMPANY JOINT STOCK COMPANY

(HEREINAFTER REFERRED TO AS KAZAKHEXPORT OR COMPANY) –

GRI 102-1, 102-2

is a national development institute established to support Kazakhstan's exports through the implementation of insurance tools to protect export operations. **KazakhExport** offers insurance services for commercial and political risks accompanying the implementation of foreign economic contracts of non-resource exporting enterprises.

### THE MISSION OF KAZAKHEXPORT –

is to support the growth of exports of non-primary goods, works, services in priority sectors of the economy and the formation of the practical aspects of financial, insurance and non-financial support of Kazakhstani enterprises.

### KAZAKHEXPORT'S VISION –

to become the main development institution for providing financial support to export operations of the Republic of Kazakhstan



# COMPANY DEVELOPMENT STAGES



2003

By the Decree of the Government of the Republic of Kazakhstan (hereinafter - RK) No. 442, "State Insurance Corporation for the Insurance of Investment and Export Credits" (hereinafter - SIC) was established.



2004

- Obtaining an International rating of financial reliability from Moody's Investors Service rating agency.
- Joining the Berne Union Prague Club, an association of the largest international export credit agencies (today 82 companies from different countries of the world are members of the Berne Union, two of them have observer status).

2005  
–2018

Operating in the insurance market as a reinsurance company on both pro-rata basis and not a pro-rata basis.



2010

- In connection with the expansion of functions, rebranding was carried out and SIC was renamed into Export Credit Insurance Corporation KazExportGarant JSC (hereinafter - KazExportGarant).
- Increase of authorized capital in order to support export trade finance operations.



2012

For the first time in the history of the Republic of Kazakhstan, with the financial and insurance support of KazExportGarant, domestic locomotives were exported to the Republic of Tajikistan.

2013

Joining Baiterek NMH JSC (Sole Shareholder).

2014

Joining Aman Union – the association of the largest export credit agencies of the Islamic states and the Arab world.



2015

- Assignment of observer status to the Berne Union, established in 1934 and representing an informal association of insurance companies engaged in insurance of export credits and investments.
- For the first time in the history of the Republic of Kazakhstan, with the participation of KazExportGarant, an international export deal was concluded under the leasing financing scheme for the supply of 10 domestic locomotives to the Republic of Azerbaijan with reinsurance to The Islamic Corporation for the Insurance of Investment and Export Credit (hereinafter - ICIEC).



2016

- Licenses of the National Bank of the Republic of Kazakhstan for additional classes of insurance "Loan insurance", "Public liability insurance" were obtained, as well as rules were developed and new export support tools were introduced (voluntary loan insurance, advance payment insurance, pre-export financing, leasing insurance).
- Expansion of the range of insurance support instruments: voluntary loan insurance, advance

payment insurance, trade financing in national currency and Russian rubles, as well as financial leasing insurance.

- Increase of the authorized capital by 14 billion tenge.
- Joint credit transactions have been implemented with the Development Bank of Kazakhstan JSC, within the framework of which KazExportGarant insurance protection has been provided through the loan insurance product.



2017

- Transformation of KazExportGarant into **KazakhExport** Export Insurance Company Joint Stock Company (hereinafter - **KazakhExport**) and inclusion in the list of national companies.
- Updating **KazakhExport** development strategy for 2014-2023 in accordance with national export strategy of the Republic of Kazakhstan.
- Increase of the authorized capital by 13,9 billion tenge.



2018

- Relocation of **KazakhExport** to the capital of the Republic of Kazakhstan to the address: 55A Mangilik El Avenue, Baiterek Business Center, Astana in March 2018.
- Renewal of license No. 2.1.55 dated May 21, 2018 for the right to carry out insurance (reinsurance) activities in the general insurance industry.
- Opening an office in Kazan (Russian Federation) and appointing a foreign representative in the People's Republic of China.



2019

- Opening offices in countries of high export and priority export interest in Tashkent (Republic of Uzbekistan), Dushanbe (Republic of Tajikistan), Yekaterinburg, Novosibirsk (Russian Federation), Bishkek (Kyrgyz Republic).
- Increase of the authorized capital by 34 billion tenge.
- Receipt of a state guarantee of the Republic of Kazakhstan on export support for 100.2 billion tenge with a validity period of 10 years by **KazakhExport**.



2020

- Increase in the authorized capital of **KazakhExport** by 29 billion tenge.
- Moody's Investors Service international rating agency has confirmed the financial stability rating of **KazakhExport** insurer at the level of "Baa3" on an international scale with a positive outlook.
- KazakhExport** insurance coverage was equated to highly liquid coverage for loans from second tier banks.



# KEY EVENTS OF 2021



Receipt of a state guarantee of the Republic of Kazakhstan on export support for 100.2 billion tenge with a validity period of 10 years by **KazakhExport**.



**KazakhExport** has been capitalized in the amount of 5 billion tenge.



Amendments and additions have been made to the Law of the Republic of Kazakhstan “On Industrial Policy” in order to introduce “Export credit subsidies” tool.

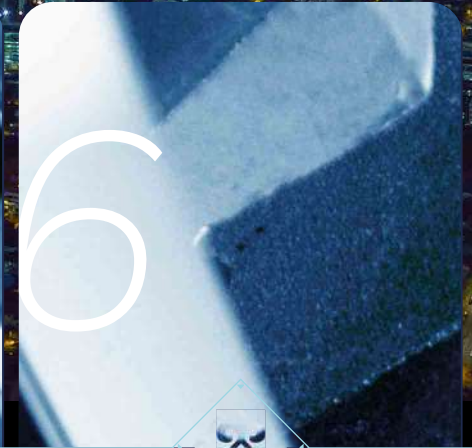


Interdepartmental Commission on Legislative Activity approved the concepts of the draft of Laws of the Republic of Kazakhstan “On the Export Credit Agency of the Republic of Kazakhstan” and “On Amendments and additions to some legislative acts of the Republic of Kazakhstan on ensuring the promotion of exports of domestic processed goods (works, services) to foreign markets”.



Two obligatory reinsurance contracts have been concluded:

- Swiss Reinsurance Company (S&P AA-rating), one of the largest reinsurance companies in the world, transferred 6.2 billion tenge of reinsurance risks for the reinsurance of Urgent Accounts Receivable and Accounts Payable and Export Credits;
- 1.4 billion tenge worth of risks for reinsurance of documentary credit are transferred to The Islamic Corporation for the Insurance of Investment and Export Credit ICIEC (Moody's AA3 rating).



Facultative reinsurance deals have been made:

- with The Agency for Export Credit and Investment Insurance EXIAR JSC, a deal was made to support the exporter of the Republic of Kazakhstan by reinsurance of international factoring in Eximbank of Russia JSC in the amount of 2.7 billion tenge;
- with the insurance company-fronter “Asia Insurance” (Republic of Uzbekistan), a deal was made to purchase Hyundai cars manufactured in the Republic of Kazakhstan in the amount of 237 million tenge.
- with “Subsidiary organization of Halyk Bank of Kazakhstan” Insurance company” Halyk” JSC, an outgoing proportional facultative reinsurance contract in the amount of 20 billion tenge was made within the framework of the project for construction of a ferroalloy plant in Ekibastuz city.





## MESSAGE OF THE CHAIRMAN OF BOARD OF DIRECTORS

GRI 102-14

Chairman of the Board of  
Directors,  
Deputy Prime Minister –  
Minister  
trade and integration  
of the Republic of  
Kazakhstan

Bakhyt SULTANOV

◆ Dear colleagues, partners, stakeholders and investors!

**KazakhExport** Export Insurance Company JSC is currently the only organization in Kazakhstan insurance market that provides exporting enterprises and financial institutions with a full range of insurance services to protect against financial risks at all stages of economic activity.

The results of **KazakhExport's** activities in 2021 showed the effectiveness of the tasks set to support domestic export. Despite general unstable situation in the global economy, complex processes in foreign markets, **KazakhExport** was able not only to maintain the volume of services provided, but also to significantly increase them.

Thus, insurance support for non-resource sector enterprises increased from 134.6 billion tenge in 2020 to 204.7 billion tenge in 2021, which is a record in the history of **KazakhExport**. This made it possible last year to provide support to 81 Kazakhstani producers-exporters who work in such important economy sectors as the food and chemical industries, mechanical engineering, agro-industrial complex, export of works and services, metallurgy and other non-primary industries.

In 2021, by the Decree of the Government of the Republic of Kazakhstan No. 657 dated September 22, 2021, it was decided to provide **KazakhExport** with a state guarantee for export support in the amount of 100.2 billion tenge for a period of 10 years, which will increase the insurance capacity of **KazakhExport** in order to further assume insurance obligations.

In turn, compliance with the level of insurance portfolio within the available capacity will preserve a high degree of reliability of **KazakhExport** and, accordingly, trust in it from second tier banks, international financial institutions and foreign export credit agencies. This will allow domestic exporters of non-primary goods and services to receive financial support from **KazakhExport** in the implementation of export activities. In particular, to attract long-term financing of international financial institutions and large commercial banks under **KazakhExport** insurance coverage, one should count on trade financing of their foreign counterparties, reduce financial risks under their export contracts and use other **KazakhExport** tools to support exports.

The success of **KazakhExport's** activities in the past year was noted by the international rating agency Moody's Investors Service, which upgraded **KazakhExport's** insurance financial stability rating from "Baa3" to "Baa2" and changed the issuer's outlook from "positive" to "stable" in accordance with the sovereign rating.

Along with this, in 2021 **KazakhExport** actively interacted with The Ministry of Trade and Integration of the Republic of Kazakhstan, the Ministry of National Economy of the Republic of Kazakhstan, the Ministry of Finance of the Republic of Kazakhstan, the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and the Agency for Regulation and Development of the Financial Market. As a result, important changes to the current legislation of the Republic of Kazakhstan were initiated.

Interdepartmental Commission on Legislative Activity approved the concepts of the draft of Laws of the Republic of Kazakhstan "On the Export Credit Agency of the Republic of Kazakhstan" and "On Amendments and additions to some legislative acts of the Republic of Kazakhstan on ensuring the promotion of exports of domestic processed goods (works, services) to foreign markets".

In general, draft laws are aimed at creating a special legal status of an export credit agency that will operate outside the direct regulation of the Law of the Republic of Kazakhstan "On Insurance Activities" and a license for the right to carry out in insurance and reinsurance activities. International experience of export credit agencies in Russia, Hungary, Canada, Australia and India was analyzed, which showed that export credit agencies provide insurance, reinsurance, guarantee, financing of export operations and other information and consulting services to exporters and financial organizations.

◆ Currently, legislative improvement is being carried out for successful implementation of industry-specific measures. In this regard, Ministry has developed a number of initiatives to discuss with the business community, public organizations and government agencies.



## MESSAGE OF THE CHAIRMAN OF MANAGEMENT BOARD

GRI 102-14

Chairman of  
the Board of  
KazakhExport

Aslan KALIGAZIN

### ◆ Dear customers, partners and colleagues!

Summing up the results of 2021, we note that the past year was successful for **KazakhExport**. The results of 2021 show how a diverse, well-balanced portfolio of services and support measures can consistently and sustainably stimulate the development of non-resource exports, increase of the volume of support for Kazakhstani exporters of the country's non-resource sector and the formation of the practice of financial, insurance and non-financial support for Kazakhstani enterprises. This is also evidenced by our positive strategic, operational and financial results.

In accordance with the Development Strategy for 2014-2023, **KazakhExport** has identified three strategic goals - improving export support tools, creating conditions for increasing the number of exporters and improving operational efficiency. On the one hand, **KazakhExport** contributes to the growth of the number of exporters and the volume of non-primary exports, on the other hand, technologically and organizationally meets the requirements of a growing customer base in terms of increasing the volume of provided support.

By the end of 2021, the main strategic goals have been achieved and exceeded. The volume of **KazakhExport** support to Kazakhstani exporters of non-primary services and goods in 2021 amounted to 204.7 billion tenge, an increase of more than 50% compared to 2020.

In the reporting period, 81 Kazakhstani exporting manufacturers received support from **KazakhExport**, of which 26 exporters used our services

for the first time. The amount of export contracts made with insurance support of **KazakhExport** in 2021 amounted to 326.5 billion tenge.

Our clients work in the most important non-resource industries. In 2021, the volume of export revenue by enterprises which use **KazakhExport** support tools amounted to 213.8 billion tenge.

By the Decree of the Government of the Republic of Kazakhstan No. 657 dated September 22, 2021, it was decided to provide **KazakhExport** with a state guarantee for export support in the amount of 100.2 billion tenge. In addition to that, **KazakhExport** has been capitalized in the amount of 5 billion tenge.

**KazakhExport's** assets in the reporting year increased from 122.8 billion tenge to 139.4 billion tenge, equity capital is 114.2 billion tenge. The company finished 2021 with a positive financial result – net profit amounted to 2,012 billion tenge, with a plan of 1.6 billion tenge.

Along with this, **KazakhExport** continues to implement one of the strategic goals of **KazakhExport** to systematically improve corporate governance practices and implement the principles of sustainable development. Key priorities of **KazakhExport's** work are based on the principles of ESG - care for the environment, people and best practices of corporate governance, including modernization and decarbonization of Kazakhstan's non-resource segment exporting enterprises.

In 2022, **KazakhExport** has no less ambitious goals. In 2022, **KazakhExport** plans to increase the state guarantee of the Republic of Kazakhstan for export support in the amount of at least 210 billion tenge, to provide financial and insurance support to domestic exporters in the amount of 250 billion tenge, to develop regulatory legal acts on export support and development, further work on legislative improvement and other strategic objectives to further increase of the volume of support for non-resource exports.

I express my gratitude to clients, partners and colleagues for fruitful cooperation and the desire to contribute to the development of exports of non-resource goods and services.

◆ I wish you well-being and prosperity!





## KEY INDICATORS OF 2021

GRI 102-7

Key performance indicator	2018	2019	2020	2021		% Fact of fulfillment
	Fact	Fact	Fact	Plan	Fact	
Number of export contracts, billion tenge	420	544	589	455	326,5	72%
Number of export contracts, unit	334	368	374	363	212	58%
The volume of assumed insurance obligations, billion tenge	90,2	97,8	134,63	200	204,7	102%
Net profit for the year, billion tenge	1,59	2,36	3,86	1,6	2,01	125%
Assets by the end of the year, billion tenge	48,65	88,20	122,87	129,1	139,4	108%
Equity capital by the end of the year, billion tenge	43,31	79,19	109,44	116	114,2	98%
ROA, %	3,3	3,4	3,7	1,28	1,53	

**212**  
contracts

were concluded with  
importers in the re-  
porting period

**204,7**  
billion tenge

Volume of obligations  
assumed, execution  
102%

**114,2**  
billion tenge

equity capital at  
the end of 2021,  
**KazakhExport** assets  
amounted to 139.4  
billion tenge

In 2021, efficiency  
indicators of  
**KazakhExport**  
asset utilization  
exceeded the  
planned value

**326,5**  
billion tenge

the amount of export  
contracts concluded  
in the provision of  
support measures to  
**KazakhExport** in 2021

**212**

over-fulfillment of the  
plan for the number  
of new exporters. In  
2021, 26 new unique  
exporters received the  
Company's support

**2,012**  
billion tenge

net profit of  
**KazakhExport**

by **153%**  
and amounted to  
**1,53%**



## KEY WORKS IN THE FIELD OF IT

In 2021, as part of the transition to paperless document management, as well as in order to optimize, increase efficiency and mobility, work has been done to automate **KazakhExport** business processes. In particular, 34 business processes have been automated in the field of personnel records management, electronic document management, collegial bodies and applications to structural divisions.

As part of the work of collegial bodies, business processes of Management Board and **KazakhExport** Underwriting Board have been digitalized, within which meetings are held electronically, signing of materials and minutes takes place through an electronic digital signature in the SimBase information system.

### Within the framework of working process of structural divisions:





business processes of personnel document management have been digitalized in terms of the admission, dismissal and relocation of employees, vacations, business trips, financial assistance, time sheets, salary increases, employees leaving on weekends / holidays, accounting for sick leave, employees' applications for remote work;

digitalized business processes of the legal block in terms of issuing powers of attorney to members of Management Board and Managing Directors;

digitalized business processes of Information Technology Department in terms of processing applications from **KazakhExport** structural divisions (help-desk);

digitalized business processes on administrative and economic issues of **KazakhExport** in terms of safety instructions, applications from structural units for issuance of inventories.

### Within the framework of information security:

over 200	information security incidents have been worked out	more than 500 thousand	attacks on information systems have been repelled	more than 40	vulnerabilities in IT infrastructures have been eliminated
more than 8	cybersecurity systems have been implemented		automated system for raising awareness of Company's employees in the field of information security		organization of remote access of Company employees during a pandemic with cybersecurity
more than 5	internal regulatory documents have been developed and updated in accordance with the requirements of the National Bank of the Republic of Kazakhstan and AT		work has been carried out to improve cybersecurity at the Head Office of the Company and at the representative office of the Company in Almaty city		multilevel protection of the Company's corporate website has been built

## DESCRIPTION OF THE BUSINESS MODEL

GRI 102-9

**KazakhExport is the only insurance company supporting the export of domestic products through generally accepted international insurance practices, and is an important link supporting entrepreneurs at all stages of the export cycle.**

The activity of **KazakhExport** as a state development institution is based, first of all, on the need and possibility of covering commercial and political risks to support national exports of goods, services and investments abroad.

**KazakhExport provides insurance tools to support national exports, developed in accordance with the best international practices in the field of export credit insurance, as well as the most appropriate to the needs of potential and existing customers.**

### Business support tools From KazakhExport Export Insurance Com- pany Joint Stock Company

- 1 We will help you get a bank guarantee and hedge currency risks
- 2 We finance a foreign buyer to purchase your goods
- 3 We will replenish your working capital
- 4 We will help you get an advance payment from a guaranteed buyer

### Our advantages

- + Possibility of export on conditions of deferred payment, increase in export sales on conditions of deferred payment;
- + Expansion of opportunities and improvement of credit conditions in the presence of **KazakhExport** insurance coverage, since **KazakhExport** insurance is a provision for bank loans;
- + Cutting costs in the event of an insured event of a political nature, when fulfillment of obligations under the export contract does not depend on the counterparty abroad;
- + Reducing risks of non-payment;
- + An effective tool for the strategy of "safe entry" into new markets;
- + Protection of investments of Kazakhstan abroad from political risks;
- + Strategic planning based on identified export risks;
- + Procedure for insuring export credits, as a rule, requires less expenses than opening a letter of credit;
- + Export credit insurance is cheaper than factoring operations.

# SUPPORT TOOLS

The main products are grouped into 3 types according to the type of customers:



## 01. — Products for exporters

Product Name	Brief description of the product	Covered risks
Export credit insurance	The product provides the exporter with protection against the risk of non-fulfillment of financial obligations by a foreign counterparty when selling their goods/work/services for export on conditions of deferred payment.	Commercial and political
Insurance of short-term accounts receivable	The product is designed to protect exporters (as well as banks providing them with financing) from the risk of non-payment of foreign buyers. With this product, exporter can insure the entire portfolio of export contracts with deferred payment.	
Pre-export financing	Financing of the exporter for working capital financing for the purpose of producing export products or performing works and services for export.	
Insurance of civil legal liability of the exporter for advance payment refund	The product provides an opportunity to receive alternative financing in the form of advance payments from foreign counterparties, necessary for working capital financing for the purpose of producing export products or performing works and services for export.	
Insurance of civil legal liability of exporters on bonds	Fund raising by exporters in order to develop export potential, while holders of bonds issued by exporters are protected from the risk of default.	
Insurance against Exporter's losses related to the performance of works, the provision of services	Protection of the Exporter from the risk of loss associated with non-fulfillment of Contract obligations by a Foreign counterparty in terms of non-acceptance of finished work/rendered services.	

## 02. — Products for investors

Product Name	Brief description of the product	Covered risks
Insurance of Kazakhstani investments abroad	The product provides protection to the Kazakhstani investor from the risk of loss due to political risks in the country of investment in order to increase exports.	Political

## 03. — Products for financial institutions and second tier banks

Product Name	Brief description of the product	Covered risks
Insurance of export letters of credit	The product provides bank of the exporter (confirming bank) with protection against the risk of non-fulfillment of financial obligations by the issuing bank, which opened a documentary letter of credit in favor of the exporter on behalf of the importer.	Commercial and political
Export trade financing	Affordable financing is provided to the importer of Kazakhstani goods under the letter of credit form of settlements under export contracts.	
Loan insurance	The product provides an opportunity to gain access to borrowed capital for export development, provided that there is insufficient collateral security and/or the lender is not ready to take a risk of transaction in full.	
Insurance of project financing	The product provides an opportunity to gain access to borrowed capital for the implementation of export-oriented investment projects.	
Financial leasing insurance	The product provides an opportunity to gain access to leasing products for the purchase of equipment, provided that there is insufficient collateral security and/or the lessor is not ready to take a risk of transaction in full.	
Insurance of civil legal liability of the Exporter to financial organizations	The Product provides insurance protection in the event of a Loss as a result of the payment by the Guarantor in favor of the Beneficiary of the amount of money according to the issued Guarantee for the Exporter.	
Insurance of bank guarantees issued by a foreign bank	The product provides protection to financial institutions and Exporters from the risk of non-fulfillment of obligations by a foreign bank under export contracts.	
Insurance of civil legal liability of the exporter for urgent currency transactions	Providing insurance protection to banks from risk of non-fulfillment the obligations of exporters under forward exchange contracts.	
International Factoring insurance	Insurance protection of a financial institution on factoring operations from the risk of non-fulfillment of contractual obligations of foreign counterparties to pay for the goods delivered by Kazakhstani enterprises.	
Insurance of a credit institution when financing a foreign counterparty	Insurance protection of a credit institution for non-fulfillment of obligations by a Foreign counterparty to repay Principal debt under a Loan agreement for the purchase of Kazakhstani goods.	
Loss insurance of financial organizations	Insurance protection of a financial institution associated with the risk of losses resulting from the provision of financial services to Exporters.	



A wide range of insurance products gives **maximum risk management opportunities** to both exporters and banks that finance export operations of Kazakhstani enterprises.

### 01. We will check the reliability of a foreign buyer for free

- ◆ Exporter's credit insurance
- ◆ Insurance of short-term accounts receivable of the exporter
- ◆ International Factoring insurance
- ◆ Insurance against Exporter's losses related to the performance of works, the provision of services

### 02. We will help you get a bank guarantee and hedge currency risks

- ◆ Insurance of civil legal liability of the exporter for urgent currency transactions
- ◆ Insurance of civil legal liability of the exporter to financial organizations

### 03. We finance a foreign buyer to purchase your goods

Export trade financing

### 04. We will replenish your working capital

- ◆ Pre-export financing
- ◆ Advance payment insurance
- ◆ Loan insurance
- ◆ Insurance of civil legal liability of exporters on bonds

### 05. We will help you get financing from the bank if there is a shortage of collateral

We will help you get financing from the bank if there is a shortage of collateral

### 06. We will help you get an advance payment from a foreign buyer

Advance payment insurance

### 07. We will take a risk of non-payment by a foreign buyer

- ◆ International Factoring insurance
- ◆ Exporter's credit insurance
- ◆ Insurance of export letters of credit
- ◆ Insurance of bank guarantees issued by a foreign bank
- ◆ Insurance of short-term accounts receivable
- ◆ Insurance against Exporter's losses related to the performance of works, the provision of services
- ◆ Investment insurance

# DEVELOPMENT STRATEGY



## DEVELOPMENT STRATEGY

Taking into account the objectives of the “National Export Strategy of the Republic of Kazakhstan” for 2018-2022, key strategic goals of **KazakhExport** are to increase the volume of supported export contracts and increase the number of exporters who received financial support to target values.

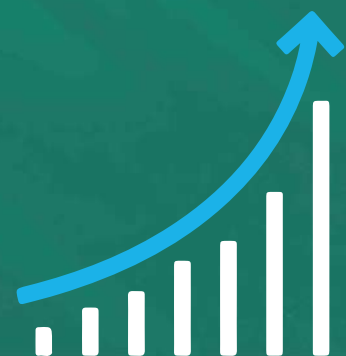
**KazakhExport**'s strategic development directions include improving export support tools, creating conditions for increasing the number of exporters and improving operational efficiency. As part of its core business, **KazakhExport** provides manufacturing sector exporting enterprises and second tier banks with insurance protection against the risk of non-payment when financing export operations and guarantees export transactions security.

The main goal of the state policy in the field of exports is to diversify the export basket and ensure the growth of non-primary exports at a faster pace. The increase in the number of exporters who have received financial support can be achieved by:

- ◆ Attracting existing and potential exporters in the regions;
- ◆ Organization of business contacts through foreign representative offices;
- ◆ To increase recognizability and awareness about the activities of **KazakhExport**.

An increase in the number of export transactions of a supported exporter can be achieved by:

- ◆ Creation of a single Internet resource for exporters (Digital Baiterek);
- ◆ Reduction in the cost of credit and insurance services;
- ◆ Increase efficiency by automating business processes.



## Strategic directions of development

GRI 103-2

In accordance with **KazakhExport** Development Strategy for 2014-2023 approved by the decision of **KazakhExport** Board of Directors dated December 25, 2017 (Minutes No. 10), key strategic goals of **KazakhExport** are to increase the volume of supported export contracts and increase the number of exporters who have received financial support.

Based on strategic goals, three strategic directions of development of **KazakhExport** were identified:

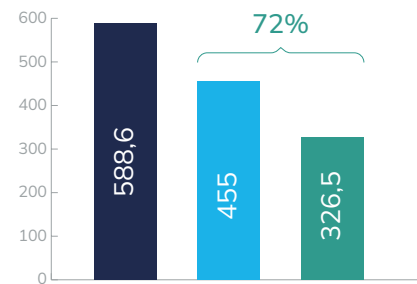




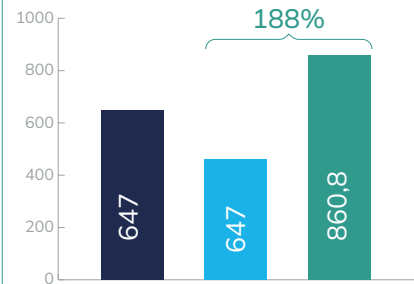
## Execution of KazakhExport's strategic performance indicators by the end of 2021:

● Fact of 2020    ● Plan of 2021    ● Fact of 2021

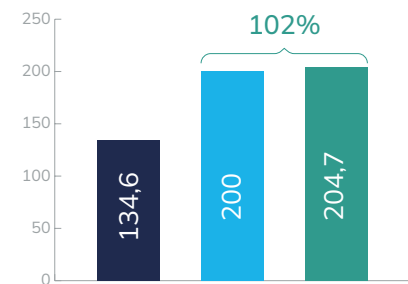
The number of export contracts,  
billion tenge\*



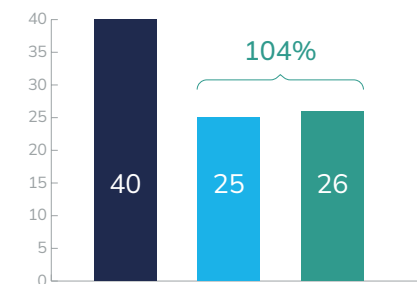
The volume of export revenue by  
enterprises using KazakhExport support  
tools (with accumulation since 2014),  
billion tenge\*\*



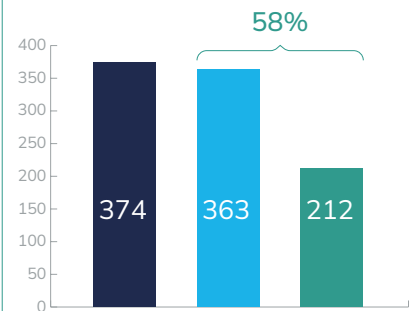
The volume of assumed insurance  
obligations, billion tenge



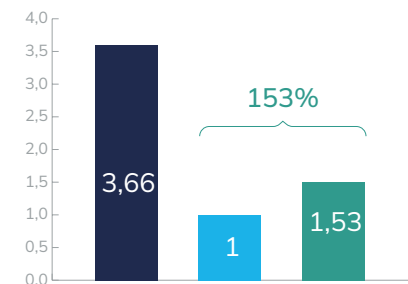
Number of exporters who received  
KazakhExport support for the first time



Number of export contracts\*



ROA, %



By the end of 2021, **5 out of 7 strategic efficiencies** of **KazakhExport** have been achieved. By the end of 2021, volume of assumed obligations **amounted to 204.7 billion tenge** (102% of fulfillment).

In 2021, **26 new unique exporters** received support from **KazakhExport**, over-fulfillment of the plan for the number of new exporters amounted to 104%. In the reporting period, 212 contracts were made with importers, the amount of export contracts made in the provision of support measures to **KazakhExport** in 2021 **amounted to 326.5 billion tenge**.

During the reporting year, volume of export revenue by enterprises using **KazakhExport** support tools (with the accumulation of 2014) **exceeded the plan by 188%**, amounting to **860.8 billion tenge** (213.8 billion tenge in 2021).

Efficiency indicator of using company's assets in 2021 exceeded the planned value by **153%, amounting to 1.53%**.

In 2021, all supported exporters and, accordingly, export contracts relate to manufacturing and services industry.

01.

Obtaining a state guarantee for export support and an increase in the authorized capital contributed to an increase in the insurance capacity and an increase in financial stability of **KazakhExport**, which had a positive impact on the implementation of Company's Development Strategy

02.

Carrying out measures to attract second tier banks and development institutions to cooperation in order to increase availability of services for exporters

03.

Securing **KazakhExport** regional managers for each region of the country in order to increase awareness of **KazakhExport** support tools, through direct contact with producers of the region, with existing and potential exporters

Following factors had a positive impact on the implementation of KazakhExport Development Strategy:

06.

Measures to increase PR activity

05.

Training of **KazakhExport** product partners in all 14 regional centers of the country, as well as in Nur-Sultan, Almaty and Shymkent

04.

Implementation of measures to optimize internal business processes, including transition to an online format during quarantine (Covid-19)

## Socio-economic effect

**KazakhExport** is the only specialized insurance organization – Development Institute of the Republic of Kazakhstan, performing functions of an export credit agency (hereinafter - ECA).

These functions of **KazakhExport** were fixed in the State Program for Accelerated Industrial and Innovative Development of the Republic of Kazakhstan for 2010-2014 in order to create effective financial mechanisms to support the entry of Kazakh products of the manufacturing sector to foreign markets.

**KazakhExport**, as part of its core business, provides exporting enterprises of the manufacturing sector and financial institutions with insurance protection against credit risk in foreign trade transactions and guarantees export transactions security.



Thanks to financial and insurance support of **KazakhExport** in 2021, volume of export revenue by enterprises using **KazakhExport** support tools **amounted to 213.8 billion tenge**. Moreover, **2,411 jobs** were created and supported by the end of 2021.



In 2021, Company provided state support measures to exporters in priority sectors of the economy:

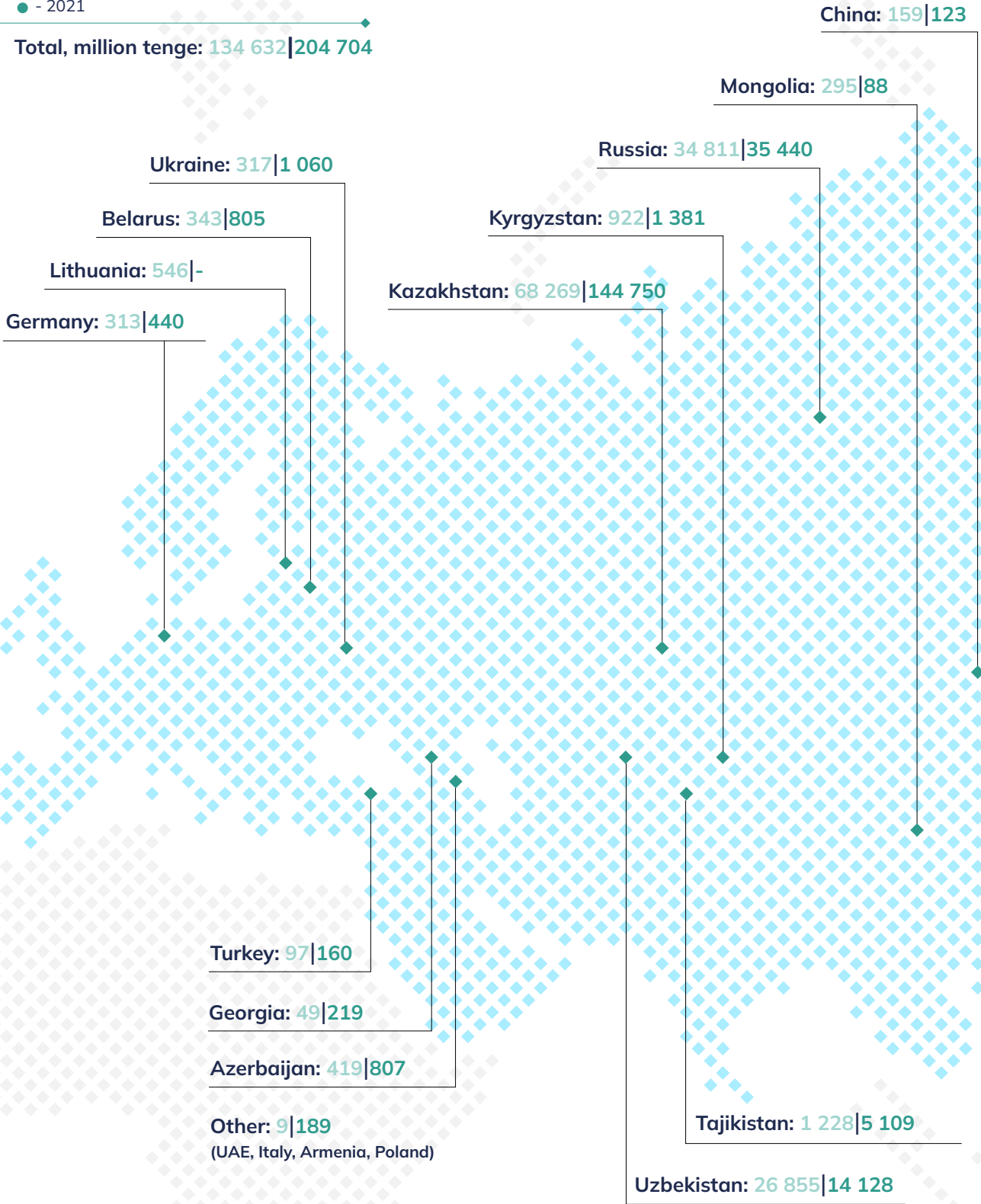
	Name	Volume of as- sumed obligations, million tenge	Sum of export con- tract, million tenge	Number of export contracts
	Agro-industrial complex-finished products	30 084	29 577	13
	Light industry	5 682	1 727	1
	Mechanical engineering	37 219	40 755	4
	Metallurgy	52 445	7 131	4
	Food industry	68 870	169 308	176
	Building materials	1 619	4 564	12
	Production of television and radio equip- ment for industrial purposes	12	12	1
	Chemical industry	2 793	73 441	1
	Export of services/works	5 978	-	-
	Total	204 704	326 515	212

Measures of state support for exports made it possible to increase efficiency of **KazakhExport** and ensured acceptance of insurance obligations in 2021 **for 204.7 billion tenge**, which is **1.5 times higher** than the level of 2020.

The table below shows dynamics of the volume of assumed obligations made by countries for 2021:

● - 2020  
● - 2021

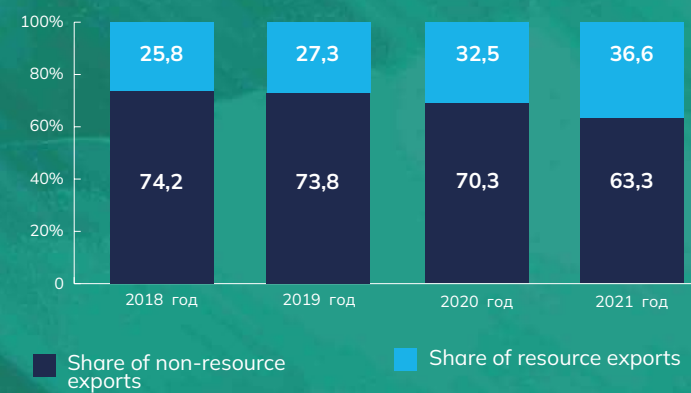
Total, million tenge: **134 632|204 704**





As a result of the implementation of **KazakhExport** Development Strategy for the period of 2018-2021, it was possible to significantly increase the volume of supported exports and increase the number of supported exporters. Active work over the past period has helped to deepen insurance and financial expertise in international projects, as well as expand the competence to support export transactions, taking into account the specifics of priority markets.

Resource and non-resource exports, as % of total exports of Kazakhstan for 2018-2021



In 2021, according to Bureau of National Statistics of Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (hereinafter referred to as Statistics) the volume of exports of the manufacturing industry **amounted to 8,563 billion tenge**.

In 2021, the sum of export contracts of exporters of manufacturing industry, supported by **KazakhExport** support tools, amounted to **326.5 billion tenge**. Market share of **KazakhExport** in 2021 was estimated at **3.81% (based on  $326.5/8563=3.81\%$ )**.

Accordingly, **KazakhExport** activities aimed at supporting the growth of exports of non-resource goods, works, services in priority sectors of the economy with the help of support tools contributed to an increase in the share of non-resource exports in the structure of total exports of Kazakhstan for 2018-2021. The increase was **10.9%, from 25.8% to 36.7%**, respectively, according to Statistics.

## ACTIVITIES OF FOREIGN REPRESENTATIVES

GRI 102-5

In 2021, through the foreign representatives of Kazakh Export, it was implemented:

**18**  
projects

on insurance of export transactions

**16**  
foreign  
importers

were attracted

**4,9**  
billion tenge

insurance obligations

**153,6**  
million tenge

a total amount of insurance premiums



Along with foreign representatives of the Company, **224 conclusions on the reliability of foreign counterparties were issued**, and **9 agreements and memorandums of cooperation** were signed with foreign importers, retail chains, banks, insurance and reinsurance organizations and other financial institutions.

Among the projects with foreign representatives of KazakhExport, implemented in 2021, the following can be distinguished:



For the first time, a foreign representative in the Republic of Tajikistan implemented a transaction through letters of credit issued by "Amonatbank" Government savings bank of Tajikistan in order to finance the supply of passenger cars, including SaryarkaAvtoProm LLP for CJSC Holding Asia Group Tajikistan.



Along with a foreign representative in the Republic of Uzbekistan, projects have been implemented within the framework of export credit insurance for the supply of flour, pasta and cereals to Concern Tsesna-Asty LLP, Tsesna-Mak LLP for Profit Store LLC. Also, with the assistance of a foreign representative, insurance of deliveries to the Republic of Uzbekistan of reinforcing ropes, steel ropes and steel wire of Kazakh manufacturer KazMetiz LLP was carried out.





Along with a foreign representative in the People's Republic of China, export credit insurance projects were implemented between Kaz-Ir Agro LLP and Oriental Silk Road Cultural Development Co., Ltd., in addition to that, Eurasia Invest LTD LLP, a producer of dry camel and mare milk, was supported for the first time, Khorgos Ami Import And Export Trade Co, Ltd и Camel Story International Trading Co., Ltd. companies were importers.



In 2021, **KazakhExport** took an active part in international government commissions with all countries with high export potential, especially with border states.



In 2021, 3 visits of potential importers were organized with the assistance of foreign representatives:

1. Visit of representatives of Uzbekistan trade network Macro in Kazakhstan.

2. Visit of the importer "Mohir Tichorat" LLC to Kazakhstan. During the negotiations, issues of rolled metal products supply to the Republic of Tajikistan with the possibility of using **KazakhExport** support tools were discussed.



3. Meeting with General Director of Pakistani company Habib Syndicate on potential cooperation issue within the framework of the project on modernization of Railways of the Islamic Republic of Pakistan.



## OPERATING RESULTS



## INSURANCE ACTIVITY INDICATORS

GRI 102-4

**KazakhExport** is the only organization in Kazakh insurance market to support Kazakhstani exporters of non-resource segment in foreign markets by providing insurance financial measures to support exports at all stages of the export cycle.

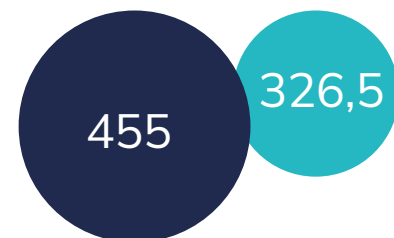
In 2021, Company provided support for the implementation of **212 export contracts** for a total amount of sum **326.5 billion tenge**. The volume of assumed insurance obligations increased from **134.6 billion tenge** in 2020 to **204.7 billion tenge** in 2021. In 2021, **81 exporters** received support, including **26 for the first time**.

### Key performance indicator

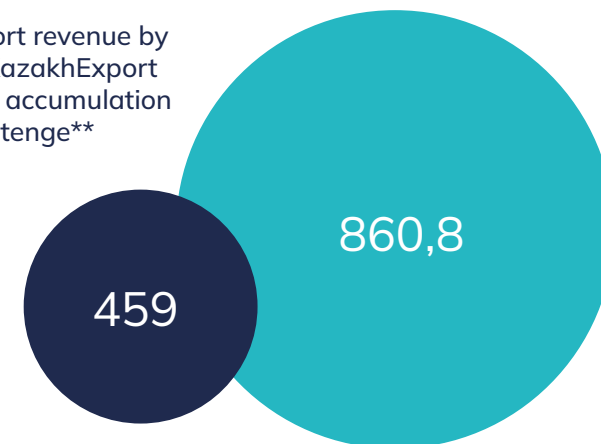
● Plan of 2021

● Fact of 2021

The number of export contracts,  
billion tenge



The volume of export revenue by  
enterprises using KazakhExport  
support tools (with accumulation  
since 2014), billion tenge\*\*



The volume of assumed insurance  
obligations, billion tenge



Number of exporters who received  
KazakhExport support for the first time



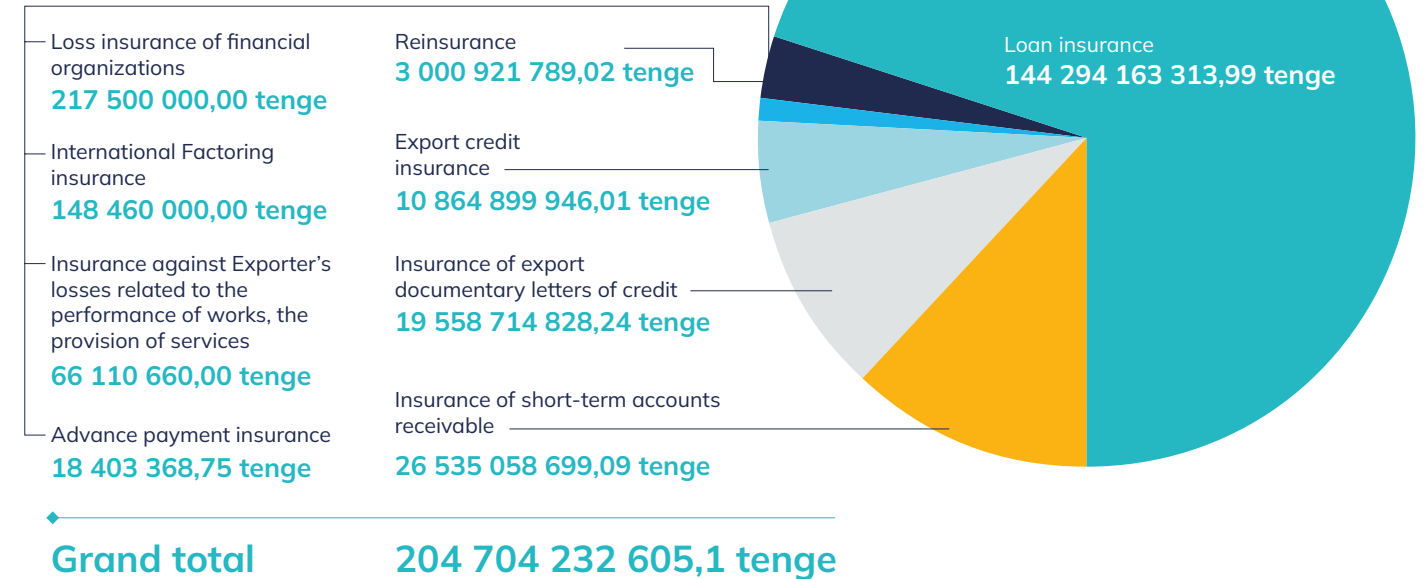
Number of export contracts\*



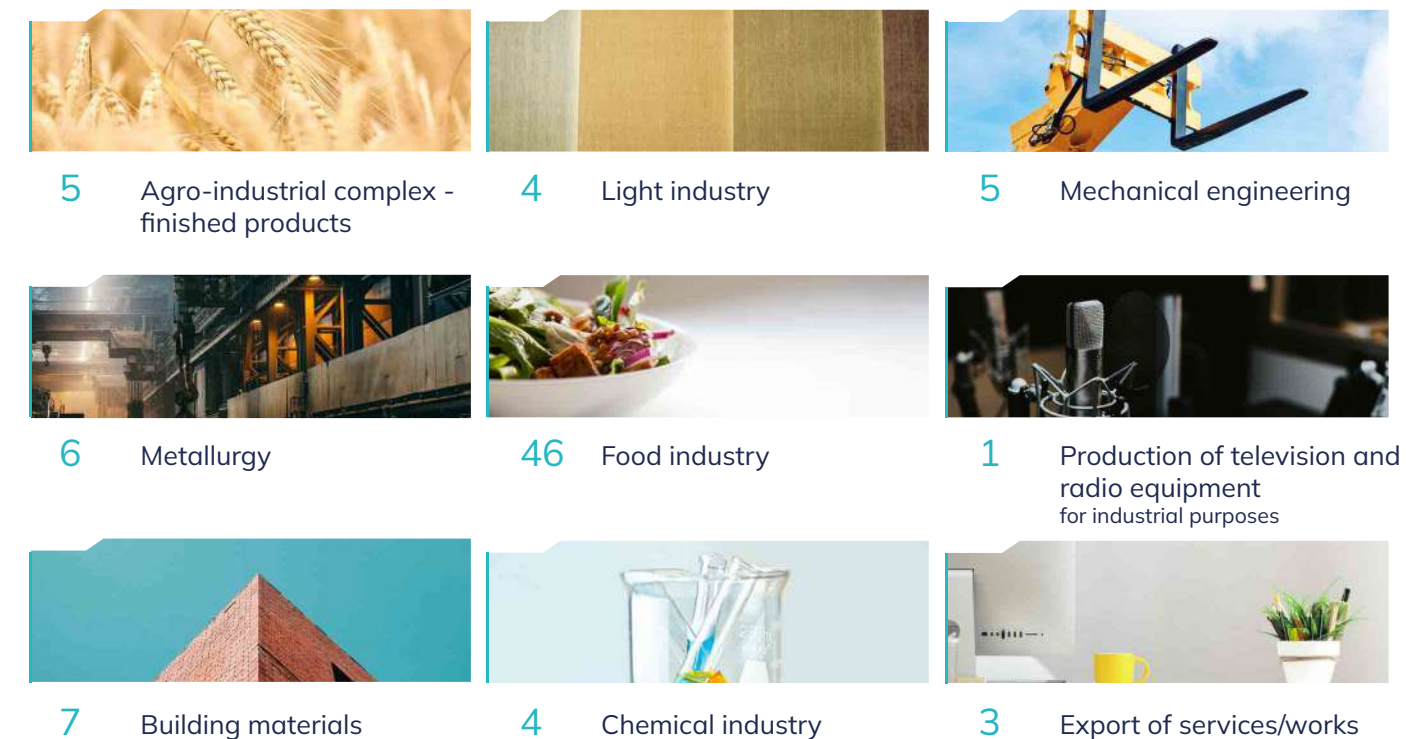
ROA



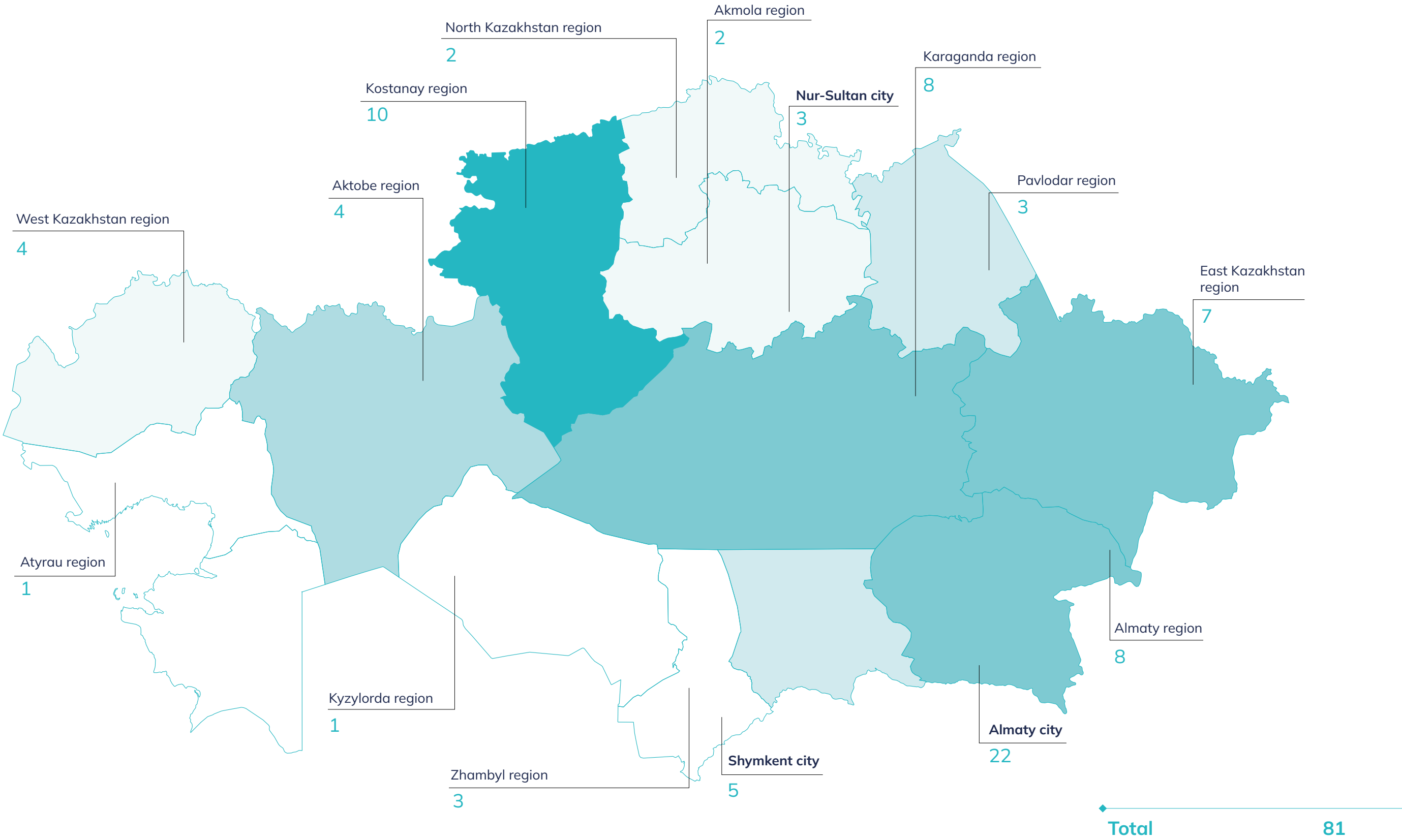
### Insurance obligations assumed in 2021, due to instruments



### Number of supported exporters in 2021, due to economic branches



Insurance obligations assumed in 2021,  
by countries

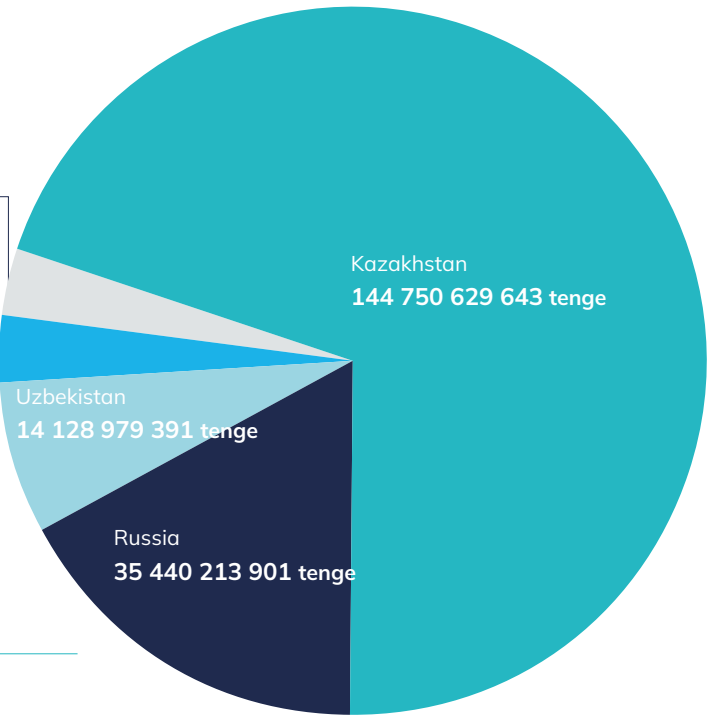




Volume of assumed country obligations (VAO)

Kyrgyzstan 1 381 913 472 tenge	Georgia 218 844 599 tenge	Tajikistan 5 109 258 938 tenge
Ukraine 1 060 247 058 tenge	Turkey 160 101 662 tenge	
Azerbaijan 807 699 588 tenge	China 123 116 445 tenge	Poland 59 101 675 tenge
Belarus 805 013 206 tenge	Armenia 99 522 363 tenge	UAE 16 978 406 tenge
Germany 440 959 760 tenge	Mongolia 88 685 000 tenge	Estonia 12 967 500 tenge

Total 204 704 232 605 tenge



Significant cases implemented with the support of KazakhExport in 2021

EkibastuzFerroAlloys LLP,  
Ekibastuz



EkibastuzFerroAlloys LLP implements investment project “Construction of a ferroalloy plant”. The aim of the project is to build a modern ferrosilicon plant in Ekibastuz with a production capacity of 240,000 tons of products per year. The project is aimed at meeting local and global demand for ferrosilicon through production and subsequent sale of products in Kazakhstan, Europe, Southeast Asia, North and South America markets.

The project is being implemented with the financial support of “Development Bank of Kazakhstan” JSC in the amount of 72 billion tenge, taking into account export orientation of the enterprise, **KazakhExport** assumed credit risks for this financing in the amount of 33 billion tenge with reinsurance in “Subsidiary organization of Halyk Bank of Kazakhstan” Insurance company” Halyk” JSC.

Prima Kus LLP,  
Almaty region



Closed-Loop Poultry Farm on producing and processing of broiler meat, with a slaughter capacity of 6000 heads per hour, with a one-time content of 1,111,600 heads (24 poultry houses), a planting stock of 7,405,200 per year, a slaughter weight of broiler meat - 13,859 tons per year.

In 2021, **KazakhExport**, together with RBK Bank JSC, provided support for loan insurance for insurance of project financing and commissioning of a poultry farm by providing insurance coverage on obligations of Prima Kus LLP to Bank RBK JSC in the amount of 25 billion tenge.

Hyundai Trans Kazakhstan LLP,  
Almaty city



Hyundai Trans Kazakhstan LLP is a plant of semi knockdown and completely knockdown industrial assembly of Hyundai passenger cars located in Almaty.

Total amount of support for “Voluntary loan Insurance” product is more than 24 billion tenge. Beneficiary of insured transaction is “Development Bank of Kazakhstan” JSC with intended use – replenishment of working capital. Assembly kit for producing passenger cars are purchased with credit funds, with further export to Republic of Uzbekistan, Republic of Belarus, Kyrgyz Republic.

Full-cycle battery plant “Kainar-AKB”  
in Taldykorgan



Plant produces batteries for cars and trucks, semaphore, as well as diesel and tank vehicles. Main markets for products of Kainar-AKB company are CIS countries and abroad: Russia, Uzbekistan, Kyrgyzstan, Azerbaijan, Tajikistan, Belarus, China, the UAE. During 2021, **KazakhExport**, along with Kazakhstani banks, provided support in the amount of more than 250 million rubles in the framework of insurance of documentary letters of credit and trade finance.

Evraz Caspian Steel LLP and  
SaryarkaAvtoProm LLP



On December 30, 2021, **KazakhExport** provided support to Evraz Caspian Steel LLP and SaryarkaAvtoProm LLP through insurance and subsequent financing of the first two letters of credit of systemically important state savings bank of the Republic of Tajikistan “Amon-atbonk” for a total amount of 4.73 million US dollars within the framework of foreign trade contracts with the buyer of Holding Asia Group Tajikistan CJSC for purchasing rolled metal and motor vehicles (JAC brand cars) of Kazakhstan production.

# FINANCIAL INDICATORS

In 2021, **KazakhExport** assets increased **from 122.8 billion tenge to 139.3 billion tenge** due to the growth of insurance reserves. Efficiency indicator of using company’s assets in 2021 exceeded planned value **by 153%, amounting to 1.53%**. Capital of non-fulfillment of the plan is associated with the payment of dividends for 2020 in a larger amount than was provided for in the approved plan.

GRI 201-1, 201-4

## Financial indicators of KazakhExport in thousands of tenge

	2021	2020
Assets	139 397 883	122 872 897
Obligations	25 183 941	13 432 436
Capital	114 213 942	109 440 461

## Income, expenses, profit (significant items) in thousands of tenge

	2021	2020
Accrued insurance premiums, net	5 643 815	3 746 956
Earned insurance premiums, net	3 424 328	1 776 861
Paid claims, net	- 8 363 313	- 3 927 830
Net Interest income	8 921 029	7 208 091
Net profit from foreign exchange transactions	718 849	1 150 720
General administrative expenses	- 2 150 084	- 1 757 809
Pretax profit	2 332 014	4 517 115
Income tax expenses	- 320 023	- 653 211
Profit for the year	2 011 991	3 863 904

# PROCUREMENT PRACTICE

GRI 103-2, 204-1



In the reporting period, procurement activities were carried out in accordance with **Rules for the Procurement** of Goods, Works, Services by National Management holdings, National Holdings, National Companies and Organizations, fifty percent or more of voting shares (interest in authorised capital) of which directly or indirectly belong to the national management holding, national holding, national company, which were approved by Order of First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201.

In order to ensure principles of procurement, Company also continues to use online e-procurement platform of the Eurasian Electronic Portal – [eep.mitwork.kz](http://eep.mitwork.kz), where any potential supplier can register and submit applications for participation in procurement by requesting price offers and an open tender/auction.

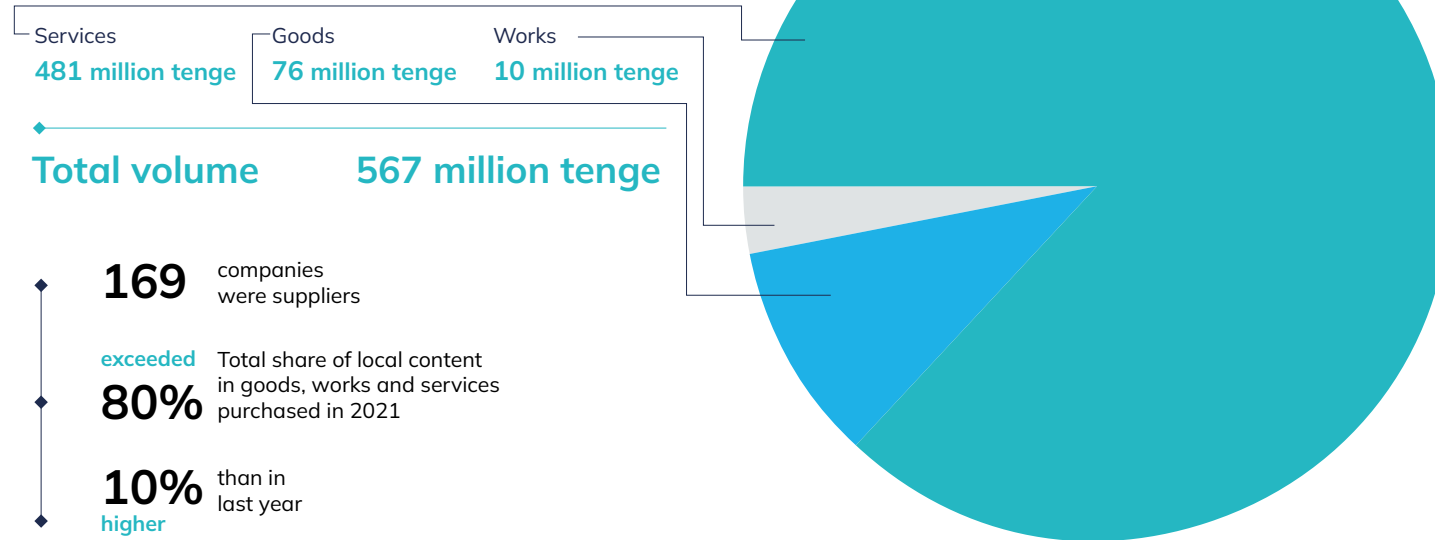
This web portal also implements functionality for approving and signing electronic procurement contracts, as well as acts of delivery of goods, works and services on them, which significantly facilitates and automates the process of contract execution, saves time and resources of the Company.



Company maintains a policy aimed at increasing the competitive mass, so in particular on the corporate website there is a **Register of potential suppliers**, currently consisting of **754 participants**. At the same time, any potential supplier who wants to receive monthly information can become a member of this Register without passing the qualification selection by filling out the appropriate questionnaire.



## Volume of purchased goods, works and services of the Company in 2021



It should be noted that vendor selection in procurement process from a single source by direct conclusion of contracts is carried out using selection and analysis among potential suppliers, taking into account the above procurement principles.

## FURTHER PLANS AND TASKS

**01.**

Passing a law “On the Export Credit Agency of the Republic of Kazakhstan” (KazakhExport’s exit from the regulation of the National Bank of the Republic of Kazakhstan).

**02.**

Achievement of the plan for the volume of assumed obligations in the amount of 250 billion tenge.

**03.**

State guarantee limit increase in the amount of at least 210 billion tenge for 2022.

**04.**

Approval of regulatory legal acts on implementing an instrument for subsidizing trade finalizing rate.

**05.**

As part of the formation of republican budget for 2023–2025, it is planned:

- carrying out measures to establish state guarantee limit for 2023;
- to provide funds for subsidizing remuneration rate of trade finalizing.

**06.**

Adoption of the Resolution of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on the recognition of transactions on financing by domestic banks of non-residents for purchasing Kazakhstani goods, works and services provided by **KazakhExport** insurance protection as an internal asset when calculating the coefficient for using part of funds of banks in internal assets.

**07.**

Expansion of cooperation with export credit agencies of partner countries, including EXIAR, ICIEC and commercial reinsurers of London market (Lloyd’s) on facultative reinsurance of large projects.

**08.**

Creation of Eurasian Reinsurance Company (ERC) in order to stimulate intertrade and foreign trade, implementation of joint cooperative projects and investments of Eurasian Economic Union, complementing functionality of export credit agencies of ERC member states at the supranational level.

**09.**

Development and approval by the Board of Directors of an internal methodology for monitoring financial stability as a substitute for prudential regulation.



## CORPORATE GOVERNANCE

### Corporate governance system and its principles

**KazakhExport** considers corporate governance as a means of **increasing the efficiency** of Company's activities, **strengthening its reputation and reducing cost** of raising capital. **KazakhExport** considers a proper corporate governance system as its contribution to **ensuring the rule of law in the Republic of Kazakhstan** and a factor **determining the place** of **KazakhExport** in the modern economy and society as a whole.

In order to ensure compliance of the Company's corporate governance with relevant standards of the Organization for Economic Cooperation and Development, **KazakhExport** has adopted **Corporate Governance Code**, which is a set of rules and recommendations that **KazakhExport** follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.

In 2021, **KazakhExport** implemented measures aimed at compliance with principles and provisions enshrined in **KazakhExport Corporate Governance Code**, approved by the decision of the Board of Baiterek National Managing Holding JSC dated December 13, 2017 No. 51/17 (with amendments and additions dated December 25, 2019 No. 61/19).

Company has prepared a report on compliance with principles and provisions of the **Corporate Governance Code** for 2021, which contains the results of monitoring compliance with **Corporate Governance Code** and detailed information on the activities carried out to implement its principles and provisions. According to the Report, Company adheres to the principles and provisions of the **Corporate Governance Code** and is constantly working to improve corporate governance procedures.

### Principles of corporate governance

Corporate governance of **KazakhExport** is based on the **principles of fairness, honesty, responsibility, transparency, professionalism and competence**. Corporate governance system of the Company provides for clear delineation of powers and responsibilities between bodies, officials and employees of **KazakhExport**.



## Fundamental principles of Company's corporate governance are:

- principle of delineation of powers;
- principle of protecting rights and interests of Sole Shareholder;
- principle of effective management of **KazakhExport** by Board of Directors and Management Board;
- principle of sustainable development; principle of risk management, internal control and internal audit;
- principle of regulating corporate conflicts and conflicts of interest;
- principles of transparency and objectivity of information disclosure.

## SOLE SHAREHOLDER

### Share capital

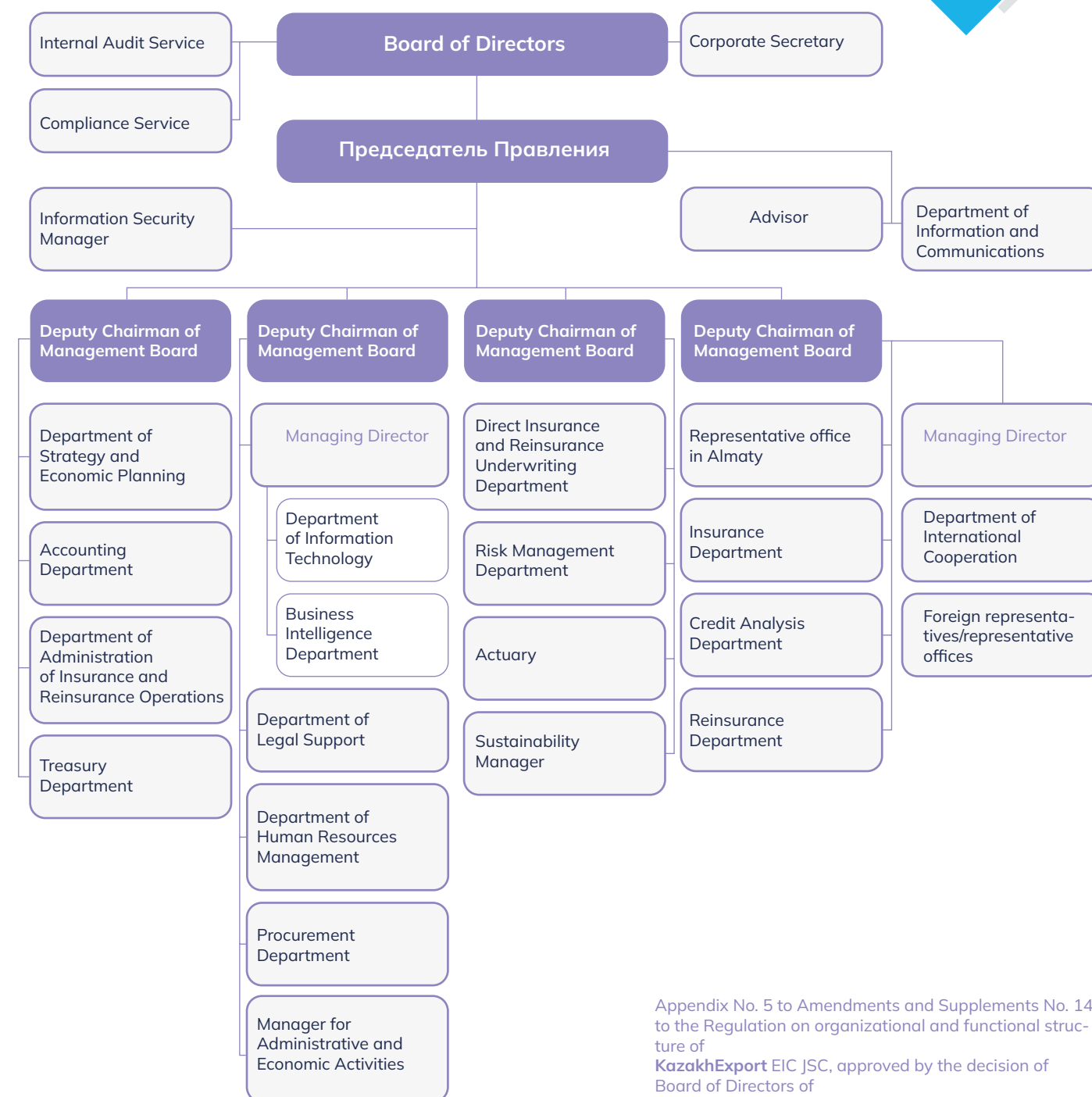
As of December 31, 2021, authorized capital of the Company is **105,100,000,000** (one hundred and five billion one hundred million) **tenge**, number of declared common shares is **92,000** (ninety two thousand) **pieces**, number of outstanding **91,440** (ninety one thousand four hundred forty) **pieces**. The **100% holder of outstanding shares is Baiterek NMH JSC**.

### Payment of dividends

Company paid dividends in the amount of **70% of net profit** received in 2020, in the amount of about **2,704,733 thousand tenge**.

## ORGANIZATIONAL STRUCTURE

GRI 102-8, 102-10, 102-15, 102-41, 401-1, 402-1



Staffing  
**98**  
employees

Appendix No. 5 to Amendments and Supplements No. 14 to the Regulation on organizational and functional structure of **KazakhExport** EIC JSC, approved by the decision of Board of Directors of **KazakhExport** EIC JSC dated March 30, 2021 No. 2

Appendix No. 20 to the Regulation on organizational and functional structure of **KazakhExport** EIC JSC, approved by the decision Board of Directors of **KazakhExport** EIC JSC dated September 8, 2017 (Minutes No. 8)

Board of Directors

**Board of Directors of the Company** is formed from persons proposed (recommended) for election to **Board of Directors** as representatives of Sole Shareholder, individuals who has not been proposed (not recommended) for election to Board of Directors as a representative of Sole Shareholder.

Composition of **Company's Board of Directors** and its committees should provide for a balance of skills, experience and knowledge of their members, taking into account industry specifics of Company's activities, scope of activities, issues considered by committees of **Board of Directors**, allowing for independent, objective and effective decisions in the interests of Company and Sole Shareholder.

The quantitative composition of **Company's Board of Directors** is determined by Sole Shareholder. The composition of **Company's Board of Directors** is determined individually, taking into account the scope of activities, current tasks, development strategy and/or development plan and financial capabilities.

Sole Shareholder elects members of **Company's Board of Directors** in accordance with the procedure established by the legislation of the Republic of Kazakhstan, charter and internal documents of the Company, taking into account authorities, skills, achievements, business reputation and professional experience of candidates.

When re-electing individual members of **Company's Board of Directors** or its full composition for a new term, results of the evaluation of the activities of members of **Board of Directors** are taken into account.

The term of powers of members of Board of Directors of the Company coincides with the term of powers of the entire Board of Directors of the Company, unless otherwise determined by the decision of Sole Shareholder, and expires at the time of Sole Shareholder's decision to elect a new Board of Directors. Sole Shareholder has the right to terminate powers of all or individual members of Company's Board of Directors ahead of time.

The same person from among independent directors may not be elected to Company's Board of Directors for more than nine consecutive years (for example, three three-year terms). In exceptional cases, election for a term of more than nine years is allowed, while the election of such person to Company's Board of Directors takes place annually or at another time, with a detailed explanation of the need to elect this member of Board of Directors and the impact of this fact on the independence of decision-making.

In accordance with Corporate Governance Code, Regulations on the Evaluation of Board of Directors of **KazakhExport** – effectiveness of Board of Directors is evaluated on an annual basis. At the same time, every three years such an assessment should be carried out with the involvement of an independent professional organization.

Key task of efficiency assessment is to obtain objective information about current activities of Board, Committees, Corporate Secretary and the balance of Board of Directors, to analyze individual contribution of directors to the work of Board and Committees, to determine directions for further development of practice of Board of Directors.

Composition of Board of Directors of KazakhExport as of December 31, 2021

Nº	Job position in the Board of Directors of the Company, full name	Period (date, month, year)	Job position by main place of work
1	The chairman of board of directors Sultanov Bakhyt Turlykhanovich	from 13.11.2019	Minister of Trade and Integration of the Republic of Kazakhstan
2	Member of the Board of Directors Askar Azamtuly	from 30.06.2021	General Director of "Center for the Development of Trade Policy "QazTrade"
3	Member of the Board of Directors Arifkhanov Aidar Abdrazakhovich	from 08.02.2017 until February 2 , 2022	The Chairman of Management Board Baiterek NMH JSC
4	Member of the Board of Directors Mukhamedzhanov Adil Bektasovich	from 16.06.2021	Deputy Chairman of Management Board Baiterek NMH JSC
5	Member of the Board of Directors Iskakov Ruslan Viktorovich	from 15.02.2016 until February 15, 2022	The Chairman of Management Board <b>KazakhExport</b>
6	Member of the Board of Directors - Independent Director Suentaev Damir Serkbaevich	15.02.2016	Advisor to Republican Union of Fintech Industry Association of legal entities
7	Member of the Board of Directors - Independent Director Samakova Aitkul Baigazievna	13.09.2016	
8	Member of the Board of Directors - Independent Director Dildyaev Yaroslav Grigorievich	13.09.2017	Chairman of Board of Directors, Operating Director of Axiom InRe Insurance Brokers LLC
9	Member of Board of Directors - Independent Director Michael Weinstein	from 22.05.2019	

When selecting candidates to the Board of Directors of the Company, the following are taken into account:

- 1) work experience in senior positions;
- 2) work experience as a member of Board of Directors;
- 3) work experience;
- 4) education, specialty, including availability of international certificates;
- 5) availability of competencies in areas and industries (industries may vary depending on the asset portfolio);
- 6) business reputation;
- 7) presence of a direct or potential conflict of interest.



During 2021, Sole Shareholder of KazakhExport made the following decisions to change the composition of Board of Directors:

- On early termination of powers and election of a member of the Board of Directors of KazakhExport (Minutes of Management Board of Baiterek NMH JSC dated June 16, 2021 No. 30/21):

  - 1. To terminate prematurely powers of a member of Board of Directors of **KazakhExport** Karagoishin Rustam Timurovich since May 11, 2021.
  - 2. To elect Mukhamedzhanov Adil Bektasovich as a member of Board of Directors of **KazakhExport** as a representative of Sole Shareholder with the term of powers of Board of Directors of **KazakhExport** as a whole.
- On determining the quantitative composition and election of a member of Board of Directors of KazakhExport (Minutes of Management Board of Baiterek NMH JSC dated June 30, 2021 No. 33/21):

  - 1. Determine quantitative composition of **KazakhExport** in the amount of 9 (nine) people.
  - 2. To elect Azamat Askaruly as a member of Board of Directors of **KazakhExport** with a term of powers until the expiration of term of powers of Board of Directors of **KazakhExport**.
  - 3. This decision is the decision of Sole Shareholder of **KazakhExport**.

Report on activities of Board of Directors



Full name	Presence form	Absentee form
Sultanov Bakhyt Turlykhanovich	6*/6*	6*/6**
Iskakov Ruslan Viktorovich	6*/6*	6*/6**
Suentaev Damir Serkbaevich	6*/6*	6*/6**
Samakova Aitkul Baigazievna	6*/6*	6*/6**
Michael Weinstein	6*/6*	6*/6**
Arifkhanov Aidar Abdrazakhovich	4*/6*	6*/6**
Dildyaev Yaroslav Grigorievich	6*/6*	6*/6**
Azamat Askaruly	5*/6*	5*/6**
Mukhamedzhanov Adil Bektasovich	3*/4*	4*/4**
Karagoishin Rustam Timurovich	2*/2*	2*/2**

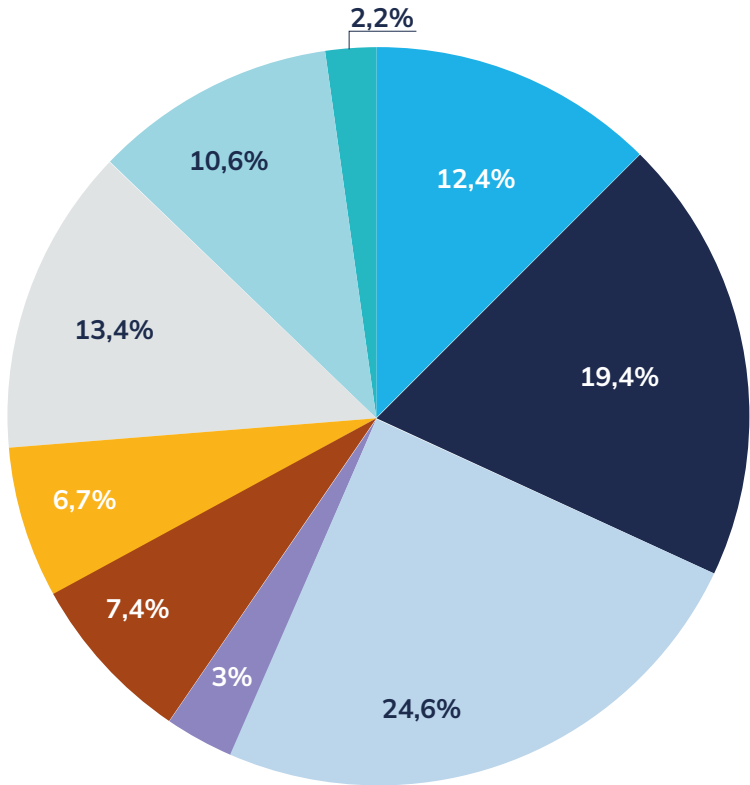
\*Total number of meetings attended by a member of Board of Directors;

\*\*Total number of meetings in which a member of Board of Directors could participate.

During 2021, 134 issues were considered at the meetings of Board of Directors of KazakhExport. In particular, Board of Directors of KazakhExport considered the following issues:



Total: 134 questions



Committees of Board of Directors

In order to improve efficiency of **KazakhExport** development management by developing comprehensively substantiated recommendations to the Board of Directors, the following advisory bodies have been established and operate in **KazakhExport**:

01.

Audit Committee of the Board of Directors of **KazakhExport**;

02.

Human Resources, Remuneration and Social Affairs Committee of the Board of Directors of **KazakhExport**;

03.

Strategic Planning Committee of **KazakhExport** Board of Directors.

All offers developed by Committees are recommendations that are submitted to **KazakhExport** Board of Directors for consideration.

The Secretary of Committees of the Board of Directors of KazakhExport is Corporate Secretary of the Company Uralbaeva A.R.

Composition of Committees of the Board of Directors  
of KazakhExport as of December 31, 2021

Nº	Chairman, members, experts of the Committee on audit of Board of Directors	Full name	Job position
1	Chairman of the Committee	Suentaev Damir Serkbaevich	Member of Board of Directors – Independent Director
2	Member of the Committee	Mukhamedzhanov Adil Bektasovich	Member of Board of Directors, representative Sole Shareholder
3	Member of the Committee	Samakova Aitkul Baigazievna	Member of Board of Directors – Independent Director
4	Member of the Committee	Dildyaev Yaroslav Grigorievich	Member of Board of Directors – Independent Director
5	Member of the Committee	Michael Weinstein	Member of Board of Directors – Independent Director

Nº	Chairman, members, experts of the Committee on HR management, remuneration and social issues of the Board of Directors	Full name	Job position
1	Chairman of the Committee	Samakova Aitkul Baigazievna	Member of Board of Directors – Independent Director
2	Member of the Committee	Mukhamedzhanov Adil Bektasovich	Member of Board of Directors, representative Sole Shareholder
3	Member of the Committee	Suentaev Damir Serkbaevich	Member of Board of Directors – Independent Director
4	Member of the Committee	Dildyaev Yaroslav Grigorievich	Member of Board of Directors – Independent Director
5	Member of the Committee	Michael Weinstein	Member of Board of Directors – Independent Director
6	Expert without the right to vote	Mamekov Murat Mamyruly	Project Manager of Asset Management Department of Baiterek NMH JSC

Nº	Председатель, члены, эксперты Комитета по стратегическому планированию Совета директоров	Full name	Job position
1	Chairman of the Committee	Dildyaev Yaroslav Grigorievich	Member of Board of Directors – Independent Director
2	Member of the Committee	Mukhamedzhanov Adil Bektasovich	Member of Board of Directors, representative Sole Shareholder
3	Member of the Committee	Samakova Aitkul Baigazievna	Member of Board of Directors – Independent Director
4	Member of the Committee	Suentaev Damir Serkbaevich	Member of Board of Directors – Independent Director
5	Member of the Committee	Michael Weinstein	Member of Board of Directors – Independent Director
6	Expert without the right to vote	Mamekov Murat Mamyruly	Project Manager of Asset Management Department of Baiterek NMH JSC

During 2021, Committees of the Board of Directors of KazakhExport held meetings in person at KazakhExport and via video conferencing:

10 in person meetings of Audit Committee	115 questions	9 in person meetings of HR management, Remuneration and Social Affairs Committee	36 questions	8 in person meetings of Strategic Planning Committee	17 questions
Minutes No. 1 dated 26.01.2021	6 questions	Minutes No. 1 dated of 29.03.2021	7 questions	Minutes No. 1 dated of 29.03.2021	2 questions
Minutes No. 2 dated 29.03.2021	20 questions	Minutes No. 2 dated 26.04.2021	4 questions	Minutes No. 2 dated 26.04.2021	3 questions
Minutes No. 3 dated 26.04.2021	11 questions	Minutes No. 3 dated 16.06.2021	5 questions	Minutes No. 3 dated 16.06.2021	3 questions
Minutes No. 4 dated 15.06.2021	15 questions	Minutes No. 4 dated 11.08.2021	7 questions	Minutes No. 4 dated 11.08.2021	2 questions
Minutes No. 5 dated 11.08.2021	12 questions	Minutes No. 5 dated 20.08.2021	4 questions	Minutes No. 5 dated 10.08.2021	3 questions
Minutes No. 6 dated 20.08.2021	9 questions	Minutes No. 6 dated 27.09.2021	3 questions	Minutes No. 6 dated 27.08.2021	1 question
Minutes No. 7 dated 27.09.2021	9 questions	Minutes No. 7 dated 09.11.2021	2 questions	Minutes No. 7 dated 09.11.2021	2 questions
Minutes No. 8 dated 09.11.2021	7 questions	Minutes No. 8 dated 09.12.2021	3 questions	Minutes No. 8 dated 09.12.2021	1 question
Minutes No. 9 dated 09.12.2021	15 questions	Minutes No. 9 dated 22.12.2021	4 questions		
Minutes No. 10 dated 22.12.2021	11 questions				

During 2021, Committees of the Board of Directors of **KazakhExport** considered a total of **168 issues**, including:

- Audit Committee - **115 questions** (68%);
- HR management, Remuneration and Social Affairs Committee - **36 questions** (24%);
- Strategic Planning Committee has **17 questions** (8%).

Materials, explanatory notes for comprehensive consideration of issues were sent to Chairman and members of the Committees of Board of Directors of **KazakhExport** within the time limits established by Regulations on Committees of the Board of Directors of **KazakhExport**, **5 (five) working days** before the date of the meeting of the Committee.

Number of issues considered by the Committees of the Board of Directors of KazakhExport





## Governance

In 2021, Board of **KazakhExport** consists of the following persons:

Nº	Position, full name	Period (date, month, year)	Substantiation
1	The Chairman of Management Board Iskakov Ruslan Viktorovich	15.02.2016 – 15.02.2022	The decision of Sole Shareholder is the decision of Management Board of Baiterek NMH JSC dated 11.02.2016 (Minutes No. 05/16)  By the decision of Sole Shareholder - by the decision of Board of Baiterek NMH JSC dated February 16, 2022 (Minutes No. 09\22), powers of R.V. Iskakov were terminated prematurely
2	Deputy Chairman of Management Board Zhaksybaev Rauan Omirbekovich	12.07.2016 – to the present	<b>KazakhExport</b> Board of Directors Decision No. 104 dated 12.07.2016
3	Deputy Chairman of Management Board Kaligazin Aslan Ermekovich	01.10.2018 – 19.08.2021	<b>KazakhExport</b> Board of Directors Decision No. 8 dated 26.09.2018  By the decision of Board of Directors of <b>KazakhExport</b> dated August 13, 2021 (Minutes No. 7), powers of A.E. Kaligazin were terminated prematurely
4	Deputy Chairman of Management Board Bekkhoshin Yerdan Erlanovich	02.10.2014 – to the present	<b>KazakhExport</b> Council Decision No. 83 dated 30.09.2014
5	Deputy Chairman of Management Board Mukazhanov K.A.	01.10.2021 – to the present	<b>KazakhExport</b> Board of Directors Decision No. 106 dated 14.10.2016
6	Deputy Chairman of Management Board Bektybaeva A.E.	01.04.2021 – to the present	Decision of Board of Directors of <b>KazakhExport</b> dated March 30, 2021 (Minutes No. 2)

During the reporting period, Board of **KazakhExport** held **77 in person meetings**, at which **420 issues** were considered (12% more than in the same period of 2021), on which appropriate decisions were made.

## Corporate Ethics

GRI 102-16

In its activities, **KazakhExport** implements and put into force following fundamental corporate values and principles:

- 1) meritocracy;
- 2) responsibility;
- 3) professionalism and development;
- 4) mutual respect and trust;
- 5) honesty and openness;
- 6) team spirit.

Values, principles and standards of business conduct in activities of **KazakhExport** are enshrined in Business Ethics Code, which is a set of rules that establish fundamental values and principles of business ethics that all employees and officials should be guided by.

Company has an Ombudsman institution, the main functions of which are:

01. consideration of appeals of **KazakhExport** employees, officials and making recommendations to solve them, including interacting with state bodies, **KazakhExport** management bodies;
02. collecting information on the facts of violation and non-compliance with the provisions of this Business Ethics Code with the formation on an annual basis of a Report on the state of moral and ethical climate in **KazakhExport**;
03. consultation of employees, officials on the provisions of Business Ethics Code;
04. initiation of consideration of disputes on violation of provisions of Business Ethics Code and participation in their settlement in out-of-court and judicial procedures.

## COMPLIANCE CONTROL

### Settlement of corporate conflicts and conflicts of interest

In the current activities of **KazakhExport**, provisions of the Policy on the Settlement of Corporate Conflicts and Conflicts of Interest are implemented, which regulates the procedure and procedures for pre-trial settlement of conflicts, as well as the actions of bodies, officials and employees within these processes.

In particular, **KazakhExport** officials and employees are obliged to:

- ♦ forgo from taking actions and making decisions that may lead to conflicts;
- ♦ exclude the possibility of involvement of **KazakhExport** in the implementation of illegal activities;
- ♦ to ensure the reliability of accounting statements and other information provided to Sole Shareholder and stakeholders, bodies regulation and supervision;
- ♦ to ensure the identification of emerging conflicts at the earliest stages of their development;
- ♦ to carry out other measures provided for by the Policy on the Settlement of Corporate Conflicts and Conflicts of Interest.

On the occurrence of corporate conflicts, officials must notify Corporate Secretary in a timely manner by submitting an appropriate application.

In 2021, there were no cases of corporate conflicts and conflicts of interest in the activities of **KazakhExport**.

Appeals of Sole Shareholder relating to actions of **KazakhExport** and its officials were not received during 2021.



## Compliance risk management

According to “Rules for the formation of a risk management and internal control system for insurance (reinsurance) organizations, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan”, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 198 dated 27.08.2018, **compliance risk** is the risk of expenses (losses) or the application of measures of the authorized body or loss of reputation and (or) a conflict of interest due to non-compliance by the organization and its employees with the requirements of the legislation of the Republic of Kazakhstan on insurance and insurance activities, on compulsory insurance, on joint stock companies, on securities market, on countering the legalization (laundering) of proceeds from crime and financing of terrorism and (or) internal documents of the organization, and (or) legislation of foreign states that have an impact on the activities of the organization.

According to the above rules, functions of ensuring compliance with compliance risk management requirements in insurance (reinsurance) organizations are assigned to the compliance controller.

Since September 1, 2020, **Compliance Service** has been formed and operates in company's structure, which, along with Risk Management Department, Legal Support Department, and other structural divisions, is a participant in the internal control system.

The main purpose of compliance risk management is to prevent or minimize the occurrence of compliance risks entailing material damage to **KazakhExport**, reputational damage, application of supervisory response measures, sanctions, administrative penalties due to non-compliance with the requirements of the legislation of the Republic of Kazakhstan, regulatory legal acts regulating activities of insurance companies by authorized state bodies and, in particular, financial regulator (reinsurance) organizations, as well as requirements of international legal acts that affect the activities of **KazakhExport**.

In order to effectively manage compliance risk, **Compliance Service** regularly works to detect compliance risk, identify and assess its causes, as well as take measures to minimize it in the future.

**Compliance Service** also monitors the implementation by **KazakhExport** structural units of requirements of legislation of the Republic of Kazakhstan on combating legalization (laundering) of income from crime and financing of terrorism (hereinafter - CLI/FT).

For this purpose, financial monitoring activities are regularly carried out with the aim of preventing risk of **KazakhExport's** involvement in the processes of money and property legalization obtained by criminal means and financing of terrorism and financing.

During 2021, Company has not allowed its services (products) to be exposed to high levels of risk of legalization (laundering) of income from crime and terrorist financing.

There are no cases of insurance of clients' projects by the Company, implementation of which is planned in the territories of states included in the list of states (territories) that do not comply or insufficiently comply with the recommendations of Financial Action Task Force on Money Laundering (FATF), as well as those included in the list of offshore zones, or in respect of which international sanctions (embargoes) are applied, adopted by resolutions of the United Nations Security Council.

**Compliance Service** interacts on an ongoing basis with all structural divisions in terms of its areas of work.

During the reporting year, there were no cases of compliance risk implementation during the reporting year, which would entail a violation of company's overall corporate development strategy, the occurrence of reputational risks for it.

In 2021, no claims, complaints or other appeals were received from consumers of financial services (policyholders, beneficiaries or other clients), as well as from other individuals and legal entities.

Supervisory response measures and administrative penalties from the financial regulator and other authorized bodies were not applied to the company and its officials.

Violations of mandatory limits, prudential standards, and other mandatory limits established by financial regulator by the Company were not allowed by insurance (reinsurance) organizations.

During 2021, Company has not allowed the occurrence of factors affecting the deterioration of its financial position as an insurance (reinsurance) organization. According to the results of 2021, Board of Directors recognized the effectiveness of compliance risk management in the company as satisfactory.



## Combating corruption and fraud

GRI 103-2, 205-1, 205-3

As part of the implementation of the **GRI – 205 “On combating corruption”** sustainable development Policy indicator, requirements of the Law of the Republic of Kazakhstan “About Anti-Corruption”, as well as the provisions of its own internal regulatory documents, such as Anti-Corruption Policy, Rules for Preventing and Combating Fraud and Corruption, Company regularly conducts activities aimed at preventing and suppressing corruption manifestations, internal corporate fraud, as well as the formation of an anti-corruption culture among its staff, prevention and resolution of conflicts of interest.

During 2021, Company implemented a number of measures in the direction of combating corruption and fraud. Thus, in order to implement paragraph 116 of National Action Plan for the implementation of the Address of Head of State dated September 1, 2020, requests of Office of the Prime Minister of the Republic of Kazakhstan No. 23-14/01-82//413 Paragraph 116 of March 19, 2021, **KazakhExport** conducted an internal analysis of corruption risks. In order to do this, a working group was formed from among employees of Compliance Service and related structural units.

Company conducted a survey by anonymous computer questionnaire of clients and business partners for their satisfaction with work and services provided by the Company, an assessment of the presence of corruption in the activities of the latter. Results of the survey showed that cases of corruption among **KazakhExport** staff were not noted by its clients. Anti-corruption monitoring was carried out at the end of the year.

As part of anti-corruption culture development, Compliance Service conducted seminars for staff of the Company during the reporting year on combating corruption and fraud, compliance with standards of anti-corruption legislation of the Republic of Kazakhstan. Practice of checking Compliance Service employees of policyholders for their reliability, including using database of an automated information and reference service, has been introduced.

Compliance service regularly analyzes publications in the media, as well as in social networks about the activities of **KazakhExport** and/or its officials. In the reporting period, there were about **2,270 publications** about business operations of **KazakhExport**. Among them, there are no cases of publications about illegal actions of **KazakhExport** officials or employees, about cases of corruption.

The analysis covers activities of 19 structural divisions and activities of 6 **KazakhExport** employees who are not part of structural divisions. The number of internal regulatory documents of **KazakhExport** covered by the analysis is 170. The number of internal regulatory documents that identify factors that entail corruption risks is 12.

By the decision of Board of **KazakhExport** No. 35 dated May 28, 2021, Action Plan was approved to eliminate causes and conditions contributing to the commission of corruption offenses identified by the results of an internal analysis of corruption risks, containing **13 recommendations** based on the results of an internal analysis of corruption risks, necessary measures, deadlines for their execution, as well as responsible performers.

Control over keeping previously adopted anti-corruption restrictions by persons performing managerial functions in **KazakhExport** has been ensured. Control over the implementation of anti-corruption standards by **KazakhExport** employees stipulated by **KazakhExport** Anti-Corruption Policy.

Company's compliance with legislative prohibition on employment in quasi-governmental organizations of persons who have committed corruption crimes was monitored. In particular, together with employees of Ministry of National Economy of the Republic of Kazakhstan, checkout was carried out through “**Special Records**” **Information System** of full-time employees and members of Board of **KazakhExport** for possible commission of corruption criminal offenses by them: no facts of violations of legislative ban were revealed.

In order to improve skills of Compliance Service employees, this year they took part in **2 online workshops** organized by Anti-Corruption Agency Kazakhstan (“Anti-Corruption Service” on internal analysis of corruption risks issues and work of anti-corruption compliance).

They took part in “Economic Security 2021” conference organized by Kompra LLP company for representatives of quasi-public sector.

**KazakhExport** has an internal communications system, through which any stakeholders can report facts of corruption, cases of fraud, official abuses among **KazakhExport** officials and employees that have become known to them.





### The following communication channels function in the Company to receive requests:

- ◆ 1. E-mail addresses of Compliance Service employees posted on corporate Internet resource;
- ◆ 2. Senim Telephone Support Service: +7 (7172) 55-44-70;
- ◆ 3. Email Support Service: senim@KazakhExport.kz.

### In 2021, no corruption factors were identified in business operations of KazakhExport:

- ◆ 1. there were no cases of corruption offenses and fraud against **KazakhExport**;
- ◆ 2. there were no cases of violations of rights and legitimate interests of consumers of **KazakhExport** services;
- ◆ 3. there were no publications or television stories in television, print and electronic media, as well as in social networks about the illegal actions of officials or employees of **KazakhExport**;
- ◆ 4. there were no complaints and claims (written and oral, including those sent to **KazakhExport** email address, via Senim Telephone Support Service) from individuals and legal entities about the facts of corruption among **KazakhExport** officials and employees;
- ◆ 5. there were no cases of bringing **KazakhExport** officials and employees to criminal or administrative responsibility, conducting court proceedings with their participation on the facts of corruption offenses or violations of requirements of current legislation on insurance activities.

## INTERNAL AUDIT SERVICE

Mission of internal audit at **KazakhExport** is to preserve and increase the value of the Company by conducting objective internal audits based on a risk-based approach, providing recommendations and sharing knowledge. In its activities, Internal Audit Service (hereinafter referred to as the IAS) of **KazakhExport** takes into account all existing International Professional Standards of Internal Audit and Code of Ethics of Internal Auditors adopted by International Institute of Internal Auditors, is guided by approved internal regulatory documents on internal audit.

**KazakhExport** has a generally recognized conceptual model of internal audit that complies with International Professional Standards of Internal Audit and requirements of the Agency for Regulation and Development of Financial Market of the Republic of Kazakhstan (hereinafter - AFM), in which functions of internal audit are separated from the functions of internal control and risk management. Internal audit is in the mode of special functional and administrative subordination and accountability, ensuring objectivity of auditors and independence of IAS. As part of this accountability, **KazakhExport**'s management bodies are provided with reliable and up-to-date information on the level of effectiveness of internal control, corporate governance and risk management systems.

Board of Directors of **KazakhExport** approved risk-oriented Annual Audit Plan and IAS audit program, key performance indicators of IAS and its employees.

In accordance with Annual Audit Plan of IAS for 2021, **11 audit tasks** were provided and completed in full, including an Audit of information security and Information Technology with the involvement of an external audit - KPMG Tax and Advisory LLP.

As part of Information security and Information Technology Audit, an analysis of compliance with current rules of AFM, regulatory legal acts of Government and authorized departments of the Republic of Kazakhstan on information security and Uniform requirements in the field of information and communication technologies and information security was carried out, as well as a comprehensive assessment of the effectiveness of information technologies in accordance with **KazakhExport** IT Audit Methodology approved by the decision of Board of Directors on March 05, 2015 (Minutes No. 89). The final result of the efficiency of IT processes according to the approved **KazakhExport** IT Audit Methodology (Cobit 4) is **29%**.

On a quarterly basis, IAS monitors the implementation of the recommendations of IAS and external auditors.

In order to develop and improve their skills, IAS employees undergo continuous training.

In carrying out its functions, IAS confirmed to the Board of Directors its independence from the influence of any persons.

Report on activities of IAS on a quarterly basis is provided to Audit Committee and the Board of Directors of **KazakhExport**.

Board of Directors annually evaluates the performance of IAS and its Head on the basis of approved key performance indicators. Board of Directors of **KazakhExport** assessed activities of IAS as "effective".



## CORPORATE SECRETARY

During 2021, Corporate Secretary of **KazakhExport** carried out work to ensure timely execution by Heads of departments and officials of instructions of Sole Shareholder, Board of Directors and its committees.

Following results of the meetings of Board of Directors and its committees, extracts from minutes/decisions were provided to the divisions within 1-2 working days from the date of signing the Minutes. There were no violations of deadlines for signing the minutes of meetings of Board of Directors during 2021, the minutes were drawn up and signed no later than 3 working days after its holding.

There were no violations of deadlines for preparing and submitting reports on the working process of Board of Directors, Corporate Secretary during 2021, reports were submitted for consideration to the Board of Directors in accordance with the requirements of Regulations on the Board of Directors of **KazakhExport** – quarterly, until the end of the first month following the reporting quarter.

Timely disclosure of information about **KazakhExport** about corporate events and other information was provided within the requirements of legislation of the Republic of Kazakhstan and internal documents of **KazakhExport**.

During 2021, information about corporate events was posted on the Internet resource of **KazakhExport** financial reporting depository, in compliance with the requirements of the legislation of the Republic of Kazakhstan, notification letters were sent to the National Bank of the Republic of Kazakhstan on changing the composition of Board of Directors and determining the quantitative composition of Board of Directors.

Sanctions, including administrative fines, were not applied to **KazakhExport** officials by the National Bank of the Republic of Kazakhstan and other authorized state bodies.

During 2021, Corporate Secretary of **KazakhExport** consulted departments on issues submitted to Board of Directors and its committees.

## EXTERNAL AUDIT

The work on the external audit of financial statements in 2021 was carried out by KPMG AUDIT LLP. Contract with external auditor was made for the period of 2019-2021.

In accordance with the Policy on the Organization and Conduct of external audit, external auditor should follow principle of rotation of the project partner every five years.

If an external auditor who performed an external audit in the previous year is selected, such an external auditor prepares a succession plan for the project partner, which is submitted to Audit Committee of **KazakhExport** Board of Directors for consideration. Preparation of a succession plan for a project partner is not required, if another external auditor is selected, other than the previous one.

According to Code of Ethics, providing a number of non-audit services not related to the audit of financial statements may lead to a conflict of interest affecting the independence of the external auditor.

In order to ensure the independence of the judgment of the external auditor performing the audit of financial statements, tax audit, special purpose audit, it is prohibited to purchase and/or receive **KazakhExport** services of this auditor for accounting and financial reporting.

To determine the threat of independence for an external auditor when receiving services, **KazakhExport** is guided by the legislation of the Republic of Kazakhstan and internal regulations of **KazakhExport**, including the Policy on the Organization and Conduct of External Audit.

## RISK MANAGEMENT

GRI 103-11

Risk management system is an integral part of business operations of **KazakhExport** and is aimed at identifying, assessing and monitoring all significant risks, as well as taking measures to reduce their level, which may negatively affect financial stability and reputation. Risk management system is based on the internal capital adequacy assessment process. For each type of risk, its quantitative assessment is carried out for the purpose of further aggregation for calculating internal capital at the **KazakhExport** level and comparing it with available financial resources of the Company designed to cover all risks. Domestic capital takes into account following types of risks calculated under normal and stressful situations: credit risk, currency and interest rate risk, operational risk, business risk, insurance risk.

All these risks are identified and assessed in accordance with the internal documents of **KazakhExport**, and reporting on these risks is provided to Holding on a quarterly basis. In accordance with the requirements of Agency for Regulation and Development of Financial Market of the Republic of Kazakhstan and best practices of corporate governance, regular risk reporting has been introduced, where Management Board and Board of Directors of **KazakhExport** periodically receive information about the risk situation, including a risk map, risk reports.

As required Management Board and Board of Directors is provided with data on significant changes in risks. **KazakhExport** regularly provides risk reporting to Agency for Regulation and Development of Financial Market of the Republic of Kazakhstan. According to the results of 2021, there were no cases of violations of the deadlines for the formation and provision of types of reports provided for by Laws and Statutory Instruments of the National Bank of the Republic of Kazakhstan for insurance (reinsurance) organizations, prudential standards and other mandatory limits. In 2021, **KazakhExport** Risk Management Department, together with structural divisions, carried out a comprehensive identification and assessment of risks of **KazakhExport**. Based on the results of this work, Matrix of business processes, risks and controls was updated and approved.

Based on the results of assessment of compliance of risk management and internal control system, in accordance with the requirements of Resolution of Board of National Bank of the Republic of Kazakhstan dated August 27, 2018 No. 198 “On approval of the Rules for the formation of the risk management and internal control system for insurance (reinsurance) organizations, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan” for 2021, risk management system and internal control of **KazakhExport** complies with these requirements.

Internal Control System of **KazakhExport** (hereinafter referred to as ICS) is a set of organizational policies, procedures, standards of conduct, actions, methods and mechanisms of internal control created by Board of Directors and Management Board of **KazakhExport** to ensure effective internal control over the financial and economic activities of **KazakhExport**.

Internal control at **KazakhExport** is aimed at preventing risks in three key areas of activity, including operational activities, preparation of financial and management reports and compliance with regulatory and legislative requirements. ICS of **KazakhExport** consists of five interdependent components, such as control environment, risk assessment, control procedures, information and its transmission and monitoring.

Level of efficiency (maturity) of ICS and RMS, according to ICS and RMS Assessment Methodology, fits “**Mature**” level.

### Risk assessment of clients and counterparties

In order to assess the risks inherent to counterparties and clients of the Company, procedures stipulated in Methodology for Assessing Risk of Export Credit Insurance, International Factoring and Short-term Accounts Receivable of the exporter are applied within the framework of scoring model.

Risk assessment of export credit insurance, international factoring and/or short-term accounts receivable of the exporter is made taking into account the main factors, such as:

1. assessment of insurance history of product deliveries carried out by the insured (exporter) regardless of the buyer, and the presence of insurance cases in it, to analyze the selective approach of the exporter;
2. priority of stimulating development of Exporter's industry;
3. assessment of exporter's experience in the implementation of export sales, etc.

### Risk matrix of export credit insurance, international factoring and short-term accounts receivable

до 100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 95,1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 90,1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 85,1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 80,1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 75,1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 70,1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 65,1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 60,1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 55,1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
до 50,1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
до 45,1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0
до 40,1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
до 35,1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
до 30,1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0
до 25,1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0
до 20,1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0
до 15,1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0
до 10,1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0
до 5,1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
менее 0,1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	5	9	12	16	20	30	35	40	45	50	55	60	65	70	80	90	100	150	200	250	300

\*Vertical axis indicates the probability of default (PD) under the contract, horizontal axis indicates the amount of insurance obligations/debt in millions of tenge.

In case of that the amount of proposed limit does not exceed 300 million tenge, client's application is considered using a scoring model.



## SUSTAINABLE DEVELOPMENT ACTIVITIES

### Sustainable Development Management

GRI 103-2, 103-3, 302-3, 303-2, 305-5, 305-7, 306-2, 307-1

The process of economic change that meets the needs of the present without jeopardizing well-being of future generations is sustainable development. Promoting principles of sustainable development has become a top strategic priority for many companies. **KazakhExport** is guided by the principles of responsible business conduct, also strives to maintain a careful attitude towards customers, their needs and safety, take care of the quality of provided services, make a certain contribution to the growth of country's economy.

Today, pressing issues are problems of climate change, consequences of negative impact on the environment, the threat of cyber attacks, development of necessary IT skills in the conditions of digitalization, development of artificial intelligence and much more.

It is possible to meet all challenges, preserving our traditions, only on the basis of an integrated and systematic approach to managing social, environmental and managerial factors or ESG factors - an approach to responsible management and investment that was adopted worldwide.

Today it is impossible to be a successful company in the global market without meeting ESG criteria (environmental, social and corporate governance), which our stakeholders pay the closest attention to. Corporate governance, social responsibility and working conditions have a significant impact on corporate reputation.

It is already becoming clear that achieving Sustainable Development Goals, as well as mitigating effects of climate change, is impossible without comprehensive interstate and intersectoral cooperation. In 2017, Company joined UN Global Compact, which is one of the leading global initiatives in the field of sustainable development. In its activities in the field of sustainable development management, Company is guided by the principles based on international practice:

**17** Sustainable Development Goals of United Nations (UN);

**10** Principles of UN Global Compact (human rights, labor relations, environmental protection and anti-corruption);

 GRI (Global Reporting Initiative) Non-Financial Reporting Disclosure Standards.

Company recognizes the importance of all **17 Sustainable Development Goals** and strives to contribute to achievement of these goals through its activities. In recent years, it has been decided to develop ESG practices more deeply. The goal is to increase the culture of sustainable development within **KazakhExport**, ensuring confidence of stakeholders in **KazakhExport** as a reliable and responsible partner. During this period, active work was carried out, internal documents in the field of sustainable development were developed and updated.

2019	Board of Directors of <b>KazakhExport</b> approves Sustainable Development Policy of <b>KazakhExport</b>
2020	<p>Activity Plan for the implementation of Sustainable Development Policy of <b>KazakhExport</b> for 2020-2021 has been developed and approved</p> <p>Standard Contracts for Procurement of goods, works and services include a clause providing for Parties' desire to keeping principles of sustainable development in their activities</p> <p>Separate section has been created on the corporate Internet resource on sustainable development</p> <p>Corporate Internet resource has been modernized, also in terms of adaptation for people with special needs in accordance with Web Content Accessibility Guidelines (WCAG) 2.1 international standard.</p> <p>To interact with the population, an interactive business messenger window operates on the Internet resource, through which all requests from citizens are promptly processed. It is also planned to open a personal blog of the Chairman of Management Board in three languages, with integration on the Open Dialogue blog platform</p> <p>A report on the progress of <b>KazakhExport</b> within the framework of UN Global Compact has been prepared</p>
2021	<p>Information has been prepared for the Annual Report on <b>KazakhExport</b> activities for 2020 in accordance with GRI standards</p> <p>Key performance indicators in the field of sustainable development of <b>KazakhExport</b> have been developed and approved</p> <p>Environmental and social policy of <b>KazakhExport</b> has been approved</p> <p>ESG principles are implemented in <b>KazakhExport</b> business processes</p> <p>Underwriting policy has been updated taking into account the principles of sustainable development</p> <p>Risk Register has been updated taking into account the principles of sustainable development and the risk of improper execution of measures to implement the Sustainable Development Policy</p> <p>Training was conducted for <b>KazakhExport</b> managers "Implementation of the principles of sustainable development in the company" to explain the implementation of principles of sustainable development in the corporate sector. The seminar was held with the involvement of leading Russian experts in the field of sustainable development.</p> <p>Based on assessment results of consulting company PWC (PricewaterhouseCoopers) company ranked 34th in the TOP 50 ESG Information Disclosure Ranking</p> <p>Expanded content of the corporate website with ESG information</p>
2022	<p>Preparation of information for the Annual Report for 2021 in accordance with GRI standards has begun</p> <p>Work is being carried out on the basis of a new Activity Plan to implement Sustainable Development Policy of <b>KazakhExport</b> for 2022-2023</p>

The coronavirus pandemic has become a real challenge for all of us, not only affecting the interests of professional business communities, but also changing the habitual way of life of millions of people. We are confident that it is the responsible actions of each of us that could play an important role in solving problems of this scale and allow us to successfully follow the chosen course for sustainable and innovative development. Despite the difficult epidemiological situation prevailing in the world market during the reporting period and other challenges, we have steadily continued to develop and improve our own sustainable development management practices. In our opinion, ESG factors are becoming especially relevant in the current situation, since they allow us to assess the contribution and the degree of responsibility of the business for managing changes affecting future development.

We are sure that the period of turbulence is not a reason to slow down on the path of sustainable development, but, on the contrary, a reason for progress and moving forward with double speed. The global pandemic has become a serious systemic risk for the entire financial market, and has become a trigger for accelerating a large-scale digital transformation.







Significant direction	Objectives of ESG factors	Key events of 2021	SDG of UN Principles of UNGC
Ecology	reduction of paper consumption transferred to archival storage;	Environmental and social policy has been adopted;	12 (responsible consumption and production);
	full transition to document management;	a clause on commitment to the principles of sustainable development by the Parties is included in business processes and underwriting policy;	13 (combating climate change)
	participation in “Green Office” competition.	The concept of “Green Office” and Activity Plan for the implementation of this Concept were approved;	Principles №7,8,9
		separate waste collection is carried out;	
		energy-saving technologies are used for water, heat and electricity;	
		training was conducted on the implementation of the principles of sustainable development for <b>KazakhExport</b> employees;	
		training on environmental education of employees was conducted.	
Safety	Conducting training events for safety workers	Проведено обучение по технике безопасности, в том числе пожарной.	3 (good health and well-being)
Employee well-being	formation of personnel reserve base at all management levels;	social support and medical insurance provided to <b>KazakhExport</b> employees;	3 (good health and well-being);
		equal working conditions and career opportunities have been created;	4 (quality education);
	organization of exchanging experience of employees in foreign export credit agencies;	conducted	5 (gender equality);
	awarding of best employees, in order to express appreciation;	equal performance evaluation and remuneration systems are provided;	8 (decent work and economic growth)
	holding Car Free Day event.	internal and external training events for employees were held;	Principles №3, 4, 5, 6
		corporate unifying events (team building) were held;	
		football and chess tournaments have been held.	
Anti-corruption	development of a new edition of Internal Control Rules on combating legitimization of income obtained by criminal means;	conducted a training program on combating corruption and fraud;	16 (peace, justice and effective institutions)
	organization of access to the database for checking for the reliability of potential customers;	anti-corruption monitoring of <b>KazakhExport</b> activities was carried out;	Principles №10
		<b>KazakhExport</b> customers were checked for connectivity and reliability;	
		anti-corruption clause was included in business processes and underwriting policy.	
Innovations	implementation of automated CRM/ BPM data processing systems;	The main business processes are automated	9 (industrialization, innovation, infrastructure);
	full transition to electronic document management.		12 (responsible consumption and production)
Sustainable financial, insurance and non-financial support for exporters	providing comprehensive support to exporters in the framework of insurance and reinsurance;	81 enterprises received financial and insurance support;	4 (quality education);
	receiving subsidies;	training of external stakeholders (clients, partners, STB) has been conducted.	8 (decent work and economic growth);
	increasing the limit of state guarantee for export support;		17 (partnership for sustainable development)
	conducting training events		

In accordance with Sustainable Development Policy, Company strives to introduce and integrate ESG factors into the decision-making process for providing financial and insurance support, also getting **KazakhExport** counterparties acquainted with ESG factors. Company is continuously working to improve processes of managing ESG issues.

As a national development institute established to support Kazakhstan exports, **KazakhExport** strives to act in the best long-term interests of our customers. We strive to incorporate ESG principles into internal analysis and decision-making processes, take ESG factors into account in the company’s internal policies and practices, inform customers about the need and effectiveness of applying and implementing environmental, social and governance issues in our activities, thereby indirectly influencing the creation of a favorable investment climate in Kazakhstan.

We believe that an economically efficient and sustainable financial system will benefit the environment and society as a whole.

In order to take a responsible approach in providing insurance support to Kazakhstani exporters, **KazakhExport** has integrated ESG principles into its business processes, as well as into the underwriting process.

In summary, we believe that Company, through the introduction of ESG risk factors assessment when providing insurance protection to exporters, is able to motivate them to implement and improve their environmental, social and management policies, which ultimately should have a positive impact on the sustainable development of the country as a whole.

In order to implement the tasks on the implementation of the principles of sustainable development of **KazakhExport**, Activity Plan for the implementation of Company’s Sustainable Development Policy for 2021 (hereinafter referred to as Activity Plan) and Key Performance Indicators in the field of sustainable Development of **KazakhExport** for 2021-2023 (hereinafter referred to as Efficiency in the field of sustainable development) have been prepared and approved.

The formation of targets in the field of sustainable development will be implemented on the basis of Activity Plan and Efficiency in the field of sustainable development with an annual performance analysis.

This Report of **KazakhExport** Board in the field of sustainable development has been prepared for 2021. In the future, reporting cycle will be on an annual basis. The report includes results of **KazakhExport** activities.

Definition of essential topics

**KazakhExport** values long-term relationships with all stakeholders. In the process of preparing information for the report in accordance with GRI (Global Reporting Initiatives) standards, **KazakhExport** conducted a survey of certain categories of stakeholders to determine the list of essential topics.

For reporting purposes, by a significant topic we mean a topic that reflects the noticeable long-term economic, environmental and social impact of **KazakhExport** (positive or negative) on stakeholders. Our goal is to continuously improve the quality of corporate non-financial reporting and informational content of the Report for stakeholders.

In 2020, a survey of stakeholders was conducted, in which representatives of 8 groups of external and internal stakeholders took part, they assessed the level of significance of proposed topics for **KazakhExport** (employees and top management of **KazakhExport**, representatives of government agencies, representatives of Sole Shareholder and subsidiaries, representatives of financial institutions, exporters, suppliers, representatives of media and association of legal entities).

In 2021, questionnaire included significant topics and questions that were reflected in 2020 Report. Participants were given the opportunity to assess the degree of significance of each issue from the point of view of reflection in the Report: “High degree of importance”, “Medium degree of importance” and “Low degree of importance”. Each answer was assigned points (3 – highest, 1 – lowest in importance). Respondents were also given the opportunity to add important questions that were not in the list and indicate the degree of their significance. According to the results of the analysis of these answers, the most important issues were related to compliance with the legislation in the field of insurance in **KazakhExport** activities, reduction of negative environmental impact, rational consumption of resources, wages, training and development.

Key essential aspects were identified based on the results of described procedure, which will be maximally disclosed in the current report on **KazakhExport** activities, taking into account the requirements of GRI. The remaining topics will also be disclosed, but with less detail due to their lower level of importance for stakeholders.

Aspects were added to secondary topics that individual representatives of stakeholders also considered important beyond the basic list. These topics included:

- integration of sustainable development goals into strategic goals of **KazakhExport**;
- responsible consumption and production;
- support of projects with positive environmental and social effects;
- gender equality;
- social responsibility and charitable activities of **KazakhExport**.

Survey results

Degree of importance	1	2	3	4	5
High degree of importance	Economic performance of KazakhExport (created and distributed economic value; income from core activities; other income; labor costs; taxes and other mandatory deductions; payments to capital suppliers; net profit)	Remuneration and performance management of employees (grading system; employee engagement)	Anti-corruption in KazakhExport (informing about and training in anti-corruption policies and methods, checking ethical reliability of counterparties)	Reducing and using resources rationally (full transition to electronic document management, waste paper collection and recycling methods)	Training and development (training and advanced training programs, conducting trainings/ workshops)
Average degree of importance	Compliance with legislation in the field of insurance (evaluation of information security system effectiveness, effectiveness of internal control system in the field of combating legitimization of income from crime and financing of terrorism)	KazakhExport measures on reducing negative environmental impact (implementation of “green office” program; rational usage of electricity, heat and water)	Diversity and equal opportunities for all KazakhExport employees (cases of discrimination; labor disputes; significant changes in working conditions, Ombudsman activities)	Occupation (recruitment and hiring personnel; staff turnover)	KazakhExport measures to introduce practice of responsible insurance (compliance with environmental requirements of legislation, consideration of projects for compliance with environmental requirements, the procedure for providing information on environmental impact by contractors)
Low degree of importance	KazakhExport measures for greening the city (holding community cleanup days, participation in urban environmental events)	Social security and non-material motivation of personnel in KazakhExport (social support; organization of team-building events, Skill Competitions, etc.)	KazakhExport information policy (disclosure of information, placement in the media, on the Internet, on a corporate Internet resource, holding press conferences; development of a media plan)	Improving working and leisure conditions (organization of safe working conditions, assessment and improvement of working conditions, promotion of a culture of safe work)	Procurement practice (procurement system of goods, works and services; share of local content in procurement; management and assessment of impacts in the supply chain)



Interaction with stakeholders

GRI 102-40, 102-41, 102-42, 102-43, 102-44

Being aware of the responsibility to stakeholders, **KazakhExport** maintains a constant exchange of information with them, strives to build long-term constructive relations based on the principles of partnership, **KazakhExport**'s participation in solving long-term development tasks, transparency of activities and information openness. These principles are formulated in **KazakhExport** Sustainable Development Policy, **KazakhExport** Stakeholder Map, and the Annual Report is the main information-exchange channel for stakeholders about **KazakhExport** activities.

During the pandemic, many traditional contacts and work processes were successfully transferred to a remote format using modern digital solutions. Every effort has been made to maintain a high level of openness and information transparency as before.

Interests/motives	Methods of interaction
<b>Sole Shareholder</b>	
The growth of profits and annual dividends, the growth of the value of <b>KazakhExport</b> , the efficiency of <b>KazakhExport</b>	Coordination of core aspect of the work, as well as issues related to the general management of <b>KazakhExport</b> . Ensuring the enforcement of the rights of Sole Shareholder within the framework of corporate governance principles aimed at effective decision-making in accordance with the legislation of the Republic of Kazakhstan and the Charter of <b>KazakhExport</b> . Providing reliable information on the results of financial and economic activities in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter, internal documents of <b>KazakhExport</b> . Providing information about the plans, achievements, and problems of <b>KazakhExport</b> activities. Decisions of Sole Shareholder.
<b>Management body</b>	
General management of <b>KazakhExport</b> activities	Implementation of general guidance of <b>KazakhExport</b> activities, with the exception of solutions to issues related to the legislation of the Republic of Kazakhstan and (or) the Charter to the exclusive competence of Sole Shareholder of <b>KazakhExport</b> .
<b>Management</b>	
Salary, bonuses, rewards, status, areas of responsibility	Execution of decisions of Sole Shareholder and Board of Directors of <b>KazakhExport</b> . Preparation, implementation and monitoring of implementation of development plan and strategy, activity plan for management of critical risks of <b>KazakhExport</b> . Preparation and implementation of other issues stipulated by the legislation of the Republic of Kazakhstan, the Charter, as well as related to the competence of Board of Directors and the Management Board of <b>KazakhExport</b> (according to the Charter of <b>KazakhExport</b> ). Meetings of <b>KazakhExport</b> Management Board and committees under the Management Board. Working groups, operational meetings.

<b>Personnel</b>	
Salary, rewards, career growth, professional development, terms and conditions of the employment agreement, social guarantees (including health insurance), the level of authority and responsibility, level of satisfaction with work	Execution of official powers aimed at the implementation of the tasks and functions of <b>KazakhExport</b> . Maintaining an open, transparent personnel policy aimed at the formation of qualified and motivated personnel. Ensuring equal opportunities for all employees to realize their potential in the course of their work, an impartial and fair assessment of their results, recruitment and career growth of employees solely on the basis of professional abilities, knowledge and skills. Questionnaires and surveys.
<b>Customers</b>	
Commercial interests, obtaining high-quality services at reasonable rates	Ensuring compliance with the expectations of consumers of <b>KazakhExport</b> products and services. Signing up contracts, control over the execution of contractual relations. Analysis of customer satisfaction. Negotiations, consultations.
<b>Government bodies</b>	
Legislative and executive functions, tax receipts, economic growth, public employment	Invitation to participate in working groups, forums, conferences organized by <b>KazakhExport</b> . Preparation and implementation of all necessary procedures provided for by the legislation of the Republic of Kazakhstan for <b>KazakhExport</b> participation in public procurement. Coordination of the main activities of <b>KazakhExport</b> . Participation in the development and implementation of state programs. Providing reliable information on issues of interest in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter, internal documents of <b>KazakhExport</b> . Participation in government working groups; Consultations with authorized state bodies. Checkout procedures and inspections. Meetings and sessions.
<b>Subsidiaries of the Holding</b>	
Joint activities, commercial interests	Mutually beneficial cooperation, improvement of business and technological processes and their automation. Signing up contracts, control over the execution of contractual relations.
<b>Competitors</b>	
Increasing the rate of their presence on insurance and reinsurance activity market	Showing respect, avoiding the usage of unreasonable advantages and distortion of competition, following the principles of Corporate Governance Code and Code of Business Ethics of <b>KazakhExport</b> . Monitoring, analysis and marketing research of the market.

KazakhExport Partners	
Joint activities, commercial interests	Signing up contracts and agreements on mutually beneficial cooperation and mutual understanding. Control over the execution of contractual relations.
Export credit agencies	
Discussion, elaboration of conditions and coordination of actions for the development of financial and insurance support between countries, exchange of experience and information on financial and insurance support for exports, implementation of joint projects, commercial interests	Signing up contracts and agreements on mutually beneficial cooperation and mutual understanding. Control over the execution of contractual relations.
International financial institutions	
Implementation of joint international projects, commercial interests, reinsurance of risks	Signing up contracts and agreements on mutually beneficial cooperation and mutual understanding. Improvement of business processes and their automation. Control over the execution of contractual relations.
Financial institutions	
Placement of available cash assets on deposit accounts, participation in the implementation of <b>KazakhExport</b> programs, <b>KazakhExport</b> risk insurance (including medical insurance), reinsurance of risks, maintenance and accounting of special <b>KazakhExport</b> accounts, transactions with equity securities and other financial instruments	Signing up contracts, control over the execution of contractual relations. Improving the terms of the contract.
Suppliers	
Commercial interests, compliance with contractual obligations	Signing up contracts, control over the execution of contractual relations. Business correspondence, inquiries. Provision of procurement of goods, works, services based on the principles of: - openness and transparency of the procurement process; - optimal and efficient spending of money used for purchases; - purchase of high-quality goods, works, services; - providing all potential suppliers with equal opportunities to participate in the procurement process, provided that organizations of disabled people (disabled individuals engaged in entrepreneurial activities) are supported; - increasing the share of local content in goods, works, services; - fair competition among potential suppliers; - control and responsibility for taken decisions; - minimizing the involvement of intermediaries in the procurement process. Interaction based on mutual benefit, respect, trust, honesty and fairness. Publication of information for potential suppliers on the website.

Foreign counterparties	
Commercial interests, obtaining high-quality services at reasonable rates	Ensuring compliance with the expectations of consumers of <b>KazakhExport</b> products and services. Signing up contracts, control over the execution of contractual relations. Analysis of customer satisfaction. Negotiations, consultations.
Population	
Job opportunity, solving social problems, transparency of <b>KazakhExport</b> activities, environmental protection	Public opinion polls, implementation of the communication strategy. Publication of financial and non-financial statements of <b>KazakhExport</b> . Demonstration of practical commitment to the principles of social responsibility, transparency of activities and sustainable development. The desire to observe fair competition, commonly used moral and ethical standards. Acceptance of additional social obligations, solving urgent social problems. Charitable activities.
Public organizations	
Implementation of goals and non-governmental organisation issues, receiving sponsorship	Compliance with the legislation. Conclusion of agreements on cooperation and mutual understanding. Implementation of charity and sponsorship. Running joint events (meetings, forums, conferences, etc.).
Public Council	
Implementation of the goals and objectives of Public Council, implementation of public control	Discussion of draft strategies and development plans of <b>KazakhExport</b> ; Discussion of reports and monitoring of the implementation of strategies and development plans of <b>KazakhExport</b> ; Development and submission offers to state bodies to improve the legislation of the Republic of Kazakhstan.
Mass media	
Publications and informing about <b>KazakhExport</b> activities, commercial interests	Management of information activities by: - Implementation of PR events (press tours, press conferences, briefings); - Communicating <b>KazakhExport</b> 's strengths and capabilities to the target audience; - Creating a positive public opinion; - Ensuring the transparency of <b>KazakhExport</b> activities through reliable, regular, continuous and timely disclosure of information; - Maintaining brand awareness of <b>KazakhExport</b> ; - Reporting the results of <b>KazakhExport</b> activities to the public.



## Sustainable development management structure

Keeping principles of corporate governance, **KazakhExport** bears great responsibility to customers, ensuring the safety of their personal data, combating fraud, and providing availability of insurance services.

All these and many other issues are an integral part of our business and how we manage the impact of our activities on the economy, society, and the environment. We have something to be proud of, but we understand that we can do even more. We are not afraid to take responsibility — neither for financial activities, nor for business methods, nor for our people, nor for the impact on the environment.

**KazakhExport** participates in international discussions on issues related to the theme of sustainable development, in the discussion of actions necessary to mitigate the effects of climate change. **KazakhExport** is aware of its responsibility to society and declares its unwavering commitment to integrating the goals of UN Sustainable Development Agenda. Both the management of **KazakhExport** and its employees take part in achieving sustainable development. The Board of **KazakhExport** provides general management of aspects of sustainable development. The commitment of **KazakhExport** to the principles of sustainable development is regulated in key internal regulatory documents, the owners of which are the relevant structural units.

With the growing importance of environmental, social and managerial aspects of doing work, the role of sustainable development specialists is becoming increasingly important. Key performance indicators of members of Management Board and employees of **KazakhExport** include the implementation of the above-mentioned Activity Plan. In 2021, the position of a sustainable development manager was created, regulating the operational management of aspects of sustainable development in **KazakhExport** agreed with the relevant structural units in their areas of competence.

A comprehensive analysis of the database of all internal regulations for amendments and/or additions aimed at ensuring the sustainable development of **KazakhExport** has been carried out. Based on the results of the analysis, a number of existing internal regulations were updated taking into account sustainable development. In addition to that, **KazakhExport** corporate Internet resource regularly updates information on implemented measures of **KazakhExport** to implement the principles of sustainable development in its activities

According to the Activity Plan, in 2021, the initial stage for the implementation of sustainable development principles in **KazakhExport** activities has been completed:

1. The analysis of **KazakhExport** internal regulations database for making changes and/or additions aimed at ensuring sustainable development was carried out;
2. Updated Risk Register and Risk Management Activity Plan;
3. A concept and a plan for implementation of ESG factors and project prioritization tools into **KazakhExport** business processes have been developed;
4. Information is posted on the corporate Internet resource regarding activities in the field of sustainable development;
5. The concept on implementation “Green Office” program was approved and training on its implementation was conducted;
6. Trainings were conducted on environmental education, on the implementation of sustainable development principles in **KazakhExport** activities and on combating corruption and other illegal actions;
7. The practice of responsible insurance and reinsurance has been introduced by integrating ESG principles into business processes, as well as into the underwriting process;
8. Reserve base has been formed;
9. Information about the availability of vacancies is posted;
10. There is a clause on compliance with the principles of sustainable development in contracts for the procurement of goods, works and services;
11. Criteria for checking exporters for their reliability have been developed;
12. Counterparties were checked for connectivity;
13. Anti-corruption monitoring was carried out;
14. Internal analysis of corruption risks in **KazakhExport** activities was carried out.

In order to accomplish the tasks on the implementation of sustainable development principles in **KazakhExport**, defined by aforementioned Policy, Activity Plan for the implementation of the Sustainable Development Policy for 2021 (hereinafter referred to as Activity Plan) was prepared and approved, including the following aspects: adherence to the principles of sustainable development, the desire to create an effective and transparent system of interaction with stakeholders, promotion of professional development employees, rational consumption of natural resources, minimal negative effect on the environment and anti-corruption.

Deadlines regarding two events have been postponed to the 2nd quarter of 2022:

1. Implementation of automated data processing systems (CRM/ BPM);
2. Full transition to electronic document management.

Due to quarantine restrictions, it was not possible to carry out the following measures:

1. Organization of exchanging experience of **KazakhExport** employees in foreign export credit agencies;
2. Carrying out sports and recreation activities on the basis of a concluded contract on the procurement of services for renting sports and training facility;
3. Conducting a community cleanup;
4. Internships of students in the Company in accordance with the signed Memorandum of Cooperation with M.Narikbayev KAZGUU University JSC.

## Indicators of sustainable development management system

In 2021, key performance indicators in the field of sustainable development of **KazakhExport** for 2021-2023 were developed (**KazakhExport** Board Decision No. 48 dated August 17, 2021) in accordance with international GRI standards, as well as UN Sustainable Development Goals, covering certain aspects of development, such as economic, environmental and social, not limited only to economic indicators.

To track development or changes in economic, social and environmental variables, those indicators were selected that are more relevant and adapted to **KazakhExport** activities, as well as characterize the current state of various aspects related to sustainable development.

For example, according to environmental indicators, **KazakhExport** does not have a direct impact on the environment with emissions and waste, and cannot determine for itself in the form of an indicator tracking electricity and water consumption inside the building, being an office premises tenant. In turn, Lessor envisage all methods of rational usage of resources that ensure the prevention of adverse environmental impacts (energy-saving technologies, water supply sensors are installed) In addition to that, containers for separate garbage are provided on each floor according to “green office” principle.

Key performance indicators in the field of sustainable development of KazakhExport for 2021-2023

ECONOMIC INDICATOR							
Indicator	Unit of measurement	Calculation methodology	2021 Plan	2021 Fact	2022 Plan	2023 Plan	Responsible executor
The ratio of the sum of export contracts concluded with the support of <b>KazakhExport</b> to the total volume of exports of manufacturing industry and services of the Republic of Kazakhstan	%	The ratio of the amount of export contracts concluded with the support of <b>KazakhExport</b> to the total volume of exports of manufacturing industry and services of the Republic of Kazakhstan, based on official data of the Bureau of Statistics and the National Bank of the Republic of Kazakhstan	6,9%	3,81%	6,95%	7%	<b>KazakhExport</b> Insurance Department
Export of manufacturing industry of the Republic of Kazakhstan in 2021 according to official data on stat.gov.kz, kgd.gov.kz and information from the website of the National Bank of the Republic of Kazakhstan amounted to <b>8,562,994.623 million tenge</b> . Thus, the ratio of “The amount of export contracts concluded with the support of <b>KazakhExport</b> ” to the total volume of exports of manufacturing industry and exports of services” for 2021 ( <b>326.5 billion tenge to 8,562,994.623 million tenge</b> ) is <b>3.81%</b> .							

SOCIAL INDICATOR							
Indicator	Unit of measurement	Calculation methodology	2021 Plan	2021 Fact	2022 Plan	2023 Plan	Responsible executor
Average number of hours of training per <b>KazakhExport</b> employee	%	Average annual number of hours per employee = total number of academic hours of training (excluding corporate team trainings and language courses)/total number of <b>KazakhExport</b> trained employees (the number of employees is taken into account upon participation in all trainings during the year)	10	14,7	16	16	Department of Human Resource Management of <b>KazakhExport</b>

According to the plan for 2021, average annual number of hours per employee is planned at the level of **10 ac/h** per employee. Upon completion, average annual number of hours per employee for 2021 was: **3 111/ 212 = 14.7 ac/h**.

The calculations were made according to the following data: **37 training events** were held (with exception of language courses and corporate training: team building), in which **212 employees of the Company** were trained (taking into account all employee participation) with a total of **3,111 academic hours**.

Environmental aspect

The climate agenda is one of the most relevant topics for the world community. In its activities, **KazakhExport** strives not only to have a minimal effect on the environment, but also supports initiatives aimed at improving the ecology of our country. As part of its activities, **KazakhExport** follows the principles of sustainable development, takes measures to increase responsibility for the state of the environment, business processes of the Company are not related to the processing of primary raw materials, and technological processes do not directly harm the environment.

Despite the relatively low level of the ecological footprint, **KazakhExport** is aware of the importance of global challenges and, in order to control environmental risks, has adopted an Environmental and Social Policy that provides for the assessment of environmental and social factors in the activities of Kazakhstani exporters, according to which, when providing support to exporters through insurance or reinsurance, **KazakhExport** is able to have a significant impact on the financing of the creation and development process industrial production, classified in accordance with the legislation of the Republic of Kazakhstan as objects that have a negative impact on the environment.

Also, a concept for the introduction of a “green office” was adopted and Activity plan for the creation of an ecological space was approved. The purpose of the introduction of “green office” is to increase the rational and careful use of resources, create comfortable and safe conditions and minimize the negative impact on the environment.

The period of the coronavirus pandemic accelerated the digital transformation in the financial sector, as a result of which the Company introduced an electronic document management system and used an electronic digital signature, which significantly reduces the consumption of paper media.

**KazakhExport** takes all necessary measures to minimize the negative impact on the environment and continuously improves the environmental management system. A large number of documents piles up in companies during all their working processes. Moreover, companies are obliged to ensure the safety of many documents during the established storage periods. In such situation, it is convenient to use electronic archives.

Today, many companies are successfully implementing long-term document storage systems. Archives are created not only for the preservation of documents, but also for their accounting and usage. Archives can be paper and electronic. Paper archives create tangible problems, it is necessary to allocate certain areas for the archive, take care of the preservation of the archive, difficulties in finding documents on request. Today, many IT solutions have appeared on the digital products market. Documentation in digital form is easier to find, especially if “it is necessary right now”, and it does not take up space in the office or in a warehouse, as well as with a remote work format. Electronic storage will help to optimize the processes of document exchange and provide an opportunity to give them quickly on request, thereby allowing for effective interaction within the company – between employees of departments and management, which will allow:

- promptly provide information about customers;
- reduce resource consumption;
- safely and securely store documents;
- easy to manage (multi-criteria search);
- reduce the loss of working time.



In this connection, in order to reduce the amount of paper transferred to archival storage, a lot of work has been done to update all lists of documents requested from clients, dividing them into categories:

- paperwork, which is provided by customers in electronic form or copies;
- documentation intended for storage both on paper and in identical electronic form.

Also, conditions have been created for separate waste collection. Trainings on environmental education of employees were conducted, comfortable working conditions are created.

It is worth noting that the business center of Baiterek Holding Group, where **KazakhExport** rents office premises, takes into account all resource-saving technologies that reduce all types of environmental pollution.

## Social aspect

The result of production activity depends on qualified and motivated personnel. The professionalism of employees of structural divisions contributes to the realization of Company's goals to achieve high results in the industry. **KazakhExport** is interested in attracting and retaining qualified specialists, as well as ensuring their well-being. **KazakhExport** offers its employees a decent level of wages and an attractive social package, provides assistance in training and advanced training of personnel, supports the rights and freedoms of employees. Considerable attention is paid to ensuring the effectiveness of personnel policy, **KazakhExport** implements measures aimed at reducing staff turnover, and also ensures equal opportunities for its employees in career development, receiving remuneration and passing training programs.

## Creating conditions of the well-being of employees

Emotional	<ul style="list-style-type: none"> <li>- providing counseling to employees on emotional health issues;</li> <li>- creating favorable working conditions in the workplace;</li> <li>- providing the opportunity to work remotely.</li> </ul>
Physical	<ul style="list-style-type: none"> <li>- providing medical service to employees;</li> <li>- involvement of employees in sports events;</li> <li>- providing medical insurance.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>- organization of a training course for employees, which includes issues of financial literacy, financial planning.</li> </ul>
Career	<ul style="list-style-type: none"> <li>- creating a personnel reserve;</li> <li>- determining conditions of competitive selection for vacancies among internal candidates.</li> </ul>
Social	<ul style="list-style-type: none"> <li>- identification of tools for involving employees in volunteer/social activities.</li> </ul>

The COVID-19 coronavirus pandemic and related restrictions required the company to speed up the adoption and implementation of new personnel management solutions. **KazakhExport** has transferred more than 80% of employees to a remote work format with the preservation of all business processes. Transitioning to remote work served as an incentive to implement measures to digitalize many business processes and simplify the implementation of many routine HR procedures. Also, **KazakhExport** strives to maintain a high level of involvement and interest of the personnel.

## Personnel

92  
people

The list  
number of  
employees of  
the Company  
in 2021

Men accounted

55%

45%

Women accounted

30-50  
years

Prevailing age  
category in the  
reporting period

S Social aspects	Unit of measure	2021	2022
<b>Average number of personnel (average)</b>			
Company employees	people	92	83
<b>Staff structure by gender</b>			
Total men	%	55%	63%
Total women	%	45%	37%
<b>Staff structure by age (list number at the end of the year)</b>			
up to 30 years, including:	people	17	10
women	people	6	4
men	people	11	6
30-50 years, including:	people	75	79
women	people	37	31
men	people	38	48
over 50 years old, including:	people	3	3
women	people	1	2
men	people	2	1
<b>Staff structure by position and gender (list number at the end of the year)</b>			
Number of senior managers**, total	people	7	6
women	people	1	1
men	people	6	5
Number of middle managers***, total	people	19	16
women	people	11	7
men	people	8	9
Specialists, total	people	69	70
women	people	32	29
men	people	37	41

Staff structure by age (list number at the end of the year)			
<b>Staff turnover</b>			
Staff turnover rate	%	22,8	10,9
Total number of new employees	people	36	36
Total number of dismissed employees	people	33	15
<b>Staff training</b>			
Number of hours of training	hour	3 111/ 212 = 14,7 acad/hour	4871/437= 11,15 acad/hour
<b>Health and safety</b>			
Total number of accidents at work	people	-	-
<b>Taking into account the recommendations of external initiatives</b>			
UN Global Compact	yes/no	yes	yes
Global Reporting Initiative (GRI)	yes/no	yes	yes

\*\* Senior and managerial employees, Heads of branches  
\*\*\* Heads of structural divisions and persons equated to them

Staff training and development

The implementation of most of Company’s tasks largely depends on the level of professionalism and labor of employees. **KazakhExport** pays great attention to the development of human capital and invests considerable efforts in order to provide its employees with a wide range of opportunities for self-development, training. Training and development of employees of the Company is fixed as a priority direction of the social sphere of Sustainable Development Policy. Employees have access to various educational programs. For this purpose, trainings, drills and courses on various topics are provided. In agreement with senior personnel, it is possible to choose appropriate courses and trainings for the employees of the Company. Adaptation trainings are conducted for new employees, consisting of basic and main knowledge (anti-corruption and compliance with business ethics, on safety and labor protection issues). Training materials have high-quality development and favorable visual perception. In 2021, almost 212 specialists were trained in various fields. 37 training events were held, with the exception of language courses and corporate training: team building.

**KazakhExport** conducted training on the implementation of sustainable development principles in the activities of the Company, followed by testing for the degree of understanding by the Company’s employees of the essentiality of sustainable development standards. Effectiveness of computer testing results is 100%, all employees of the Company have a positive comprehensive idea of sustainable development, how **KazakhExport** applies principles of sustainable development to its own business processes, as well as what contribution each employee can make to achieve sustainable development goals.

In January 2021, employees of the Company took part in “Introduction to Sustainable development and non-financial reporting” training, organized by experts on sustainable development of Deloitte with the assistance of Baiterek NMH JSC.

Also, on March 4-5, 2021, **KazakhExport** organized an online seminar for **KazakhExport** executives “Implementation of the principles of sustainable development in the company” to explain the implementation of the principles of sustainable development in the corporate sector. The seminar was held with the involvement of leading Russian experts in the field of sustainable development.

Assessment of the effectiveness of employees' activities

The Company has a system for assessing effectiveness of employees’ activities, based on key performance indicators (hereinafter referred to as KPI) – this ensures that remuneration is linked to the results of employees’ activities.

KPI makes it possible to motivate highly effective employees to achieve results and, on the contrary, to identify employees who needs to improve in some areas.

KPI is formed by cascading Company’s strategic goals to the level of employee performance, in accordance with the area of responsibility.

Remuneration and motivation of employees

In order to ensure fair remuneration of labor, Company has implemented a grading system developed jointly with external consultants of “Hay Group” international consulting company. The grading system envisages measuring and determining the value of each position in achieving strategic goals to ensure a competitive salary level of employees, taking into account the assessment of the market level of remuneration.



Personnel reserve and succession

Personnel reserve policy of the Company is formed within the framework of unified personnel reserve of Baiterek NMH JSC.

Every year, the most promising and successful **KazakhExport** employees participate in qualifying rounds to join the personnel reserve.

<b>7</b> employees compose Unified Personnel Reserve	<b>1</b> reservist joined senior personnel of the Company (appointed Deputy Chairman – member of Company’s Management Board)	<b>4</b> employees occupy the positions of middle ranking manager
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## Staff well-being

Staff motivation, both financial and non-financial, is an important element of encouraging the effective work of employees of the Company. Staff of the Company has a competitive salary and an extended social package. **KazakhExport** provides equal opportunities for men and women. When hiring and promoting employees, their professionalism, leadership qualities, focus on results and ability to work in a team are evaluated first of all.

**KazakhExport** has a transparent, fair and uniform remuneration system for all categories of employees. In addition to that, system of grades and performance evaluation makes it possible to objectively assess the effectiveness of the staff. The remuneration policy is based on the recognition of the professional qualities and abilities of employees, results of their work and the achievement of key performance indicators. There is no separation of the basic salary of men and women by category of employees. Official salaries are set depending on the qualifications, knowledge and professional level of employees. Medical insurance is provided for employees and their family members. Personnel reserve of **KazakhExport** consists of employees trained for managerial work in modern conditions.



Sports events and active “team building” are held to motivate and strengthen sports spirit of employees. A football club for **KazakhExport** employees has been organized for such events.

For the first time, a chess tournament was held online among **KazakhExport** employees, organized jointly with Kazakhstan Chess Federation. Employees actively attended the event. Memorable gifts were presented to employees at the end of the tournament.



Despite the restrictive measures, **KazakhExport** conducted creative “team building” online and offline:

– “Emotional intelligence in practice”. We live in an “era of crisis”: the acceleration of the pace of life, interpersonal conflicts and other factors cause a lot of phenomena, so-called stress factors, the effect of which on a person is manifested in specific reactions of the body. You can and should manage your emotions, and not only your own, but also those people who surround us at work, in business, in the family.

For a long time it has been considered that the best way to deal with negative emotions is to restrain them. However, practice shows that this is not the best way. A successful alternative is the development of positive, constructive behaviors based on one’s own emotional self-regulation, the ability to understand one’s own emotions and partner’s emotions, as well as effectively manage them without experiencing tension.

The main purpose of the training:

- ◆ In situations of interpersonal conflict and other stressful situations, find constructive ways to resolve such situations. Acquire emotional invulnerability to conflict situations.
- ◆ Develop a positive attitude, joy and inspiration from success in professional life.
- ◆ Master the ways of emotional self-regulation.

At the same time, we consider it important not only to give employees the opportunity for self-development and training, but also to create conditions for maintaining and strengthening emotional and physical health, including healthy eating, physical education and sports, regular medical check-ups, the opportunity to receive recommendations from a nutritionist and psychologist. In this connection, online business breakfasts were held with leading specialists of immunodietologists and nutritionists.

Engagement and satisfaction surveys are conducted annually. It is worth noting that in the conditions of a pandemic, self-isolation and remote work, it was not easy to achieve the goal of staff involvement. A study of involvement and satisfaction of **KazakhExport** employees was conducted, organized by international consulting company Ernst&Young Kazakhstan, with the assistance of Baiterек NMH JSC. The results of the study showed an excellent level of involvement of **KazakhExport** employees, which, first of all, is an indicator of a “healthy” corporate culture. A number of factors influenced the high level of engagement:

- ◆ supporting senior personnel of **KazakhExport** during the pandemic;
- ◆ creating safe and comfortable working conditions;
- ◆ the opportunity to improve.

## Social security

Social support is aimed at increasing the attractiveness of **KazakhExport** as an employer, creating comfortable conditions for staff and increasing their motivation. The main directions of social security of employees envisage the provision of the following social support measures to employees: financial assistance and voluntary medical insurance (insurance in case of illness) of employees and family members of employees.

## Personnel safety

Industrial safety, occupational and health safety are core activities of **KazakhExport**. Safety and health of employees have always been key priorities for **KazakhExport**. Fire safety training and drills are conducted on a regular basis.

In 2020, the whole world faced a number of difficulties caused by the spread of COVID-19 coronavirus infection, **KazakhExport** immediately implemented a set of measures to prevent and avert the development of coronavirus infection and ensure the continuity of production process in a difficult epidemiological situation. **KazakhExport** has made every effort to respond to changes in a timely manner in the situation with the spread of infection and, according to the requirements of state bodies, continues to implement a whole range of measures to protect the health of employees.

Prompt decision-making by senior personnel of **KazakhExport** contributed to reducing risks of infection of its employees. After implementing restrictions, the number of official business trips was reduced. The rapid change of approach to working process made it possible to organize a remote mode of work for employees who were not involved in ensuring a continuous production process in the shortest possible time. In the future, decisions on working conditions of employees (in the office or remotely) will be made based on the epidemiological situation. Most corporate events have also been transferred to online format. Comprehensive work has been done in terms of organizing a high-quality process of interaction and support of workers in a pandemic.



To protect the health of employees, **KazakhExport** implements a number of preventive measures against the spread of COVID-19 in office facilities:

- providing employees with the necessary personal protective equipment to use it in the workplace and on the way to work;
- installation of hand sanitizers, daily measurement of body temperature of workers at the checkpoints;
- mandatory sanitary treatment and disinfection of premises;
- vaccination and revaccination points have been organized for **KazakhExport** employees.

The Company monitors the development of epidemiological situation and corrects actions regarding safety in accordance with ongoing changes. All measures that are prescribed for execution, such as the provision of protective equipment, enhanced monitoring of the health of workers, are currently being implemented and will remain in effect until the end of the pandemic.

## Social activity

**KazakhExport** declares itself as a socially responsible company, and actively participated in “Donor Day” campaign organized on the initiative of Baiterek NMH JSC together with Scientific Production Center of Transfusiology. Participation in such a voluntary donation campaign is a new activity within the framework of corporate social responsibility of **KazakhExport** employees.

The day before, **KazakhExport** employees were informed about side effects and rules of preparation for blood donation. In addition to that, before donating blood, each donor underwent a free medical examination.

**KazakhExport** employees took part in “The Road to School” charity event. The purpose of this special promotion was to help children from low-income families and families who have many children. School bags were purchased with all the necessary stationery for school studying.

This special promotion has already become a good tradition, every year this event finds more and more support among employees.

**KazakhExport** employees took part in a charity fair organized by Baiterek NMH JSC. Homemade cakes, winter preparations and creative works of employees were put up for sale. The proceeds were used to organize a New Year’s holiday for children undergoing long-term treatment at the National Research Center for Motherhood and Childhood.

This fair has become one of the events on the eve of New Year’s holidays, uniting employees of all subsidiaries of Baiterek NMH JSC with a common desire to make this world kinder.

## CONCLUSION

**KazakhExport** supports the efforts and initiatives of the world community to keep average annual temperature low as a result of climate change and shares the most advanced views on the challenges of sustainable development and risks associated with climate change. This Report briefly describes innovations that have been introduced into business processes in terms of step-by-step procedure to implement ESG factors.

**KazakhExport** also supports UN Sustainable Development Agenda, goals outlined in this document are relevant for achieving a prosperous future, and will actively continue to implement its projects aimed at improving operational efficiency and increasing the sustainability of the Company in the long term.

In the future, I would like to put more emphasis on improving relationships with key stakeholders and be an example for partners and clients on implementing sustainable development principles in the corporate sector. According to recent research, the implementation of sustainable development principles in the company’s activities can potentially have a positive effect on profitability indicators by increasing revenue or reducing costs. Global companies aim to meet ever-increasing requirements in the field of sustainable development



APPENDIX1.

GRI Index GRI 102-55

The GRI standard and the year of its publication	Indicator (next – the Code)	Page number, section and/or URL	Exceptions/Comments on the Corporate Governance Code of the KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as the Company)
GRI 101: Foundation (2016)			
GRI 102: general disclosures (2016)	Organization profile	<a href="#">Section “About the company”</a>	
	102-1 Name of the organization	<a href="#">Section “About the company”</a>	
	102-2 Primary brands, products, and services	<a href="#">Section “About the company”</a>	
	102-3 Location of headquarters	<a href="#">Section “Contacts”</a>	
	102-4 Number of countries where the organization operates	<a href="#">Section “Insurance activity indicators”</a>	
	102-5 Nature of ownership and legal form	<a href="#">Section “Activities of foreign representatives”</a>	
	102-7 Scale of the organization	<a href="#">Section “Key indicators”</a>	
	102-8 Total number of employees	<a href="#">Section “Organizational structure”</a>	
	102-9 Supply chain	<a href="#">Section “Business model”</a>	
	102-10 Significant changes to the organization’s size, structure and ownership	<a href="#">Section “Organizational structure”</a>	
	102-11 Precautionary Principle or approach	<a href="#">Section “Risk Management”</a>	There were no significant changes in the Company’s work
	102-12 A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	<a href="#">Section “Sustainable development”</a>	KazakhExport does not support external initiatives
	102-13 Membership of associations		
	Strategy and analysis		
	102-14 Statement from the most senior decision-maker	<a href="#">Section “Message of the Chairman of Management Board”</a> <a href="#">Section “Message of the Chairman of Board of Directors”</a>	
	Ethics and integrity	<a href="#">Section “Corporate Ethics”</a>	
	102-16 Description of the organization’s values, principles, standards, such as norms of behavior and code of ethics	<a href="#">Section “Corporate Ethics”</a>	
	Corporate governance	<a href="#">Section “Corporate Governance”</a>	

The GRI standard and the year of its publication	Indicator (next – the Code)	Page number, section and/or URL	Exceptions/Comments on the Corporate Governance Code of the KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as the Company)
	102-18 Governance structure of the organization	<a href="#">Section “Organizational structure”</a>	
	Interaction with stakeholders	<a href="#">Section “Interaction with stakeholders”</a>	
	102-40 List of stakeholder groups	<a href="#">Section “Interaction with stakeholders”</a>	
	102-41 Percentage of total employees covered by collective bargaining agreements	<a href="#">Section “Organizational structure”</a>	
	102-42 Basis for identifying and selecting stakeholders	<a href="#">Section “Interaction with stakeholders”</a>	
	102-43 The organization’s approach to stakeholder engagement	<a href="#">Section “Interaction with stakeholders”</a>	
	102-44 Key topics and concerns that havebeen raised through stakeholders engagement with the organisation, and how the organisation has responded to these key topics and concernsопасения	<a href="#">Section “Interaction with stakeholders”</a>	
	REPORTING PRACTICE		
	102-48 The effect of any restatements of information given in previous reports	-	The indicators have not been changed and are comparable to the data provided in the previous annual reports of the Company
	102-49 Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	-	Существенных изменений не было
	102-53 Contact point	<a href="#">Section “Contacts”</a>	
	102-55 GRI contet index	<a href="#">Section “GRI Index”</a>	
	Essential topics Economy		
	Economic performance		
GRI 103: Management approach (2016)	103-2 Management approach	<a href="#">Section “Strategic directions of development”</a>	
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	<a href="#">Section “Financial indicators”</a>	
	201-4 Финансовая помощь, полученная от государства	<a href="#">Section “Financial indicators”</a>	

The GRI standard and the year of its publication	Indicator (next – the Code)	Page number, section and/or URL	Exceptions/Comments on the Corporate Governance Code of the KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as the Company)
Indirect economic impact			
GRI 103: Management approach(2016)	103-2 Management approach	<a href="#">Section “Strategic directions of development”</a>	
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	<a href="#">Section “Financial indicators”</a>	
	201-4 Financial assistance received from the State	<a href="#">Section “Financial indicators”</a>	
Procurement practice			
GRI 103:Management approach (2016)	103-2 Management approach	<a href="#">Section “Procurement practice”</a>	
GRI 204: Практика закупок (2016)	204-1 Share of costs for local suppliers	<a href="#">Section “Procurement practice”</a>	
Anti-corruption			
GRI 103:Management approach (2016)	103-2 Management approach	<a href="#">Section “Anti-corruption”</a>	
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	<a href="#">Section “Anti-corruption”</a>	
	205-3 Confirmed incidents of corruption	<a href="#">Section “Anti-corruption”</a>	
Ecology			
GRI 103:Management approach (2016)	103-1 Material topic and its Boundary	<a href="#">Section “Determining the content of the report”</a>	
	103-2 Management approach	<a href="#">Section “Sustainable Development Policy”</a>	The Environmental Impact Management Policy covers all major environmental issues
Energy			
GRI 302: Energy (2016)	302-3 Reduced energy consumption	<a href="#">Section “Sustainable Development Policy”</a>	

The GRI standard and the year of its publication	Indicator (next – the Code)	Page number, section and/or URL	Exceptions/Comments on the Corporate Governance Code of the KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as the Company)
Water			
GRI 303: Wayer (2016)	303-2 Water sources that are significantly affected by the organization’s water intake	<a href="#">Section “Sustainable Development Policy”</a>	
Emissions			
GRI 305: Emissions (2016)	305-5 Reduction of greenhouse gas (CO2) emissions	<a href="#">Section “Sustainable Development Policy”</a>	
	305-7 Emissions of NOx, SOx and other significant pollutants	<a href="#">Section “Sustainable Development Policy”</a>	
Wastes			
GRI 306: Discharges and waste (2016)	306-2 Managing significant waste-related impacts	<a href="#">Section “Sustainable Development Policy”</a>	
Compliance with the requirements			
GRI 307: Compliance with the requirements (2016)	307-1 Information about non-compliance with environmental legislation and regulatory requirements	<a href="#">Section “Sustainable Development Policy”</a>	
Social category			
GRI 103: Management approach (2016)	103-2 Management approach	<a href="#">Section “Personnel reserve and succession”</a>	HR policy covers the social aspects of sustainable development related to personnel management
Busyness			
GRI 401: Busyness(2016)	401-1 Number of employees hired and staff turnover	<a href="#">Section “Organizational structure”</a>	
Relationship between employees and management			
GRI 402: Relationship between employees and management (2016)	402-1 Minimum period for notifying employees about changes in the company	<a href="#">Section “Organizational structure”</a>	



## APPENDIX 2.

### Report on compliance/non-compliance with principles and regulations Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company in 2021

Nº	Principles and Provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Code)	Observed/ not ob- served	Activities carried out to implement principles and provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Company)
General provisions			
1	<p>The Code of the Company is a set of rules and recommendations that the Company follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.</p> <p>The Code was developed in order to ensure compliance of Corporate Governance of the Company with the relevant standards of the Organization for Economic Co-operation and Development (hereinafter - OECD).</p>	+	Corporate Governance Code of <b>KazakhExport</b> Export Insurance Company Joint Stock Company, approved by the decision of Sole Shareholder of the Company (Board of Baiterек National Managing Holding JSC) dated December 13, 2017 (Minutes No. 51/17, as amended on December 25, 2019 (Minutes No. 61/19).
2	<p>The objectives of this Code are to improve corporate governance in the Company and its subsidiaries, to ensure transparency and efficiency of management, to confirm the commitment of the Company and its subsidiaries to follow the standards of good corporate governance.</p> <p>In particular:</p> <p>1) management of the Company is carried out in compliance with the principle of legality and the appropriate level of responsibility, a clear separation of powers, accountability and efficiency in order to maximize the value of the Company and other benefits for Sole Shareholder;</p> <p>2) disclosure of information, transparency, including thorough assessment, disclosure and periodic review of goals that justify state participation in Society is ensured;</p> <p>3) risk management and internal control systems are functioning properly;</p> <p>4) the risk of a conflict of interest that may lead to decisions other than those based in the best interests of Society and the general public is minimized.</p>	+	
3	<p>This Code has been developed in accordance with the legislation of the Republic of Kazakhstan on joint-stock companies, the principles of corporate governance, as well as taking into account the best international practices of corporate behavior, professional ethics standards, the needs and conditions of the Company's activities at the current stage of development<sup>1</sup>.</p> <p><small>*OECD Guidelines on Corporate Governance of State-owned Enterprises dated July 8, 2015. G20/OECD Corporate Governance Principles</small></p>	+	

<sup>1</sup> OECD Guidelines on Corporate Governance of State-owned Enterprises dated July 8, 2015. G20/OECD Corporate Governance Principles

The GRI standard and the year of its publication	Indicator (next – the Code)	Номер страницы, раздел и/или URL	Exceptions/Comments on the Corporate Governance Code of the KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as the Company)
Health and safety			
GRI 403: Health and safety	403-2 Types and level of occupational injuries, the level of occupational diseases, the coefficient of lost days and the coefficient of absence from the workplace, as well as the total number of work-related deaths	<u>Section “Sustainable Development Policy”</u>	
	403-3 Workers with high injury and high risk of morbidity associated with their occupation	<u>Section “Sustainable Development Policy”</u>	
Training			
GRI 404: Training and education (2016)	404-2 Programs for upgrading employee skills and transition	<u>Section “Personnel training and development”</u>	
Diversity and equal opportunities			
GRI 405: Diversity and equal opportunities (2016)	405-1 Composition of governance bodies and main categories of employees of an organization, broken down by gender, age groups, belonging to minority and other indicators of diversity	<u>Section “Staff composition”</u>	
Consumer health and safety			
GRI 103: Management approach (2016)	103-2 Management approach	<u>Section “Sustainable Development Policy”</u>	
GRI 416: Consumer health and safety (2016)	413-1 Product safety assessment for the consumer	<u>Section “Sustainable Development Policy”</u>	
Marketing and labeling of products			
GRI 103: Management approach (2016)	103-2 Management approach	<u>Section “Sustainable Development Policy”</u>	
GRI 417: Marketing and labeling of products (2016)	417-1 Labeling requirements for products and services	<u>Section “Sustainable Development Policy”</u>	

Nº	Principles and Provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Code)	Observed/ not ob- served	Activities carried out to implement principles and provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Company)
4	The Company is obliged to strictly comply with provisions of the Code in its activities. In case of non-compliance, specify explanations in the annual report on the reasons for non-compliance with each of the provisions, routinely (at least once every two years) conduct an assessment (if necessary, an independent assessment) of corporate governance and post the relevant results on the Internet resource of the Company.	-	The Company did not conduct an assessment of corporate governance in 2021: based on the letter of Baiterek NMH JSC (hereinafter - Holding) No. 08-3-09/1663 dated April 8, 2021, the Company conducted procurement procedures for independent assessment of corporate governance through an open tender (hereinafter - Service) during the 3-4 quarter of 2021. Based on the results of procurement conducted on November 4, 2021, tender was declared invalid on the basis of subparagraph 4) of paragraph 186 of the Rules for the Procurement of Goods, Works, Services by national management holdings, national holdings, national companies and organizations, fifty or more percent of voting shares (participation shares in the authorized capital) of which directly or indirectly belong to the national management holding, national holding, national company, approved by the Order of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201 (hereinafter referred to as Procurement Rules).
5	The Company's officials and employees assume the obligations stipulated by this Code, including on the basis of relevant agreements with the Company, and undertake to comply with its provisions in the Company.	+	The Company's officials and employees strive to comply with the provisions of the Code in the Company and in relations with Sole Shareholder.  Also, the employee of the Company is obliged to comply with and execute the acts of the Employer, the Code of Business Ethics, the Code of Corporate Ethics, acts and administrative documents of the Company, the Rules of the working day.
6	Control over the Company's implementation of this Code is assigned to the Board of Directors of the Company. Corporate Secretary monitors and advises Board of Directors and the executive body of the Company on issues of proper compliance with this Code, and also prepares a report on compliance/non-compliance with its principles and provisions on an annual basis.  Subsequently, this report is submitted for consideration by the relevant committee of Board of Directors, approved by Board of Directors and included in the annual report of the Company.	+	Board of Directors of the Company monitors compliance with compliance/non-compliance with principles and provisions of the Code through annual review of the report. The Company's Corporate Secretary monitors proper compliance with the Code and prepares an annual report. Advises Board of Directors and the executive body of the Company on issues of proper compliance with this Code and ensures effective implementation of the functions assigned to Corporate Secretary of the Company, conducts ongoing work aimed at identifying and eliminating facts of non-compliance with the provisions and principles of the Code in the Company.  Corporate Secretary provides Board of Directors with a report on compliance/non-compliance with its principles and regulations on an annual basis.
7	Cases of non-compliance with the provisions of the Code are considered at meetings of the relevant committee of Board of Directors and Board of Directors with the adoption of appropriate decisions aimed at further improving corporate governance in the Company.	+	Cases of non-compliance with the provisions of the Code are considered by Audit Committee of Board of Directors of the Company. There are no precedents registered.

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8	The Company conducts an independent assessment of corporate governance at least once every three years, the results of which are posted on the internet resource of the Company.	-	The Company did not conduct an assessment of corporate governance in 2021: based on the letter of Baiterek NMH JSC (hereinafter - Holding) No. 08-3-09/1663 dated April 8, 2021, the Company conducted procurement procedures for independent assessment of corporate governance through an open tender (hereinafter - Service) during the 3-4 quarter of 2021. Based on the results of procurement conducted on November 4, 2021, tender was declared invalid on the basis of subparagraph 4) of paragraph 186 of the Rules for the Procurement of Goods, Works, Services by national management holdings, national holdings, national companies and organizations, fifty or more percent of voting shares (participation shares in the authorized capital) of which directly or indirectly belong to the national management holding, national holding, national company, approved by the Order of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201 (hereinafter referred to as Procurement Rules).
1. The principle of separation of powers			
1.1.	The rights, duties and competencies of Sole Shareholder, Board of Directors and Management Board are determined in accordance with the current legislation of the Republic of Kazakhstan, in internal acts and are fixed in them.	+	Corporate governance system of the Company provides for a clear separation of powers and responsibilities between Company's bodies, ensuring systematic approach and consistency of corporate governance processes. Business activities of Sole Shareholder, Board of Directors, the Management Board of the Company, as well as the distribution of powers between Sole Shareholder, Board of Directors and Management Board of the Company are optimally and fully reflected and regulated by the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Law of the Republic of Kazakhstan "On State Property", the Charter of <b>KazakhExport</b> EIC JSC, Regulations on the Board of Directors <b>KazakhExport</b> EIC JSC, and other internal documents of the Company.
1.2.	Sole Shareholder delimits its powers and powers related to the performance of functions in order to prevent a conflict of interests that does not contribute to both the interests of the Company and the interests of Sole Shareholder. Sole Shareholder performs functions in order to ensure the profitability of activities of the Company and the implementation of state and government programs in which Company participates.	+	Paragraph 12 of the Charter of the Company defines the exclusive competence of Sole Shareholder
1.3.	The Company carries out its activities within the framework of its main (profile) activities. The implementation of new types of activities is regulated by Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015.	+	The Company carries out its activities within the framework of its core (profile) activities in accordance with the Law of the Republic of Kazakhstan "On Insurance Activities", the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Law of the Republic of Kazakhstan "On State Property", other regulatory legal acts of the Republic of Kazakhstan, the Charter, as well as internal documents of the Company

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1.4.	The Company should build an optimal asset structure, they should strive to simplify the structure of their assets and their organizational and legal forms as much as possible. When creating new organizations, the preferred organizational and legal form is a limited liability partnership. Production and financial companies, where it is possible to increase the assets of the state through the implementation of investment projects and financial operations to attract extra-budgetary investments for the implementation of socio-economic tasks, are created in the form of a joint-stock company. When a Company creates an organization in the form of a limited liability partnership, the participant (participants) independently decide on the need to create supervisory boards and the expediency of electing independent members to its composition, as well as electing an audit commission (auditor), depending on the scale and specifics of the activities of the organization being created.	+	
1.5.	The Holding, as Sole Shareholder, participates in the management of the Company solely through the exercise of the powers of Sole Shareholder provided for in the legislative acts of the Republic of Kazakhstan, the Charter of the Company and representation on Board of Directors.	+	Sole Shareholder of the Company is Baiterek National Managing Holding JSC. The competence of Sole Shareholder is defined by the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Law of the Republic of Kazakhstan “On Insurance Activities”, the Charter of <b>KazakhExport</b> EIC Joint Stock company. According to paragraph 45 of the Code, the composition of Board of Directors of the Company is formed from among the representatives of Sole Shareholder, the Chairman of Management Board of the Company, Independent Directors and other persons. The quantitative composition of Board of Directors is determined by Sole Shareholder. The composition of Board of Directors should be balanced, which means a combination of members of Board of Directors (representatives of Sole Shareholder, Independent Directors, Head of the executive body), ensuring decision-making in the interests of the Company and the economic development tasks assigned to it. At least one third of the members of Company’s Board of Directors must be Independent Directors. Independent Directors are elected for a term of no more than three years, and subsequently, subject to satisfactory performance results, they may be re-elected for up to three more years. Quantitative composition of Board of Directors of the Company was determined by the decision of Management Board of Baiterek NMH JSC dated May 22, 2019 (Minutes No. 27/19)– 8 people with a term of powers of 3 (three) years. The decision of Management Board of Baiterek NMH JSC dated November 6, 2019 (Minutes No. 53/19) determined the quantitative composition of Board of Directors of the Company – 9 people. The relations between independent directors and the Company were formalized by contracts on July 25, 2019, taking into account the requirements of the

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			legislation of the Republic of Kazakhstan, the provisions of the Code and internal acts of the Company. When determining the amount of remuneration of a member of the Board of Directors, Sole Shareholder took into account the responsibilities of members of Board of Directors, the scope of activities of the Company, long-term goals and objectives determined by the development strategy, the complexity of issues considered by Board of Directors. The terms of remuneration of independent directors are reflected in the contracts made with them. Board of Directors has established committees whose competence includes consideration of issues related to audit, risk management, strategic planning, personnel, remuneration and social issues. Committees are created to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of Board of Directors. The final decision on the issues considered by committees is made by the Board of Directors. In accordance with paragraph 63 of the Code, by the decision of Sole Shareholder, the Board of Directors, Committees and members of Board of Directors are evaluated on an annual basis. At the same time, at least once every three years, assessment is carried out with the involvement of an independent professional organization. Assessment methods are self-assessment or the involvement of an independent consultant to improve the quality of the assessment.
1.6.	The Holding, as Sole Shareholder of the Company, provides the Company with full operational independence and does not interfere in the operational (current) and investment activities of the Company, except in cases provided for by the legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.	+	All decisions on strategic and operational issues were made by Board of Directors and Management Board of the Company independently. In 2021, by the decision of Board of Baiterek NMH JSC dated February 17, 2021 No. 09/21 on the issue: “On exercising the right of pre-emptive purchase of shares of <b>KazakhExport</b> Export Insurance Company Joint Stock Company”. A decision has been made about: 1. Exercising the right of pre-emptive purchase of shares of <b>KazakhExport</b> Export Insurance Company Joint Stock Company in the amount of 100 (one hundred) pieces of common shares at the placement price of 50,000,000 (fifty million) tenge for one common share in the amount of 5,000,000,000 (five billion) tenge. 2. To purchase shares of <b>KazakhExport</b> Export Insurance Company Joint Stock Company in accordance with paragraph 1 of this decision in accordance with established procedure by full payment in cash.
1.7.	Transactions and relations between the Company, Sole Shareholder and stakeholders are carried out on an ordinary commercial basis within the framework of the current legislation of the Republic of Kazakhstan, except for cases when one of the main tasks of the Company and its subsidiaries is to implement or assist in the implementation of the state policy for the development of certain sectors of the Republic of Kazakhstan. The Company is not exempt from the application of	+	Transactions and relations between Holding and Company are carried out within the framework of the current legislation of the Republic of Kazakhstan. In 2021, Board of Directors of the Company considered the issues of interested party transactions: 1. On increasing the obligations of <b>KazakhExport</b> Export Insurance Company Joint Stock Company by an amount amounting to ten percent or more of the amount of equity capital in connection with the



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	general laws, tax rules and regulations, except in cases provided for by the legislation of the Republic of Kazakhstan.		conclusion of Additional Agreement No. 1 to Voluntary Loan Insurance Agreement No. 09-16/1446 dated 25.12.2020 and Voluntary Loan Insurance Agreement between <b>KazakhExport</b> EIC JSC, Hyundai Trans Kazakhstan LLP and Development Bank of Kazakhstan JSC, which is a person connected with <b>KazakhExport</b> EIC JSC by special relations; 2. On the conclusion of additional agreement No. 1 to the Voluntary Insurance Contract of financial leasing No. 09-16/990 dated July 17, 2019 between <b>KazakhExport</b> EIC JSC, DBK-Leasing JSC (Industrial Development Fund JSC) and AGRITECH LLP, in which <b>KazakhExport</b> EIC JSC has an interest; 3. On the conclusion of Additional Agreement No. 1 to Voluntary Loan Insurance Agreement No. 09-16/813 dated December 21, 2018, made between <b>KazakhExport</b> EIC JSC, Development Bank of Kazakhstan JSC and Kainar-AKB LLP, in which <b>KazakhExport</b> EIC JSC has an interest; 4. On the conclusion of additional Agreement No. 1 to Voluntary Loan Insurance Agreement No. 09-16/822 dated 28.12.2018, concluded between <b>KazakhExport</b> EIC JSC, Development Bank of Kazakhstan JSC and Sey-Nar manufacturing facility LLP, in which <b>KazakhExport</b> EIC JSC has an interest; 5. "On the conclusion of a Voluntary Loan Insurance Agreement between <b>KazakhExport</b> EIC JSC, Development Bank of Kazakhstan JSC and QAZAQ-ASTYQ GROUP LLP, in which <b>KazakhExport</b> EIC JSC has an interest; 6. On the increase in the obligations of <b>KazakhExport</b> EIC JSC by an amount of ten percent or more of the equity capital in connection with the conclusion of a voluntary loan insurance Agreement between <b>KazakhExport</b> EIC JSC, Altyn Shyghys LLP and Development Bank of Kazakhstan JSC, which is a person associated with <b>KazakhExport</b> EIC JSC by special relations; 7. "On increasing the obligations of <b>KazakhExport</b> EIC JSC by an amount amounting to ten percent or more of the amount of equity capital, in connection with the conclusion of a Voluntary Loan Insurance Agreement between <b>KazakhExport</b> EIC JSC, EkibastuzFerroAlloys LLP and Development Bank of Kazakhstan JSC, in which <b>KazakhExport</b> EIC JSC has an interest"; 8. On increasing the obligations of <b>KazakhExport</b> EIC JSC by an amount of ten percent or more of the amount of equity capital in connection with the conclusion of Additional Agreement No. 1 to the Contract of Insurance of civil legal liability of the Exporter to the financial institution DOS series No. 09-16/1371 dated November 04, 2020 between <b>KazakhExport</b> EIC JSC, AAEngineering Group LLP and Development Bank of Kazakhstan JSC, in which <b>KazakhExport</b> EIC JSC has an interest; 9. On increasing the obligations of <b>KazakhExport</b> EIC JSC by an amount amounting to ten percent or more of the amount of equity capital, in connection with the conclusion of a Voluntary Loan Insurance Agreement between <b>KazakhExport</b> EIC JSC, SaryarkaAvtoProm LLP and Eurasian Bank JSC, in which <b>KazakhExport</b> EIC JSC has an interest.

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1.8.	Economic activity of the Company must meet market conditions regarding debt and equity finance, namely: 1) Company's relations with all market participants (including financial and non-financial organizations) should be based solely on a commercial basis, except in cases when one of the main tasks of the Company and its subsidiaries is to implement or assist in the implementation of the state policy for the development of certain sectors of the Republic of Kazakhstan; 2) due to limited access to public sources of financing, the Company will seek to consider alternative sources of financing in order to replace part of the public funds; 3) profitability is required from financial and economic activities of the Company.	+	
1.9.	When a Company participates in procurement as a customer, applied procedures must be competitive, transparent (taking into account the principle of confidentiality) and non-discriminatory.	+	On January 1, 2022, the Law of the Republic of Kazakhstan "On procurement by certain quasi-public sector entities" dated June 8, 2021 and the Rules for Procurement by Individual Entities of the Quasi-public Sector, with the exception of National Welfare Fund and Organizations of the National Welfare Fund, approved by Order of the Minister of Finance of the Republic of Kazakhstan dated November 30, 2021 No. 1253 (hereinafter - Legislation in the field of procurement). Prior to the introduction of Legislation in the field of procurement, Company was guided by the standards of the Rules for the Procurement of Goods, Works, Services by national management holdings, national holdings, national companies and organizations, fifty or more percent of voting shares (participation shares in the authorized capital) of which directly or indirectly belong to the national management holding, national holding, national company, approved By Order of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201.
1.10.	The relationship (interaction) between Sole Shareholder and Company is carried out through Board of Directors and/or Management Board of the Company in accordance with the principles of good corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of Management Board of the Company are clearly delineated and fixed in the Company's documents. At the same time, Company discloses to the state body, as Sole Shareholder, and Board of Directors of the Company all the necessary information about activities of the Company in accordance with the legislative acts of the Republic of Kazakhstan and the Charter of the Company to all interested parties.	+	The relationship (interaction) between Sole Shareholder and Company is carried out through Board of Directors of the Company and Management Board of the Holding in accordance with the principles of good corporate governance. The role and functions of the Chairman of Board of Directors and the Chairman of Management Board of the Company are clearly delineated and fixed by the Charter of <b>KazakhExport</b> EIC JSC, as well as internal regulatory documents of the Company, including Regulations on the Board of Directors of <b>KazakhExport</b> EIC JSC and Regulations on the Management Board of <b>KazakhExport</b> EIC JSC.

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1.11.	<p>Corporate governance system of the Company envisages the relationship between:</p> <ol style="list-style-type: none"> <li>1) Sole Shareholder;</li> <li>2) Board of Directors;</li> <li>3) Management;</li> <li>4) stakeholders;</li> <li>5) other bodies determined in accordance with the Charter.</li> </ol> <p>Corporate governance system provides:</p> <ol style="list-style-type: none"> <li>1) compliance with the hierarchy of the order of consideration of issues and decision-making;</li> <li>2) clear delineation of powers and responsibilities between bodies, officials and employees;</li> <li>3) timely and high-quality decision-making by the bodies of the Company and its subsidiaries;</li> <li>4) efficiency of processes in the activities of the Company and its subsidiaries;</li> <li>5) compliance with the legislation, this Code and internal documents of the Company and its subsidiaries.</li> </ol> <p>The Company approves regulations on bodies (if such provisions are not provided for by the Charter of the Company) and structural divisions, as well as job descriptions for the relevant positions. Compliance with the provisions of these documents ensures systematic approach and consistency of corporate governance processes.</p>	+	
1.12.	<p>The Holding participates in the management of the Company through the implementation of the functions of Sole Shareholder, as well as through its Board of Directors, in accordance with the procedure established by the Charter of the Company, this Code and the legislation of the Republic of Kazakhstan. Board of Directors of the Company has full independence in making decisions within its competence established by the Charter of the Company. The Holding annually sends to the Chairman of Board of Directors of the Company the expectations of Sole Shareholder for the upcoming financial year.</p>	+	
1.13.	<p>In order to ensure sustainable development of the Company, the Holding forms and approves unified policies, guidelines and corporate standards for the Company.</p> <p>The decision on application of corporate standards approved by the Holding in the field of risk management, internal control and internal audit in a subsidiary is made by Board of Directors of the Company, taking into account the compliance of these standards with the specifics of its activities.</p>	+	

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1.14.	<p>The bodies of the Holding and the Company are recommended to cooperate in a spirit of cooperation in order to ensure that strategies and development plans of the Holding and the Company are sufficiently ambitious and realistic.</p> <p>Management Board of the Holding should maintain a constant dialogue with the Company on issues of strategy and sustainable development. At the same time, the Holding does not allow interference in the operational (current) activities of subsidiaries, for which Management Board of the Company is responsible. The Holding, the Company and their officials are responsible for achieving the profitability of the Holding and the Company, respectively, and decisions and actions/inaction taken in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal documents.</p>	+	<p>The relationship (interaction) between the members of the Company is implemented in accordance with the principles of proper corporate governance. The role and functions are clearly delineated and fixed in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal regulatory documents of the company.</p>
1.15.	<p>In order to realize its mission and vision, Company is working on the following three key strategic directions approved as part of Development Strategy of the Company for 2014-2023:</p> <ol style="list-style-type: none"> <li>1) development of financial and insurance support for Kazakhstan exports;</li> <li>2) non-financial support of export activities of Kazakhstani enterprises;</li> <li>3) reinsurance.</li> </ol> <p>All decisions and actions taken must comply with the development strategy and/or development plan. In order to achieve objectives set for the Company, the Company develops a business plan and/or a development plan, which includes key performance indicators (hereinafter referred to as KPI). The main element of evaluating the effectiveness of the Company and its Management Board is Key Performance Indicators System. Achievement of Key Performance Indicators of the members of Management Board of the Company is assessed on an annual basis. This assessment affects the remuneration of the Chairman and members of Management Board, is taken into account when they are re-elected, and may also be the basis for their removal from office ahead of schedule. In order to assess the achievement of goals and tasks set out in business plan and/or development plan, the Company sets Key Performance Indicators through the following processes:</p> <ol style="list-style-type: none"> <li>1) The Holding coordinates the relevant development strategies for a ten-year period and development plans for a five-year period of the Company, including target KPI, which are submitted by them for consideration by Board of Directors of the Company;</li> <li>2) Business plan of the Company and development plan are approved by Company's Board of Directors.</li> </ol> <p>The Holding and the Company are guided by unified rules of development, approval of development strategies and/or development plans, as well as monitoring and evaluation of their implementation. Board of Directors of the Company monitors the implementation of development strategy, development plan and efficiency of the Company.</p>	+	<p>By the decision of Board of Directors of the Company dated June 16, 2021 (Minutes No. 5), effectiveness of the maps of key performance indicators of the Chairman and members of Management Board of the Company with actual values for 2020 was approved. The overall performance on corporate efficiency was 111 points. Based on the results of confirming effectiveness, Board of Directors decided to pay remuneration to the Chairman and members of Management Board of the Company based on the results of 2020 (Minutes No. 5 dated June 16, 2021). Confirming effectiveness of key performance indicators maps of the Chairman and members of Management Board of the Company with actual values for 2021 will be approved by Board of Directors of the Company in the second quarter of 2022.</p>

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1.16.	<p>Board of Directors of the Company ensures management efficiency, sustainable development and profitability of activities of the Company. The results of effective management in the Company are an increase in operational efficiency, an improvement in the quality of reporting, improved standards of corporate culture and ethics, greater openness and transparency, risk reduction, and an appropriate internal control system. Corporate governance system in the Company provides:</p> <p>1) The existence of a clear management system in the Company, delimited powers and independence of the decision-making process by Board of Directors, Management Board, other collegial bodies and senior employees of the Company, the absence of duplication of functions and processes;</p> <p>2) standards, policies and processes, including in terms of defining approaches to planning, monitoring and control, performance assessment and the application of corrective actions;</p> <p>3) access to quality information regarding activities of the Company;</p> <p>4) proper risk management of the Company.</p>	+	<p>By the decisions of Sole Shareholder Company has approved the following : Regulations on Board of Directors of <b>KazakhExport</b> EIC JSC, Corporate Governance Codeof <b>KazakhExport</b> EIC JSC, Charterof <b>KazakhExport</b> EIC JSC, which regulates processes that ensure a clear management system in the Company, separation of powers and independence of decision-making process by Board of Directors, Management Board, other collegial bodies and senior employees of the Company, the absence of duplication of functions and processes.</p> <p>By the decisions of Board of Directors internal regulatory documents on priority areas of activity (development), strategic goals (development strategy) of the Company, documents on planning and budgeting, internal documents on internal control, internal and external audit have been approved. The Company provides access to high-quality information regarding activities of the Company on corporate Internet resource of the Company. The Company discloses information about corporate events, financial statements and audit reports, information about affiliated persons, as well as other information subject to disclosure on the Internet resources of the financial reporting depository in accordance with requirements approved by Resolution of Board of the National Bank of the Republic of Kazakhstan No. 189 dated August 27, 2018.</p> <p>In the process of risk assessment and identification, Company adheres to uniform standards jointly with the Holding, as well as Resolution No. 198 of Board of the National Bank of the Republic of Kazakhstan “On Approval of the Rules for the Formation of a Risk Management and Internal Control System for Insurance (Reinsurance) Organizations, Branches of Insurance (Reinsurance) organizations that are non-residents of the Republic of Kazakhstan”.</p> <p>The structure of risk management system in the Company is represented by risk management at several levels involving following bodies and divisions of the Company: Board of Directors, Management Board, collegial advisory bodies, structural unit responsible for risk management, Internal Audit Service, and other structural units. Delineation of powers of Board of Directors, Management Board, and other collegial bodies of the Company, as well as risk management structure, main components of risk management system are reflected in Risk Management Policy of the Company.</p> <p>In the process of risk assessment and identification, Company adheres to the model of a centralized risk management system. The model includes an assessment of individual types of risk (operational, currency, interest rate, credit, liquidity risk, business risk, insurance risk), as well as their aggregation and assessment of the adequacy of available financial resources (AFR) to cover aggregated amount of risks calculated in normal stressful situations.</p> <p>The assessment of domestic capital of the Company and AFR is carried out on the basis of data from the</p>

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			balance sheet, insurance/reinsurance portfolio, treasury portfolio. Within the framework of centralized risk management system, the Company has developed the following internal regulatory documents: methods for managing market risks, liquidity, operational risks, credit risks, stress testing methods, business risk assessment methods, risk aggregation methods, regulations for managing financial assets and liabilities, etc.
1.17.	<p>Sole Shareholder of the Company accepts possible management mechanisms of the Company, including centralized management of certain functions (planning, treasury, interaction with government agencies, risk management, information technology, legal support, internal audit and others).</p> <p>Corporate governance system and decision-making process in the Company are regulated in the charter and other internal documents of the Company.</p>	+	The decision-making process in the Company is regulated by the Charter and other internal regulatory documents of the Company.
2. The principle of protecting rights and interests of Sole Shareholder			
2.1.	<p>Compliance with the rights of Sole Shareholder is a key condition for attracting investments into the Company. In this regard, Corporate Governance in the Company and its subsidiaries is based on ensuring the protection, respect for rights and legitimate interests of Sole Shareholder and is aimed at contributing to the effective operation of the Company and achieving profitability of its activities.</p>	+	Corporate governance in the Company is based on ensuring the protection, respect for rights and legitimate interests of Sole Shareholder and is aimed at contributing to the effective operation of the Company and achieving profitability of its activities.
2.2.	<p>The Company, in accordance with established procedure, ensures the implementation of the rights of Sole Shareholder, including:</p> <p>the right to own, use and dispose of shares;</p> <p>the right to participate in the management of the Company and the election of Board of Directors in the manner prescribed by the Laws of the Republic of Kazakhstan “On Joint Stock Companies”, “On State Property” and/or the Charter of the Company;</p> <p>the right to receive a share of Company's profit (dividends);</p> <p>the right to receive a share in Company's assets upon its liquidation;</p> <p>the right to receive information about activities of the Company, also to get acquainted with financial statements of the Company in accordance with the procedure determined by Sole Shareholder or the Charter of the Company;</p> <p>the right to apply to the Company with written requests regarding its activities and to receive motivated and exhaustive answers within the time limits established by the Charter of the Company;</p> <p>the right to receive an extract from the registrar of the Company or a nominee holder confirming his ownership of securities;</p> <p>the right to challenge decisions taken by bodies of the Company in court;</p> <p>the right to apply to the judicial authorities on its own behalf in cases provided for in Articles 63 and 74</p>	+	<p>In accordance with paragraph 8.1 of Article 8 of the Charter of <b>KazakhExport</b> EIC JSC, Sole Shareholder has the right to:</p> <p>1) participate in the management of the Company in accordance with the procedure provided for by the Law “On Joint Stock Companies” and the Charter of the Company;</p> <p>2) receive dividends;</p> <p>3) receive information about the activities of the Company, including getting acquainted with financial statements of the Company, in accordance with the procedure determined by Sole Shareholder or the Charter of the Company;</p> <p>4) receive extracts from the central depository or nominee holder confirming its ownership of securities;</p> <p>5) to elect members of Board of Directors of the Company;</p> <p>6) to dispute the decisions taken by bodies of the Company in court;</p> <p>7) to apply to the judicial authorities on their own behalf in cases provided for by law, with a claim for compensation of losses caused to the Company by officials of the Company and returning profit (income) to the Company by officials of the Company and (or) their affiliated persons received by them as a result of making decisions on the conclusion (offers for conclusion) of large transactions and (or) transactions in which they are interested in;</p> <p>8) to apply to the Company with written requests about</p>



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	of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, with a claim for compensation to the Company by Company’s officials of losses caused to the Company, and returning the profit (income) to the Company by officials of the Company and/or their affiliated persons received by them as a result of adoption of decisions on the conclusion (proposals for conclusion) of large transactions and/or transactions in which there is an interest; the right to pre-emptive purchase of shares or other securities of the Company convertible into its shares, in accordance with the procedure established by the Law of the Republic of Kazakhstan “On Joint Stock Companies”, except for cases provided for by legislative acts of the Republic of Kazakhstan; the right to make a decision on changing the number of shares of the Company or changing their type in accordance with the procedure provided for by the Law of the Republic of Kazakhstan “On Joint Stock Companies”.		its activities and receive motivated responses within thirty calendar days from the date of receipt of the request to the Company; 9) for a part of the property in case of liquidation of the Company; 10) for pre-emptive purchase of shares or other securities of the Company convertible into its shares in accordance with the procedure established by the Law “On Joint Stock Companies”, except for cases provided for by legislative acts of the Republic of Kazakhstan; 11) to make offers to Board of Directors on additional issues for consideration by Sole Shareholder in accordance with the Law; 12) to request the convocation of a meeting of Board of Directors; 13) to require audit organization to conduct an audit of the Company at its own expense. The rights of Sole Shareholder fixed by the Charter of <b>KazakhExport</b> EIC JSC are respected by the Company and the bodies of the Company.
2.3.	In the Company, decisions on issues referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of Sole Shareholder are taken by Sole Shareholder alone and are subject to registration in writing. Sole Shareholder may hold meetings with Board of Directors and executive body to summarize results of activities of the year and make decisions on issues of its competence. Sole Shareholder may also hold regular meetings with the Chairman of Board of Directors during the year to discuss issues of activities of the Company within its competence.	+	In accordance with paragraph 12.1. of Article 12 of the Charter of <b>KazakhExport</b> EIC JSC in Joint Stock Company where all voting shares of which belong to one shareholder, general meetings of shareholders are not held. Decisions on issues referred by this Charter to the competence of Sole Shareholder are taken by such shareholder alone and are subject to execution in writing. The decision of Sole Shareholder of the Company on issues referred to the competence of Sole Shareholder is made in the form of a decision, which must be drawn up and signed by Sole Shareholder within three working days from the date of the decision by Sole Shareholder. In accordance with subparagraph 12) of paragraph 8.1 of Article 8 of the Charter of <b>KazakhExport</b> EIC JSC, Sole Shareholder has the right to request convening of a meeting of Board of Directors.
2.4.	The Company shall inform Sole Shareholder in a timely manner and in full about its activities affecting interests of Sole Shareholder in accordance with the procedure provided for by the Charter and internal documents of the Company.	+	
2.5.	The Company provides Sole Shareholder with reliable information about its financial and economic activities and its results in accordance with requirements of the legislation of the Republic of Kazakhstan. In case of combining the tasks of implementing state policy in the implementation of the activities of the Company with the main commercial activity, these goals are disclosed and brought to the attention of interested parties. In case of acquisition of shares (participation interests) in the Company by institutional investors, in order to ensure stability and sustainability of the Company, institutional investors acting as a proxy are recommended to disclose their corporate governance	+	The Company provides Sole Shareholder with reliable information about its financial and economic activities and its results in accordance with requirements of the legislation of the Republic of Kazakhstan. In case of transactions with an interest provided for by the legislation, the Charter and internal documents of the Company, the information is disclosed on Internet resources.

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	policy and regulations for their investment activities, including current decision-making procedures in the company of the investor. Institutional investors acting as a proxy report on how they resolve significant conflicts of interest that may affect ownership rights in relation to the investments they have made. Company strives to limit the number of transactions in which there is an interest. In case of such transactions, Company discloses the information provided by the legislation, the Charter and internal documents of the Company.		
2.6.	Sole Shareholder must have access to information regarding conditions and procedure for the payment of dividends, as well as be provided with reliable information about the financial position of the Company when paying dividends. For these purposes, Sole Shareholder approves dividend policy. Dividend policy defines principles that guide the Board of Directors (Supervisory Board and/or Executive body) when preparing offers to Sole Shareholder on the distribution of net income of the Company and/or its subsidiary for the past financial year. The dividend policy is based on the following principles: 1) compliance with the interests of Sole Shareholder; 2) ensuring profitability of activities of the Company; 3) ensuring financial stability of the Company; 4) ensuring financing of activities of the Company, including financing of investment projects implemented at the expense of funds of the Company; 5) transparency of the mechanism for determining the amount of dividends; 6) balance of short-term (income provision) and long-term (development of the Company) interests of Sole Shareholder. The dividend policy also regulates the procedure for distributing net income and determining its part to be allocated for payment of dividends, procedure for calculating the amount of dividends, procedure for paying dividends, including the timing, place and form of their payment. Also, dividend policy establishes the procedure for determining minimum share of net profit of the Company meant for the payment of dividends.	+	Company is guided by Procedure for determining the amount of dividends paid by subsidiaries of “National Managing Holding “Baiterek” Joint-Stock company, approved by Management Board of “NMH “Baiterek” JSC dated May 11, 2014 (Minutes No. 14/14).
2.7.	The amount of dividends is calculated based on the amount of net income of the Company reflected in annual audited financial statements of the Company prepared in accordance with requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards. At the same time, the amount of dividend payment is determined taking into account the legislation of the Republic of Kazakhstan. In case of payment of dividends on ordinary shares	+	According to the decision of Management Board of Baiterek NMH JSC dated March 30, 2017 (Minutes No. 14/17), Company regularly provides Sole Shareholder with information on the results of financial and economic activities, management and financial statements in accordance with approved reporting forms. In accordance with paragraph 3.2 of Procedure for Determining the Amount of Dividends paid by subsidiaries of Baiterek National Managing Holding

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	<p>based on the results of the quarter or half-year or distribution of retained earnings of previous years, as well as in some cases, the amount of dividends may be determined by Sole Shareholder in a special order when considering the approval of the procedure for the distribution of profits for the relevant periods. In order to make a decision on payment of dividends, Board of Directors of the Company submits offers for distributing net income for the past financial year and the amount of the dividend for the year per one common share of the Company for consideration by Sole Shareholder.</p> <p>When considering the payment of dividends in accordance with established procedure, current state of the Company, its short-, medium- and long-term plans are taken into account.</p> <p>If there is a shareholder in the Company who owns fifty percent or more of the voting shares or who has the right to determine decisions by virtue of agreements made with the Company and/or other shareholders, redistribution of financial resources in favor of such shareholder is carried out through dividend payments.</p> <p>If there are other mechanisms for redistribution of funds of the Company in favor of a shareholder who owns fifty percent or more of the voting shares, they are fixed in relevant documents of the Company and disclosed to all shareholders.</p> <p>Company should disclose information about any forms and conditions of cooperation, agreements and partnerships to Sole Shareholder and investors.</p>		<p>Joint-Stock Company, approved by Board of Baiterek NMH JSC dated May 11, 2014 (hereinafter referred to as Procedure for Determining Dividends), authorized bodies of subsidiaries prepare offers on the procedure for distributing net income for the past financial year and the amount of dividends for the year per common share.</p> <p>According to the Methodology for calculating dividends offered for Payment by subsidiaries (Appendix to Procedure for Determining Dividends), the amount of dividends to be paid is determined depending on financial and economic condition of the subsidiary at the end of the reporting period. The target amount of dividends payable for the Period by Companies is at least 70% of consolidated net profit for the Period.</p> <p>The Company may recommend to make a decision on the payment of dividends less than the target amount, in the case of:</p> <ul style="list-style-type: none"> <li>• availability of reasonable needs to cover short-term and long-term financial risks, including the presence of a projected cash gap, based on the presented analysis of financial and economic condition of the Company at the end of the Period;</li> <li>• availability of highly profitable projects for implementation that require financing from own funds;</li> <li>• the need to fulfill conditions for compliance with restrictions on the payment of dividends established by regulatory legal acts.</li> </ul>		<p>6) corporate governance; 7) compliance with the provisions of this Code and corporate standards of the Company in the field of business ethics (Code of Business Ethics).</p>		
	3. Principle of effective management of the Company by Board of Directors and Management Board			3.2.	<p>Members of Board of Directors should perform their functional duties in good faith and adhere to the following principles in their activities:</p> <p>1) act within the limits of their powers – members of Board of Directors make decisions and act within their powers stipulated in the laws of the Republic of Kazakhstan “On Joint Stock Companies” and “On State Property”, as well as the charter of the Company;</p> <p>2) to devote sufficient time to attend meetings of Board of Directors, its committees and to prepare for them;</p> <p>3) to contribute to achievement of profitability and sustainable development of the Company – members of Board of Directors act in the interests of the Company; the impact of decisions and actions of members of Board of Directors can be determined by the following questions: what are the consequences of the decision/action in the long term; what is the effect of activities of the organization on society and the environment; impact on the reputation of the Company and high standards of business ethics; impact on the interests of stakeholders (this list of issues is minimally necessary, but not exhaustive);</p> <p>4) maintain high standards of business ethics – members of Board of Directors must comply with high standards of business ethics in their actions, decisions and behavior and be an example for employees of the Company and subsidiaries;</p> <p>5) avoid conflicts of interest – members of Board of Directors do not allow situations in which their personal interest may affect proper performance of their duties as a member of Board of Directors; in case of situations with conflicts of interest that affect or potentially affect the impartial decision-making, members of Board of Directors should notify the Chairman of the Board in advance and not to participate in the discussion and adoption of such decisions; this requirement also applies to other actions of a member of Board of Directors that may directly or indirectly affect the proper performance of the duties of a member of Board of Directors;</p> <p>6) act with due reasonableness, skill and prudence – members of Board of Directors are recommended to continuously improve their knowledge of competencies of Board of Directors and performance of their duties in Board of Directors and committees, including areas such as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and specifics of the activity in order to understand</p>	+	<p>Members of Board of Directors perform their functional duties in good faith and adhere to following principles in their activities:</p> <p>1) act within their authority;</p> <p>2) to devote sufficient time to attend meetings of Board of Directors, its committees and to prepare for them;</p> <p>3) contribute to the achievement of profitability and sustainable development of the Company;</p> <p>4) maintain high standards of business ethics;</p> <p>5) avoid conflicts of interest;</p> <p>6) act with due reasonableness, skill and prudence.</p>
3.1.	<p>Board of Directors is a management body that provides strategic management of the Company and controls activities of Management Board.</p> <p>Board of Directors ensures full transparency of its activities to Sole Shareholder, as well as the implementation of all provisions of this Code.</p> <p>Board of Directors performs its functions in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company, this Code, the Regulations on the Board of Directors and other internal documents of the Company. At the same time, Board of Directors pays special attention to the issues of:</p> <p>1) determining Business Plan (directions and results);</p> <p>2) setting and monitoring KPI set in Business Plan and/or Development Plan;</p> <p>3) organization and supervision of effective functioning of risk management system, internal control and internal audit;</p> <p>4) approval and monitoring of effective implementation of major investment projects and other key strategic projects within the competence of Board of Directors;</p> <p>5) election (re-election), remuneration, succession planning and supervision of activities of the Head and members of executive body;</p>	+	<p>Business Plan of the Company has been approved by Board of Directors and disclosed to all interested parties, Board of Directors analyzes current situation and makes timely decisions on the need to change work model.</p> <p>Board of Directors has a clear vision of Company's future in terms of philosophy, reputation, scale and long-term (3-5 years) strategic objectives of its business activity.</p> <p>Company's strategy is interrelated with the strategy of Sole Shareholder.</p>				

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	current issues of Company's activities, members of Board of Directors regularly visit key facilities of the Company and hold meetings with employees.		
3.3.	<p>The responsibility of Board of Directors for ensuring its activities, performing its functions and responsibilities, including determining strategic directions of activities of the Company, setting clear objectives and specific, measurable (digitized) KPI and responsibility of Management Board of the Company for operational (current) activities of the Company, including clear fulfillment of the tasks set and achievement of established KPI should be clearly separated and fixed in the relevant internal documents of the Company.</p> <p>Members of Board of Directors are personally responsible for the performance of their duties, including fiduciary duties and decisions taken, effectiveness of their activities, actions and/or inaction. If there are different opinions, the Chairman of Board of Directors ensures that all acceptable options and offers that are expressed by individual members of Board of Directors are considered in order to make a decision that meets the interests of the Company.</p> <p>Board of Directors annually reports on compliance with the provisions of this Code to Sole Shareholder. Board of Directors ensures the implementation of mechanisms that will help to avoid conflicts of interest that prevent Board of Directors from fulfilling its duties objectively and limit political interference in the processes of Board of Directors.</p> <p>Sole Shareholder of the Company may additionally hold meetings with the Chairman and members of Board of Directors to discuss issues of development strategy, election of the first Head of Management Board of the Company and other aspects that affect the profitability and sustainable development of the Company. Such meetings are planned in advance and conducted in accordance with approved procedures.</p>	+	<p>The responsibility of Board of Directors for ensuring its activities, performing its functions and responsibilities, including determining strategic directions of activities of the Company, setting clear objectives and specific, measurable (digitized) KPI and responsibility of Management Board of the Company for operational (current) activities of the Company, including clear fulfillment of the tasks set and achievement of the established KPI is observed, divided and fixed in the relevant internal documents of the Company.</p>
3.4.	Board of Directors and its committees should maintain a balance of skills, experience and knowledge that ensures the adoption of independent, objective and effective decisions in the interests of the Company.	+	When electing a member of Board of Directors of the Company, as well as the Chairman and members of the Committees of Board of Directors of the Company, Sole Shareholder and Board of Directors of the Company are guided by requirements of legislation and other internal regulations.
3.5.	Sole Shareholder elects members of Board of Directors on the basis of clear and transparent procedures, taking into account competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of Board of Directors or its full composition for a new term, their contribution to effectiveness of Board of Directors of the Company is taken into account. The term of powers of Board of Directors is set by Sole Shareholder. The term of powers of the members of	+	Sole Shareholder, when electing members of Board of Directors of the Company, necessarily approves the quantitative composition of Board of Directors, the composition of Board of Directors is set individually, taking into account the scope of activities, current tasks, business plan and/or development plan and financial capabilities, as well as the balance of Board of Directors, which means a combination of members of Board of Directors (representatives of Sole Shareholder, independent directors, Head of the executive body),

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	<p>Board of Directors coincides with the term of powers of the entire Board of Directors and expires at the time when Sole Shareholder makes a decision to elect a new Board of Directors. Sole Shareholder has the right to terminate powers of all or individual members of Board of Directors ahead of time.</p> <p>No person should participate in making decisions related to their own appointment, election and re-election.</p> <p>When selecting candidates for Board of Directors, the following are taken into account:</p> <ol style="list-style-type: none"> <li>1) work experience in senior positions;</li> <li>2) work experience as a member of Board of Directors;</li> <li>3) work experience;</li> <li>4) education, specialty, including availability of international certificates;</li> <li>5) availability of competencies in areas and industries (industries may vary depending on the asset portfolio);</li> <li>6) business reputation;</li> <li>7) presence of a direct or potential conflict of interest.</li> </ol> <p>The quantitative composition of Board of Directors is determined by Sole Shareholder. The composition of Board of Directors is determined individually, taking into account the scope of activities, current tasks, business plan and/or development plan and financial capabilities. The composition of Board of Directors should be balanced, which means a combination of members of Board of Directors (representatives of Sole Shareholder, Independent Directors, Head of the executive body), ensuring decision-making in the interests of the Company and the economic development tasks assigned to it.</p> <p>A person cannot be elected to the position of a member of Board of Directors who:</p> <ol style="list-style-type: none"> <li>1) has an outstanding or not removed criminal record in accordance with the procedure established by law;</li> <li>2) previously was the Chairman of Board of Directors, Chairman of Management Board, Deputy Chairman of Management Board, chief accountant of another legal entity for a period not more than one year prior to the decision on compulsory liquidation or compulsory repurchase of shares, or conservation of another legal entity declared bankrupt in accordance with established procedure. The specified requirement is applied within five years after the date of the decision on compulsory liquidation or compulsory repurchase of shares, or the preservation of another legal entity declared bankrupt in accordance with established procedure.</li> </ol>		ensuring decision-making in the interests of the Company and economic development tasks assigned to it.
3.6.	Board of Directors must include presence and participation of independent directors. The number of members of Board of Directors must be at least three people. At least one third of the members of Board of Directors of the Company must be independent directors. At the same time, the number of independent directors should be sufficient to ensure the independence of the decisions taken. The recommended number of independent directors in Board of Directors of the Company is up to fifty percent of the total number of members of the Board of Directors.	+	<p>Board of Directors includes independent directors. The decision of Management Board of Baiterek NMH JSC dated May 22, 2019 (Minutes No. 27/19) determined the quantitative composition of Board of Directors of the Company – 9 people.</p> <p>At least one third of the number of members of Board of Directors of the Company must be independent directors, Board of Directors of the Company consists of 4 independent directors.</p> <p>By the decision of Management Board of Baiterek NMH JSC dated April 21, 2021 (Minutes No. 21/21), the quantitative composition of Board of Directors of the</p>



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	<p>Independent Directors are elected for a term of no more than three years, and subsequently, subject to satisfactory performance results, they may be re-elected for up to three more years.</p> <p>Any term of election of independent directors to Board of Directors for a term of more than six consecutive years (for example, two three-year terms) is subject to special consideration, taking into account the need for a qualitative renewal of Board of Directors.</p> <p>The same person is recommended not to be elected as an independent director to Board of Directors for more than nine consecutive years. In exceptional cases, election for a term of more than nine years is allowed, while the election of this independent director to Board of Directors is carried out with a detailed explanation of the need to elect this member of Board of Directors and the impact of this fact on the independence of decision-making.</p> <p>Independent members of Board of Directors should be free from any material interests or relations with the Company, its management or its property that could jeopardize the exercise of objective judgment.</p> <p>An independent director is a person who has sufficient professionalism and independence to make independent and objective decisions, free from the influence of Sole Shareholder, the executive Body and other interested parties.</p> <p>Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan.</p> <p>Independent directors actively participate in the discussion of issues where a conflict of interest is possible (preparation of financial and non-financial statements, conclusion of interested-party transactions, nomination of candidates to Management Board, establishment of remuneration to members of Management Board).</p> <p>Independent directors are elected by the chairmen of key committees of Board of Directors – on audit, appointments and remuneration, other committees also recommend their election as chairmen.</p> <p>An independent director monitors the possible loss of independence status and must notify the Chairman of Board of Directors in advance if there are such situations. If there are circumstances affecting the independence of a member of Board of Directors, the Chairman of Board of Directors shall immediately bring this information to the attention of Sole Shareholder for making an appropriate decision.</p>		<p>Company was determined – 8 people.</p> <p>By the decision of Management Board of Baiterek NMH JSC dated July 8, 2021 (Minutes No. 43/21), the quantitative composition of Board of Directors of the Company was determined – 9 people.</p>
3.7.	<p>Relations between independent directors and the Company are formalized by contracts taking into account requirements of the legislation of the Republic of Kazakhstan, provisions of this Code and internal documents of the Company.</p> <p>The contracts must specify rights, obligations, responsibilities of the parties and other essential conditions, as well as obligations of independent</p>	+	<p>Relevant Agreements have been made with Independent Directors of the Company.</p>

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	<p>directors of Board of Directors to comply with the provisions of this Code, including to devote sufficient time to perform functions assigned to them, on non-disclosure of internal information about the Company after termination of its activities for a period established by Board of Directors and additional obligations arising from requirements for the status and functions of independent directors (in terms of timely declaration of loss of independence and others).</p> <p>Contracts may set deadlines for the performance of certain duties by members of Board of Directors.</p> <p>The Company needs to ensure that there are succession plans for the members of Board of Directors in order to maintain the continuity of activities and update the composition of Board of Directors.</p> <p>Board of Directors approves induction program for newly elected members of Board of Directors and professional development program, if necessary.</p> <p>Corporate Secretary ensures the implementation of this program.</p> <p>Members of Board of Directors elected for the first time, after their appointment, undergo an induction program. During the induction process, members of Board of Directors are familiarized with their rights and obligations, key aspects of activities and documents of the Company.</p>		
3.8.	<p>The Chairman of Board of Directors is responsible for the overall management of Board of Directors, ensures full and effective implementation by Board of Directors of its main functions and building a constructive dialogue between the members of Board of Directors, Sole Shareholder and Management Board of the Company.</p> <p>The Chairman of Board of Directors should strive to create an unified team of professionals who are determined to achieve profitability and sustainable development of the Company, who are able to respond to internal and external challenges in a timely and professional manner.</p> <p>Roles and functions of the Chairman of Board of Directors and the Chairman of Management Board of the Company should be clearly separated and fixed in the internal documents of the Company. The Chairman of Management Board may not be elected Chairman of Board of Directors of the Company.</p> <p>The key functions of the Chairman of Board of Directors include:</p> <ol style="list-style-type: none"> <li>1) planning of meetings of Board of Directors and developing agenda;</li> <li>2) ensuring timely receipt by members of Board of Directors of complete and up-to-date information for making decisions;</li> <li>3) ensuring that Board of Directors focuses on strategic issues and minimizes issues of a current (operational) nature to be considered by Board of Directors;</li> </ol>	+	<p>The Chairman of Board of Directors ensures full and effective implementation by Board of Directors of its main functions and the establishment of a constructive dialogue between the members of Board of Directors, Sole Shareholder and Management Board of the Company.</p> <p>The Chairman of Board of Directors successfully manages a team of professionals who are determined to achieve profitability and sustainable development of the Company, who are able to respond to internal and external challenges in a timely and professional manner.</p> <p>Key functions of the Chairman of Board of Directors are performed in a timely manner and in accordance with the legislation of the Republic of Kazakhstan, the Charter, the Regulations on Board of Directors and other internal regulatory documents.</p>

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	4) ensuring maximum effectiveness of meetings of Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of issues on the agenda, stimulating open discussions, achieving agreed decisions; 5) ensuring monitoring and supervision of the proper execution of decisions of Board of Directors and Sole Shareholder; 6) in case of corporate conflicts, taking measures to resolve them and minimize negative impact on activities of the Company, and timely informing Sole Shareholder if it is impossible to resolve such situations on their own; 7) building proper communication and interaction with Sole Shareholder, including the organization of consultations when making key strategic decisions.		
3.9.	<p>The remuneration level of the members of Board of Directors is recommended to be set in an amount sufficient to attract and motivate each member of Board of Directors of level required for successful management of the Company. HR, Remuneration and Social Affairs Committee of Board of Directors of the Company makes offers on the amount of remuneration for candidates for independent directors.</p> <p>No person should participate in making decisions related to their own remuneration.</p> <p>Remuneration should fairly reflect expected contribution of a member of Board of Directors to improve efficiency of entire Board of Directors and activities of the Company.</p> <p>When determining the amount of remuneration of a member of Board of Directors, responsibilities of members of Board of Directors, the scope of activities of the Company, long-term goals and objectives determined by the development strategy, complexity of issues considered by Board of Directors and, if necessary, the level of remuneration in similar private sector companies (benchmarking, remuneration review) are taken into account.</p> <p>The members of Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for participation and chairmanship in the committees of Board of Directors. Remuneration of a member of Board of Directors should not include options or other elements related to results of activities of the Company.</p> <p>At the same time, members of Board of Directors of the Company who are civil servants and/or representatives of Sole Shareholder, as well as the Chairman of Management Board (in case of his membership in Board of Directors), remuneration for membership in Board of Directors is not paid.</p> <p>Sole Shareholder of the Company determines the amount and conditions of remuneration and compensation of expenses to the members of Board of Directors of the Company. At the same time, the terms of remuneration of directors are reflected in contracts concluded with them and/or, if necessary, in the internal document of the Company.</p>	+	Remuneration level of Independent Directors of the Company is set by Sole Shareholder in an amount sufficient to attract and motivate each member of Board of Directors of the level required for successful management of the Company.

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3.10.	<p>Board of Directors of the Company has established committees whose competence includes consideration of audit (and risk management), strategic planning, personnel, remuneration and social issues. In order to improve efficiency of making decisions on investments, Strategic Planning Committee preliminarily reviews strategic investment projects. Concept of strategic investment project is defined by the internal documents of the Company.</p> <p>The existence of committees does not exempt members of Board of Directors from responsibility for decisions taken within the competence of Board of Directors.</p> <p>Committees are created to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of Board of Directors. The final decision on the issues considered by committees is made by the Board of Directors.</p> <p>Activities of the committees are regulated by internal documents approved by Board of Directors containing provisions on the composition, competence, procedure for electing committee members, procedure for working process of committees, as well as rights and obligations of their members. Sole Shareholder has the right to get acknowledged with provisions on committees upon request.</p> <p>To organize the work of the committee, corporate secretary is appointed as the secretary of the committee in accordance with the decision of the committee or the Board of Directors. Secretary of the committee ensures the preparation of committee meetings, collection and systematization of materials for meetings, timely sending to committee members and invited persons notifications of committee meetings, agenda of meetings, materials on agenda items, recording of meetings, preparation of draft decisions of the committee, as well as subsequent storage of all relevant materials.</p>	+	<p>3 committees have been established under the Board of Directors of the Company:</p> <p>1) Audit Committee 2) Strategic Planning Committee 3) HR, Remuneration and Social Affairs Committee</p> <p><b>The composition of Committees of Board of Directors of KazakhExport EIC JSC as of December 31, 2021.</b></p> <table><tr><th></th><th>Chairman, members, experts of the Committee on audit of Board of Directors</th><th>Full name</th><th>Job position</th></tr><tr><td>1</td><td>Chairman of the Committee</td><td>Suentaev Damir Serkbaevich</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>2</td><td>Member of the Committee</td><td>Mukhamed-zhanov Adil Bektasovich</td><td>Member of Board of Directors, representative Sole Shareholder</td></tr><tr><td>3</td><td>Member of the Committee</td><td>Samakova Aitkul Baigazievna</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>4</td><td>Member of the Committee</td><td>Dildyaev Yaroslav Grigorievich</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>5</td><td>Member of the Committee</td><td>Michael Weinstein</td><td>Member of Board of Directors – Independent Director</td></tr></table> <table><tr><th></th><th>Chairman, members, experts of the Committee on HR management, remuneration and social issues of the Board of Directors</th><th>Full name</th><th>Job position</th></tr><tr><td>1</td><td>Chairman of the Committee</td><td>Samakova Aitkul Baigazievna</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>2</td><td>Member of the Committee</td><td>Mukhamed-zhanov Adil Bektasovich</td><td>Member of Board of Directors, representative Sole Shareholder</td></tr><tr><td>3</td><td>Member of the Committee</td><td>Suentaev Damir Serkbaevich</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>4</td><td>Member of the Committee</td><td>Dildyaev Yaroslav Grigorievich</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>5</td><td>Member of the Committee</td><td>Michael Weinstein</td><td>Member of Board of Directors – Independent Director</td></tr><tr><td>6</td><td>Expert without the right to vote</td><td>Mamekov Murat Mamyryuly</td><td>Project Manager of Asset Management Department of Baiterek NMH JSC</td></tr></table>		Chairman, members, experts of the Committee on audit of Board of Directors	Full name	Job position	1	Chairman of the Committee	Suentaev Damir Serkbaevich	Member of Board of Directors – Independent Director	2	Member of the Committee	Mukhamed-zhanov Adil Bektasovich	Member of Board of Directors, representative Sole Shareholder	3	Member of the Committee	Samakova Aitkul Baigazievna	Member of Board of Directors – Independent Director	4	Member of the Committee	Dildyaev Yaroslav Grigorievich	Member of Board of Directors – Independent Director	5	Member of the Committee	Michael Weinstein	Member of Board of Directors – Independent Director		Chairman, members, experts of the Committee on HR management, remuneration and social issues of the Board of Directors	Full name	Job position	1	Chairman of the Committee	Samakova Aitkul Baigazievna	Member of Board of Directors – Independent Director	2	Member of the Committee	Mukhamed-zhanov Adil Bektasovich	Member of Board of Directors, representative Sole Shareholder	3	Member of the Committee	Suentaev Damir Serkbaevich	Member of Board of Directors – Independent Director	4	Member of the Committee	Dildyaev Yaroslav Grigorievich	Member of Board of Directors – Independent Director	5	Member of the Committee	Michael Weinstein	Member of Board of Directors – Independent Director	6	Expert without the right to vote	Mamekov Murat Mamyryuly	Project Manager of Asset Management Department of Baiterek NMH JSC
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3.11.	Board of Directors decides on the establishment of committees, determines the composition of committees, terms and powers. Committees consist of members of Board of Directors who have necessary professional knowledge, competencies and skills to work in the committee. Presence of potential conflicts of interest is taken into account while forming the composition of the committees. Chairmen of the Committee, along with professional competencies, should have organizational and leadership qualities, good communication skills for effective organization of activities of the Committee. Only committee members should be present at committee meetings. The presence of other persons is allowed only at the invitation of the committee. If necessary, Committees may involve experts and consultants. Committees approve their work plan (recommended before the beginning of the calendar year), which is coordinated with work plan of Board of Directors, indicating the list of issues under consideration and the dates of meetings. The frequency of committee meetings is at least four meetings per year. The meetings of	+	In connection with the change in the composition of Board of Directors of the Company in accordance with the decision of Sole Shareholder of the Company (Minutes of Management Board of Baiterek NMH JSC dated 16.06.2021 No. 30/21), namely the election of a member of Board of Directors Mukhamedzhanov A.B. by Board of Directors of the Company dated August 24, 2021 (Minutes No. 8) approved a new composition of the Committees of Board of Directors of the Company.																												

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	committees are held in person by registering Minutes. In order to create favorable conditions and reduce the cost of holding committee meetings, participation of committee members through technical means of communication is allowed. Chairmen of the committees prepare a report on activities of the committee and at a separate meeting report to Board of Directors on the results of their activities for the year during the meeting of Board of Directors. Board of Directors has the right to request Committees to submit a report on current activities at any time during the year. The terms of preparation and submission of such a report are determined by Board of Directors.		
3.12.	The Chairman of Strategic Planning Committee is elected from among independent members of Board of Directors for the term of powers of Board of Directors at one of the first meetings of Board of Directors. The decision on election is made by a simple majority of votes of the total number of members of Board of Directors. If necessary, experts with relevant experience and competence may be involved in the composition of the strategic planning committee. Members of the Committee who are not members of Board of Directors are appointed by Board of Directors upon recommendation of the Chairman of the Committee. The main functions of Strategic Planning Committee are to develop and submit recommendations to Board of Directors of the Company on the development of priority areas of activities of the Company and its development strategy, including issues on the development of measures that contribute to improve the efficiency of activities of the Company, its cost-effective activities and sustainable development. Detailed goals and objectives of the committee are provided for in the regulations on the committee.	+	
3.13.	Audit Committee consists of independent directors who has necessary knowledge and practical experience in the field of accounting and auditing, risk management, and internal control. Chairman of the Audit Committee is an independent director. Main functions of Audit Committee include internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, internal documents and other issues on behalf of Board of Directors. In addition to that, Audit Committee evaluates candidates for external auditors of the Company, as well as pre-analyzes the conclusion of audit organization before submitting it to Board of Directors and Sole Shareholder. A member of Board of Directors who is not independent may be elected to the Committee if Board of Directors exceptionally decides that the membership of this person in Audit Committee is necessary in the interests of Sole Shareholder and the Company. When this	+	



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	appointment occurs, Board of Directors should disclose the nature of dependence of this person and justify such decision.		
3.14.	HR, Remuneration and Social Affairs Committee includes a majority of independent directors in order to develop objective and independent decisions and to prevent the influence of interested parties (representatives of Sole Shareholder, Chairman of Management Board, employees and other persons) on the judgments of the committee members. Members of the committee should have the necessary knowledge and practical experience in the field of personnel management and evaluation of its activities, as well as in the field of corporate governance. Chairman of the committee is an independent director. HR, Remuneration and Social Affairs Committee determines the criteria for the selection of candidates for members of Board of Directors, candidates for top managers, develops Company's policy in the field of remuneration of these persons, regularly evaluates the activities of members of Board of Directors and top managers. The main functions of the committee include issues of appointment (election), setting motivational KPI, performance evaluation, remuneration and succession planning of the Chairman and members of Management Board, issues of appointment and remuneration of Corporate Secretary, as well as participation in the consideration of these issues with respect to the composition of Board of Directors itself, in cases where such powers are granted by Sole Shareholder. In this case, members of HR, Remuneration and Social Affairs Committee are advised not to allow a conflict of interest situation to arise and not to take part in the consideration of their own appointment and/or remuneration.	+	
3.15.	Preparation and holding of meetings of Board of Directors should contribute to the maximum effectiveness of its activities. To fulfill their duties, members of Board of Directors must have access to complete, up-to-date and timely information. Board of Directors should comply with procedures established by documents of the Company for preparing and conducting meetings of Board of Directors.	+	
3.16.	Meetings of Board of Directors are held in accordance with the work plan approved by Board of Directors before the beginning of the calendar year, which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of Board of Directors and its committees are held by means of in-person or offline voting, while the number of meetings with offline voting should be minimized. Consideration and decision-making on issues of an important and strategic nature is carried out only at meetings of Board of Directors with in person voting.	+	

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	If members of Board of Directors (no more than 30% of the total number of members of Board of Directors) are unable to attend a meeting of Board of Directors in person, a combination of both forms of a meeting of Board of Directors and its committees is possible. At the same time, an absent member of Board of Directors may participate in the discussion of the issues under consideration using technical means of communication and provide his opinion in writing. The recommended frequency of meetings of Board of Directors is at least six meetings per year. It is recommended to evenly distribute the number of issues planned for consideration during the year to ensure thorough and full discussion and timely and high-quality decisions.		
3.17.	Materials for meetings of Board of Directors are sent in advance – at least 10 calendar days in advance, unless other deadlines are established by the Charter of the Company. The agenda of the meeting of Board of Directors does not include issues on which materials were provided in violation of deadlines. If issues are included in the agenda with violation of deadlines, the Chairman of Board of Directors is provided with an exhaustive justification of this need, this circumstance is taken into account when evaluating activities of Corporate Secretary of the Company.	+	
3.18.	Board of Directors makes decisions based on complete, reliable and high-quality information. In order to make effective and timely decisions by Board of Directors, it is necessary to ensure compliance with the following conditions: 1) high quality of materials, information, documents provided to Board of Directors (including, if necessary, translation into English); 2) obtaining the opinion of experts (internal and external) if necessary (it should be considered that involvement of experts does not relieve Board of Directors of responsibility for the decision taken); 3) time devoted to discussions at Board of Directors, especially for important and complex issues; 4) timely consideration of issues; 5) decisions provide for a plan of further actions, deadlines and responsible persons. The following factors may have a negative impact on the quality of decisions of Board of Directors: 1) dominance of one or more directors at the meeting, which may limit the full participation of other directors in the discussions; 2) formal attitude to risks; 3) pursuit of personal interests and low ethical standards; 4) formal decision-making at a meeting of Board of Directors, without real and active discussions; 5) a position of uncompromising (lack of flexibility) or	+	

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	lack of desire for development (contentment with the current situation); 6) weak organizational culture; 7) lack of information and/or analysis. Members of Board of Directors may request additional information on the agenda items necessary for making a decision.				independent directors and representatives of Sole Shareholder. The evaluation is carried out according to principles such as regularity, complexity, continuity, realism, confidentiality. The process, timing and procedure for evaluating the activities of Board of Directors, its committees and members of Board of Directors should be clearly regulated in internal regulations of the Company. The assessment includes, but is not limited to consideration of the following issues: 1) optimal composition of Board of Directors (balance of skills, experience, diversity of composition, objectivity) in the context of the tasks facing the Holding; 2) clarity of understanding of vision, strategy, main tasks, problems and values of the Holding; 3) succession and development plans; 4) functioning of Board of Directors as a single body, the role of Board of Directors and the Chairman of Management Board in business activities of the Company; 5) efficiency of interaction of Board of Directors with Sole Shareholder, Management Board and officials of the Company; 6) the effectiveness of each of the members of Board of Directors; 7) the effectiveness of business activities of Committees of Board of Directors and their interaction with Board of Directors, members of Management Board; 8) the quality of information and documents provided to Board of Directors; 9) the quality of discussions on Board of Directors, in committees; 10) the efficiency of Corporate Secretary; 11) clarity in understanding processes and competencies; 12) risk identification and assessment process; 13) interaction with Sole Shareholder and other interested parties. Assessment methods are self-assessment or the involvement of an independent consultant to improve the quality of the assessment. An independent external consultant is engaged at least once every three years. Results of the evaluation may serve as a basis for re-election of the entire Board of Directors or its individual member, revision of the composition of Board of Directors and the amount of remuneration to members of Board of Directors. If there are serious shortcomings in the performance of individual members of Board of Directors, the Chairman of Board of Directors consults with Sole Shareholder. Board of Directors in the annual report reflects the method of evaluation of Board of Directors and measures taken on its results. Sole Shareholder may evaluate Board of Directors independently or with the involvement of an independent consultant. Results of the evaluation carried out independently by Board of Directors, results of business activities of the Company, performance of KPI and other factors are taken into account.		
3.19.	Each member of Board of Directors participates in meetings of Board of Directors and the committee of which he is a member. Deviation from this norm is allowed in exceptional cases stipulated in Regulations on Board of Directors. The quorum for holding a meeting of Board of Directors is determined by the Charter of the Company, but is not less than half of the number of its members. Decisions at a meeting of Board of Directors of the Company are made by a majority vote of the members of Board of Directors participating in the meeting, unless otherwise provided by the legislation of the Republic of Kazakhstan, the Charter of the Company or its internal documents defining the procedure for convening and holding meetings of Board of Directors. When resolving issues at a meeting of Board of Directors of the Company, each member of Board of Directors of the Company has one vote. The transfer of voting rights by a member of Board of Directors of the Company to another person, including another member of Board of Directors of Company, is not allowed. When Board of Directors of the Company makes decisions, in case of equality of votes of the members of Board of Directors, the right of decisive vote belongs to the Chairman of Board of Directors of the Company. A member of Board of Directors who is interested in an issue submitted to Board of Directors for consideration does not participate in the discussion and voting on this issue, which is recorded in the Minutes of the meeting of Board of Directors. Board of Directors may audit previously adopted decisions. Both the decision itself and the process of its adoption are subject to analysis. It is recommended to audit previously made decisions when Board of Directors evaluates its activities.	+					
3.20.	Board of Directors, Committees and members of Board of Directors are evaluated on an annual basis in accordance with internal regulations of the Company. At the same time, at least once every three years, assessment is carried out with the involvement of an independent professional organization. The assessment makes it possible to determine the contribution of Board of Directors and each of its members in achieving the strategic objectives of the development of the Company, as well as to identify areas and recommend measures for improvement. Results of the assessment are taken into account when re-electing or early termination of the powers of the members of the Board of Directors. Evaluation is one of the main tools for improving the professionalism of Board of Directors and its individual members. The evaluation is mandatory for both	+	Оценка деятельности Совета директоров за 2020 год проводилась собственными силами, методом анкетирования (решение Совета директоров от 25 декабря 2020 года, протокол № 13). Оценка деятельности Совета директоров за 2021 год проводилась собственными силами, методом анкетирования (решение Совета директоров от 24 декабря 2021 года, протокол № 12).				

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3.21.	<p>In order to effectively organize activities of Board of Directors and interaction of Management Board with Sole Shareholder, Board of Directors appoints a Corporate Secretary.</p> <p>Board of Directors decides on the appointment of Corporate Secretary, determines the term of his/ her powers, functions and procedure of activity, the amount of the official salary and remuneration conditions, decides on the establishment of the Corporate Secretary's service (secretariat) (if necessary) and determines the budget of specified service. Corporate Secretary is accountable to Board of Directors of the Company and is independent from Management Board of the Company. Main duties of Corporate Secretary include assistance in timely and high-quality corporate decision-making by Board of Directors, Sole Shareholder, acting as an adviser to the members of Board of Directors on all issues of their activities and the application of the provisions of this Code, as well as monitoring the implementation of this Code and participation in improving corporate governance in the Company. Corporate Secretary also prepares a report on compliance with principles and provisions of this Code, which is included in the annual report of the Company. This report should reflect a list of principles and provisions of the Code that are not observed, with appropriate explanations. The main functions of the Corporate Secretary include, but are not limited to the following.</p> <p>In terms of ensuring business activities of Board of Directors:</p> <p>1) assistance to the Chairman of Board of Directors in developing work plan and meeting agendas;</p> <p>2) organization of meetings of Board of Directors and its committees;</p> <p>3) ensuring that members of Board of Directors receive up-to-date and timely information necessary for making decisions on issues on the agenda and within the competence of Board of Directors;</p> <p>4) recording meetings of Board of Directors and committees, ensuring storage of minutes, transcripts, audio-video recordings, materials of meetings of Board of Directors and committees;</p> <p>5) advising members of Board of Directors on the legislation of the Republic of Kazakhstan, the Charter of the Company, this Code, internal regulations, monitoring changes and timely informing members of Board of Directors;</p> <p>6) organising inauguration of newly elected members of the Board of Directors;</p> <p>7) organising training of members of Board of Directors and involvement of experts;</p> <p>8) organizing interaction between members of Board of Directors and Management Board.</p> <p>In terms of ensuring interaction with Sole Shareholder, Corporate Secretary ensures quarterly monitoring of execution of decisions of Sole Shareholder and provision of information to the requests of Sole Shareholder on a timely basis.</p> <p>In terms of implementing good corporate governance</p>	+	<p>The Company appointed Corporate Secretary by the decision of Board of Directors dated May 22, 2019 (Minutes No. 5), with a term of powers of 3 (three) years, until June 30, 2022.</p>		<p>practices, Corporate Secretary ensures:</p> <p>1) monitoring implementation and compliance with principles and provisions of this Code;</p> <p>2) preparing a report on compliance with principles and provisions of this Code;</p> <p>3) identification, within the framework of performance of its functions, of violations in terms of corporate governance standards stipulated by the legislation, the Charter and other documents of the Company;</p> <p>4) advising shareholders, officials, and employees of the Company on corporate governance issues;</p> <p>5) monitoring the best global practices in the field of corporate governance and making offers for improving corporate governance practices in the Company.</p> <p>In case of situations with a conflict of interests, Corporate Secretary brings this information to the attention of the Chairman of Board of Directors. To fulfill his duties, Corporate Secretary has knowledge, experience and qualifications, good business reputation. Depending on the size of the Company and the scale of its activities, Corporate Secretary Service may be established.</p> <p>A person with a higher legal or economic education, with at least 5 years of work experience, and practical knowledge in the field of corporate governance and corporate law is appointed to the position of Corporate Secretary.</p> <p>In order to improve the efficiency of the preparation and conducting meetings of Board of Directors, it is recommended to periodically discuss completeness and usefulness of the materials provided to members of Board of Directors. Results of these discussions serve as a basis for evaluating the effectiveness of Corporate Secretary.</p> <p>In relation to Corporate Secretary, the Company is developing a program of induction and succession planning. The search and appointment of Corporate Secretary are carried out on the basis of open and transparent procedures stipulated in internal regulations of the Company.</p> <p>Corporate Secretary carries out his activities on the basis of a regulation approved by Board of Directors, which specifies functions, rights and obligations, the procedure for interaction with the bodies of the Company, qualification requirements and other information.</p> <p>To perform their functions, Corporate Secretary is vested with the following powers:</p> <p>1) request and receive from the bodies of the Company, officials and employees documents and information necessary for making decisions at meetings of Board of Directors and decisions of Sole Shareholder;</p> <p>2) take measures to organize meetings of Board of Directors and to inform the officials of the Company about the decisions taken by Board of Directors and Sole Shareholder, as well as the subsequent control of their execution;</p>		



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	3) directly interact with the Chairman and members of Board of Directors, the Chairman and members of the Management Board, employees of the Company, Sole Shareholder. Management Board of the Company provides Corporate Secretary with full assistance in the performance of his/her powers.				for employees of the Internal Audit Service, as well as the budget of Internal Audit Service. Employees of Internal Audit Service may not be elected to Board of Directors and Management Board of the Company. Internal Audit Service reports directly to Board of Directors of the Company and is independent of Management Board of the Company. Tasks and functions of Internal Audit Service, its rights and responsibilities are determined by the regulations on Internal Audit Service approved by Board of Directors of the Company. Key responsibilities of Internal Audit Service include assessing the quality of internal control, risk management and corporate governance systems in the Company and informing Board of Directors about the sufficiency and effectiveness of these systems. The main task of Internal Audit Service is to contribute to the improvement of Company's performance. 76. The regulation on Internal Audit Service defines and fixes the following: 1) commitment to principles and regulations adopted by International Institute of Internal Auditors (The Institute of Internal Auditors); 2) status, goals and objectives of internal audit of the Company; 3) conditions for ensuring independence, objectivity and professionalism of Internal Audit Service in order to achieve goals and objectives of internal audit and effective performance by Internal Audit Service of its functions and responsibilities; 4) qualification requirements for the Head and employees of Internal Audit Service; 5) scope and content of internal audit activities; 6) the right of access to documentation, employees and tangible assets when performing relevant tasks; 7) the procedure for interaction of Internal Audit Service with Board of Directors and Management Board of the Company and reporting to Audit Committee and Board of Directors of the Company. The regulation on Internal Audit Service also provides for the following tasks and functions: 1) assistance to Management Board and employees of the Company in developing and monitoring the implementation of procedures and measures to improve risk management systems, internal control and corporate governance; 2) coordination of activities with the external auditor of the Company, as well as persons providing consulting services in the field of risk management, internal control and corporate governance; 3) preparation and submission to Board of Directors and Audit Committee of periodic reports on the results of Internal Audit Service and implementation of (annual) audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, results of the assessment of the actual condition, reliability and effectiveness of risk management system, internal control and corporate governance);		
3.22.	In order to comply with principles of business ethics, optimal regulation of social and labor disputes arising in the Company, an Ombudsman is appointed from among employees of the Company/Sole Shareholder. A candidate for the position of Ombudsman should have an impeccable business reputation, high authority, as well as the ability to make impartial decisions. Ombudsman is appointed by the decision of Board of Directors of the Company and is subject to re-election every two years. The role of Ombudsman is to advise employees who have applied to him, participants in labor disputes, conflict and assist them in developing a mutually acceptable, constructive and implementable solution, taking into account compliance with standards of the legislation of the Republic of Kazakhstan (including confidentiality, if necessary), assisting in solving problematic social and labor issues of both employees and Society. Ombudsman submits for consideration of the relevant bodies and officials of the Company problematic issues identified by him that are of a systemic nature and require appropriate decisions (comprehensive measures), puts forward constructive offers for their solution. The Ombudsman at least once a year submits a report on the results of the work carried out to the Committee on Personnel, Remuneration and Social Issues of the Board of Directors, the Board of Directors of the Company, which assess the results of its activities. Board of Directors of the Company evaluates results of the activities of the Ombudsman and decides on the extension or termination of powers of the person holding the position of the Ombudsman.	+ partially	In order to comply with principles of Code of Business Ethics, optimal regulation of social and labor disputes arising in the Company, by the decision of Board of Directors of the Company dated August 13, 2021 (Minutes No. 7), Ombudsman of the Company Turganova Myra Dyusenbaevna was appointed for a period of 2 years, holding the position of DeputyCorporate Secretary – Head of Corporate Secretary Service of Baiterek National Managing Holding JSC. The main functions of Ombudsman are: 1) consideration of appeals of employees, officials of the Company and making recommendations for their permissions, including interacting with state bodies, management bodies of the Company; 2) collecting information on the facts of violation and non-compliance with provisions of this Code of Business Ethics with the formation on an annual basis of a report on the state of the moral and ethical climate in Society; 3) consultation of employees, officials on the provisions of Business Ethics Code; 4) initiation of consideration of disputes on violation of provisions of Business Ethics Code and participation in their settlement in out-of-court and judicial procedures. In terms of corporate conflicts and conflicts of interest, Ombudsman coordinates his actions with persons responsible for resolving corporate conflicts and conflicts of interest, in accordance with the Policy on Resolving Corporate Conflicts and Conflicts of Interest of the Company. According to the results of 2021, Ombudsman of the Company did not prepare and provide Board of Directors with a report on the results of the work carried out.				
3.23.	Internal Audit Service has been established and is functioning to carry out internal audit as an activity to provide independent and objective guarantees and consultations aimed at improving work of the Company. Internal audit helps to achieve goals by using a systematic and consistent approach to assess and improve effectiveness of risk management, control and corporate governance processes. Board of Directors of the Company determines the quantitative composition and term of powers of Internal Audit Service, appoints its Head and employees, as well as prematurely terminates their powers, determines the procedure for its work, the amount and conditions of remuneration and bonuses	+	There is an Internal Audit Service of the Company.				

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	4) verification of compliance by members of Management Board of the Company and its employees with provisions of the legislation of the Republic of Kazakhstan and internal documents related to insider information and the fight against corruption, compliance with ethical requirements; 5) monitoring the implementation of the recommendations of external auditor; 6) providing consultations within the framework of work plan approved by Board of Directors on the organization and improvement of internal control, risk management, corporate governance and organization of internal audit, as well as on other issues within the competence of Internal Audit Service. 77. Evaluation of the effectiveness of Internal Audit Service, its Head and employees is carried out by Board of Directors on the basis of consideration of the reports of Internal Audit Service, compliance with the deadlines for the execution of (annual) audit plan and reporting, assessment of compliance of reports with requirements of standards and internal regulatory documents of Internal Audit Service.				Social Affairs Committee of Board of Directors of the Company plays a key role in the process of searching and selecting candidates to Management Board, determining their remuneration. Offers on candidates for election to Management Board for consideration by HR, Remuneration and Social Affairs Committee of Board of Directors are submitted by the Chairman of Management Board. If Board of Directors rejects a candidate proposed by Head of Management Board for the same vacant position in Management Board for the second time, the right to make a proposal for a candidate for this vacant position passes to Board of Directors. Board of Directors may terminate the powers of members of Management Board at any time (with the exception of the Chairman of Management Board). It is recommended to elect members of Management Board of the Company for up to three years. The terms of powers of the Chairman and members of Management Board coincide with the term of powers of Management Board as a whole. In order to increase the transparency of processes of appointment and remuneration of members of Management Board of the Company, Board of Directors is recommended to approve and strictly comply with the rules on appointments, remuneration, evaluation and succession of members of Management Board of the Company.		the activities of members of Management Board of the Company are fixed in the Rules of Remuneration, Evaluation of Activities and Remuneration of Executives of the Company, approved by the decision of Board of Directors of the Company dated 26.09.2019 (Minutes No. 7).
3.24.	The management of current activities of the Company is carried out by Management Board. The Chairman and members of Management Board have high professional and personal characteristics, a good business reputation and adhere to ethical standards. The Chairman of Management Board has high organizational skills, works in active interaction with Sole Shareholder and constructively builds a dialogue with Board of Directors, employees and other interested parties.	+	The Company has established and operates a collegial executive body – Management Board. According to the decision of Board of Directors of JSC “ESC” <b>KazakhExport</b> ” dated 27.02.2020 (Minutes No. 01), the quantitative composition of Management Board of the Company was approved - 5 units. As of 31.12.2021, Management Board of the Company consisted of: 1. Iskakov R.V. – Chairman of Management Board; 2. Zhaksybaev R.O. – Managing Director-Member of Management Board; 3. Bekkhoshin E.E. – Deputy Chairman of Management Board; 4. Kaligazin A.E. – Deputy Chairman of Management Board; 5. Bektybayeva A.E. - Deputy Chairman of Management Board.  The Chairman and members of Management Board of the Company have high professional and personal characteristics, have an impeccable business reputation and adhere to high ethical standards.	3.27.	The Management Board, under the guidance of Board of Directors, develops a business plan and/or a development plan for the Company. The Board provides: 1) carrying out activities in accordance with the standards of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, decisions of Sole Shareholder, Board of Directors; 2) proper risk management and internal control; 3) allocation of resources for the implementation of decisions of Sole Shareholder, Board of Directors; 4) occupational safety of the employees of the Company; 5) creation of an atmosphere of interest and loyalty of employees of the Company, development of corporate culture. Board of Directors exercises control over the activities of Management Board of the Company. Control can be implemented by providing the Management Board with regular reports to the Board of Directors and hearing the Management Board on the implementation of medium-term development plans and achieved results at least once a year.	+	
3.25.	Management Board is accountable to Board of Directors and manages daily activities of the Company, is responsible for the implementation of business plan and/or development plan and decisions taken by Board of Directors and Sole Shareholder.	+		3.28.	Management Board holds in person meetings and discusses the implementation of business plan and/or development plan, decisions of Sole Shareholder, Board of Directors and operational activities. Board meetings are held on a regular basis. The cases of holding offline meetings are limited and defined in the Charter and internal documents of the Company.	+	
3.26.	Board of Directors elects members of Management Board (with the exception of the Chairman of Management Board), determines the terms of powers, the amount of official salary, the terms of payment for their work and bonuses. HR, Remuneration and	+	The term of powers of current Management Board of the Company is established by the decision of Board of Directors of the Company until 18.03.2023 (Minutes No. 01 dated February 27, 2020). The processes of remuneration and evaluation of				

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	Management Board forms a work plan for the coming year with a list of issues before the beginning of the calendar year. Members of Management Board are provided with materials for consideration in advance, of proper quality. When considering issues such as development strategies and/or development plans, investment projects, risk management, several meetings are allowed. When considering each issue, a separate discussion is devoted to the risks associated with making/not making a decision and their impact on profitable activities of the Company. All issues submitted on the initiative of Management Board for consideration by Board of Directors and Sole Shareholder are pre-considered and approved by Management Board.				on the principle of loyalty, ethnicity, family ties and personal friendship); legal regulation, including in matters of fixing principles and criteria for evaluating candidates, excluding conditions for subjectivity in making a decision.		employees of Internal Audit Service, Corporate Secretary, Compliance Controller, Accountable To Board of Directors of the Joint Stock Company “Export Insurance Company “ <b>KazakhExport</b> ”, approved by the decision of Board of Directors of the Company dated 24.04.2019, Minutes 33, Rules for evaluating the effectiveness of the employees of <b>KazakhExport</b> EIC JSC, approved by the decision of Management Board of the Company dated 24.12.2020, Minutes No. 83. The main objectives in assessing the effectiveness of activities are: 1) ensuring unified principles of employee performance management; 2) ensuring consistency of goals of structural units and employees with Business Plan and Development Plan of the Company; 3) identifying potential and determining prospects for the development of employees of the Company; 4) ensuring an organized approach to the professional development of employees in accordance with the goals of the Company; 5) providing support for management decisions on the transfer of an employee to another position, changing terms of remuneration, on the provision and amount of bonuses; 6) providing transparent criteria for rewarding and giving bonus to employees based on evaluation; 7) assignment of responsibilities of the employees for achieving measurable results.
3.29.	The Chairman and members of Management Board do not allow a conflict of interest situation to arise. If a conflict of interest arises, they notify Board of Directors or the Chairman of Management Board in advance about the need to record it in writing and not participate in making a decision on the issue.	+					
3.30.	The Chairman and members of Management Board may hold positions in other organizations only with the approval of Board of Directors. The Chairman of Management Board does not hold the position of the Head of Management Board of another legal entity.	+	As of December 31, 2021, the Chairman of Management Board of the Company, R.V. Iskakov, did not hold other positions of Management Board of another legal entity.				
3.31.	Management Board ensures the creation of an optimal organizational structure of the Company. The organizational structure should be aimed at: 1) efficiency of decision-making; 2) increasing the productivity of the Company; 3) efficiency of decision-making; 4) organizational flexibility. The selection of candidates for vacant positions of the Company is carried out on the basis of open and transparent competitive procedures. Career advancement and financial incentives for employees of the Company are carried out in accordance with principles of meritocracy, taking into account the level of knowledge, competencies, work experience and achievement of tasks. A pool of personnel reserve is formed in the Company, from which appointments to senior positions of middle and top management can be made in the future. Employees undergo a comprehensive performance assessment on an annual basis. Personnel selection procedures are implemented according to the following requirements: preference for the development of internal resources of the Company, and in the absence of such an opportunity – openness and absence of restrictions for holding positions for a wide range of people, ensuring the principle of equality of opportunities, which contribute to increased competition and selection of worthy applicants who meet the requirements of professionalism and competence; impartial recruitment and complete absence of protectionism, patronage system of admission (based	+	According to subparagraph 27) of paragraph 13.2 of Article 13 of the Charter of <b>KazakhExport</b> EIC JSC, the competence of Board of Directors includes making a decision on approving the total number of employees. According to subparagraph 2) of paragraph 3 of Annex 1 to the Rules for the Formation of a Risk Management and Internal Control System for Insurance (Reinsurance) Organizations, approved by Resolution No. 198 of Board of the National Bank of the Republic of Kazakhstan dated August 27, 2018 (hereinafter referred to as Rules No. 198), Board of Directors approves Regulations on the Organizational and Functional Management Structure of the Company, and, accordingly, the organizational structure of the Company, which is Appendix No. 20 to the Regulation on OFMS. By the decision of Board of Directors of the Company dated July 23, 2020 (Minutes No. 7), organizational structure of the Company was approved, aimed at ensuring an effective standard of manageability, as well as the quality and reducing time of decisions taken. The evaluation of employees' activities of the Company is regulated by Rules of Remuneration, Evaluation of Activities and Remuneration of Senior Employees of <b>KazakhExport</b> Export Insurance Company Joint Stock Company, approved by the decision of Board of Directors of the Company dated 26.09.2019, Minutes No. 7; Rules of Remuneration and Bonuses, Evaluation of the Effectiveness of				
				3.34.	The Chairman and members of Management Board are evaluated by Board of Directors. The main evaluation criterion is the achievement of KPI. The motivational KPI of the Chairman and members of Management Board are approved by Board of Directors of the Company. Offers regarding motivational KPI of members of Management Board are submitted to Board of Directors by the Chairman of Management Board. The evaluation results have an impact on the amount of remuneration, encouragement, re-election (appointment) or early termination of powers. Remuneration of the Chairman and members of Management Board consists of a constant and variable part. When setting the official salary, the complexity of the tasks performed, the personal competencies of the employee and his competitiveness in the market, the contribution made by this person to the development of the Company, the level of official salaries in similar companies, the economic situation in the Company are taken into account. In case of early termination of the employment contract, remuneration is paid in accordance with internal regulations approved by Board of Directors of the Company.	+	In accordance with subparagraph 14) of paragraph 13.2 of the Charter of <b>KazakhExport</b> EIC JSC, the exclusive competence of Board of Directors of the Company includes determining the size of official salaries and conditions of remuneration, bonuses (remuneration), social support, as well as making a decision on bonuses (remuneration) of the Chairman and members of Management Board of the Company. The Chairman and members of Management Board of the Company are evaluated annually by Board of Directors. The main evaluation criterion is the achievement of KPI of the Chairman and members of Management Board, consisting of corporate and functional key performance indicators that take into account specifics of the activities of the Company and include key financial and non-financial indicators. KPI are developed by cascading strategic goals of <b>KazakhExport</b> EIC JSC and based on the area of competence assigned to a certain position/ senior employee and are submitted for approval by Board of Directors of the Company in accordance with the established procedure. KPI maps for 2022 were developed taking into account the approved adjusted Development Plan of <b>KazakhExport</b> EIC JSC and approved by the decision of Board of Directors of the Company dated 17.11.2020 (Minutes No. 10).



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4. The principle of sustainable development			
4.1.	The Company is aware of the importance of its influence on the economy, environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company.	+	<p>In order to determine fundamental standards, principles, rules and approaches that the Company should adhere to in building management systems in the field of sustainable development in the Company, Policy of sustainable development of <b>KazakhExport</b> EIC JSC was developed and approved by Board of Directors on November 20, 2019 (Minutes No. 10).</p> <p>While solving tasks in the field of sustainable development, the Company relies on its mission, Business Plan of the Company and the Holding, and also uses international norms of behavior and principles enshrined in international standards in the field of sustainable development. The Company considers using international standards in the field of sustainable development as a necessary condition for ensuring compliance of its activities with the best international practice and achieving goals and objectives in the field of sustainable development.</p> <p>Management Board of the Company ensures the formation of an appropriate sustainable development management system and its implementation.</p> <p>The Company is aware of the importance of its influence on the economy, environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders contributes to the sustainable development of the Company. Principles in the field of sustainable development are openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflict of interests. In general, these principles are applied and observed by the Company.</p>
4.2.	The Company strives for profitability, ensures sustainable development, and maintains a balance of interests of stakeholders. The Company, in the course of carrying out its activities, is influenced or influenced by interested parties. Activities in the field of sustainable development comply with the best international standards. Stakeholders can have both positive and negative impact on activities of the Company, namely on achieving profitability, sustainable development, reputation and image, create or reduce risks. The Company and its subsidiaries attach great importance to proper interaction with stakeholders.	+	<p>The mission of the Company is to support the growth of exports of non-primary goods, works, and services in priority sectors of the economy.</p> <p>The Company is a financially stable company, the provision of a state guarantee to support the export of <b>KazakhExport</b> EIC JSC in 2021 in the amount of 100.2 billion tenge had a positive impact on the development of the Company, and also allowed to increase the volume of insurance support for Kazakhstani exporters and export revenue (approved by the Decree of the Government of the Republic of Kazakhstan dated 22.09.2021 No. 657).</p> <p>The Company recognizes the rights of all stakeholders and strives to cooperate with them in order to develop its activities and ensure sustainable development.</p> <p>The Company respects the rights of its employees in the field of labor, is guided by the principles of the Labor Code of the Republic of Kazakhstan, according to which discrimination in the field of labor, on sexual, national, religious and other grounds, forced labor and the worst forms of child labor are not allowed.</p> <p>The ethics of relations between employees and managers of the company is regulated by Code of Business Ethics of <b>KazakhExport</b> EIC JSC.</p>

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			<p>In 2021, violations of the rights of the employees, partners and third parties of the Company were not recorded.</p> <p>The work on informing interested parties about the activities of the Company is carried out in accordance with a Special Media Plan. In its activities, <b>KazakhExport</b> is guided by the principles of maximum openness, transparency, reliability, and equal access to information about the company for all interested parties. In this regard, in 2020, <b>KazakhExport</b> corporate Internet resource was modernized, including in terms of its adaptation for people with special needs (visually impaired and blind, hard of hearing and deaf persons), in accordance with Web Content Accessibility Guidelines (WCAG) international standard 2.1.</p> <p>To interact with the population, an interactive business messenger window operates on the Internet resource, through which all requests from citizens are promptly processed. It is also planned to open a personal blog of the Chairman of Management Board in three languages, with integration on the Open Dialogue blog platform <a href="https://dialog.egov.kz/">https://dialog.egov.kz/</a>.</p> <p><b>KazakhExport</b> EIC JSC, as a socially responsible company, strives to build a transparent and intolerant society to manifestations of corruption.</p> <p>In its activities <b>KazakhExport</b> EIC JSC adheres to high ethical standards and principles of open and honest business conduct, and also strives to improve corporate culture, follow best practices of corporate governance and maintain business reputation at the proper level.</p> <p>The Company adheres to the principle of rejection of corruption in all forms and manifestations.</p> <p><b>KazakhExport</b> EIC JSC proclaims the inevitability of punishment for employees, regardless of their position, in case they commit corruption offenses in connection with the performance of work duties.</p>
4.3.	When identifying stakeholders and interacting with them, Company uses international standards for identifying and interacting with stakeholders.	+	<p>Sustainable development is singled out as one of the main topical thematic issues of the UN, the solution of which affects the entire population of the Earth and requires efforts on the part of all states, organizations and individuals. More and more global companies are willing to meet ever-increasing requirements in the field of sustainable development.</p> <p>In general, <b>KazakhExport</b> strives to adopt international best practices in its activities, in particular in environmental and social issues, as well as in corporate governance issues, since an effective corporate governance structure and compliance with principles of sustainable development contribute to the successful operation of <b>KazakhExport</b>.</p> <p>One of the important strategic goals of Sustainable Development Policy of <b>KazakhExport</b> is to create an effective and transparent system of interaction with <b>KazakhExport</b> stakeholders (hereinafter referred to as stakeholders), leading to the construction of effective communications and dialogue between the company and its stakeholders. The Company values long-term relationships with all interested parties. In the process of preparing information for a report in accordance with GRI (Global Reporting Initiatives) standards The</p>

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			<p>Company conducted a survey of certain categories of stakeholders to determine the list of significant topics. For reporting purposes, a significant topic is a topic that reflects a noticeable long-term economic, environmental and social impact of the Company (positive or negative) on stakeholders. Our goal is to continuously improve the quality of corporate non-financial reporting and informational content of the Report for stakeholders. In 2021, questionnaire included significant topics and questions that were reflected in 2020 Report. Participants were given the opportunity to assess the degree of significance of each issue from the point of view of reflection in the Report: "High degree of importance", "Medium degree of importance" and "Low degree of importance". Each answer was assigned points (3 – highest, 1 – lowest in importance). Respondents were also given the opportunity to add important questions that were not in the list and indicate the degree of their significance. According to the results of the analysis of the answers, the most important issues were related to compliance with the legislation in the field of insurance in the activities of the Company, reduction of negative environmental impact, rational consumption of resources, wages, training and development.</p> <p>Based on the results of the described procedure, key essential aspects were identified, which will be maximally disclosed in the current report about business activities of the Company, taking into account the requirements of GRI.</p> <p>The remaining topics will also be disclosed, but with less detail due to their lower level of importance for stakeholders.</p> <p>Aspects were added to secondary topics that individual representatives of stakeholders also considered important beyond the basic list. These topics included:</p> <p>1) integration of sustainable development goals into the strategic goals of the Company 2) responsible consumption and production 3) support of projects with positive environmental and social effects 4) gender equality 5) social responsibility and charitable activities of the Company</p>
4.4.	The Company draws up a map of stakeholders, taking into account risks and ranking them taking into account dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence and various prospects.	+	<p>By the decision of Management Board of the Company on September 30, 2021, Minutes No. 56 approved Stakeholder Card of <b>KazakhExport</b> EIC JSC. The stakeholder map has been developed in order to determine the list of stakeholders (stakeholders), the degree of their influence.</p> <p>The Stakeholder map is designed to systematize and visualize information about the environment of <b>KazakhExport</b> Export Insurance Company Joint Stock Company (hereinafter referred to as the Company), for an adequate strategy of working with each of the stakeholders. Identifying stakeholders and working with them is one of the tools that allows you to improve business reputation, capitalization of the company, establish effective and balanced relationships with all stakeholders. The stakeholder map is an image to</p>

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			<p>clarify the position of stakeholders of the Company or a graphical representation of stakeholder groups. The creation of a successful and effective system of interaction with stakeholders is an integral part of sustainable development and is considered as a permanent process in the daily activities of the Company. Sustainable development and achievement of strategic goals are possible only due to proper and responsible behavior of all stakeholders of the Company.</p> <p>The process of organizing the interaction of the Company with stakeholders is based on the principle of involvement, which implies taking into account the interests of stakeholders at all stages of the management process of the Company and involving stakeholders in the discussion of significant topics and important issues, potential risks and limits of responsibility.</p> <p>In turn, engagement is achieved by observing the following three principles:</p> <p>Materiality. The Company clearly defines its stakeholders and is aware of which stakeholders' interests are essential.</p> <p>Completeness. In the course of its activities, Company pays attention to the concerns of stakeholders, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues.</p> <p>Response. The Company consistently responds to all significant issues of stakeholders.</p> <p>The Company distinguishes between two groups of stakeholders:</p> <p>1) the inner circle of stakeholders (the area of near influence) who have a direct and legitimate significant influence on the decisions made by the Company or are influenced by these decisions; 2) a distant circle of stakeholders (the area of indirect influence) who have an indirect significant influence on decisions made by the Company or are influenced by these decisions.</p>
4.5.	The Company ensures consistency of its economic, environmental and social goals for sustainable development in the long term. Sustainable development in the Company consists of three components: economic, environmental and social. The economic component directs activities of the Company to the profitability of its activities, ensuring the interests of Sole Shareholder and investors, improving the efficiency of processes, increasing investments in the creation and development of more advanced technologies, increasing labor productivity. The ecological component contributes to minimize the effect on biological and physical natural systems, the optimal use of limited resources, the use of environmentally friendly, energy- and material-saving technologies. The social component is focused on the principles of social responsibility, which, among other things, include ensuring occupational safety and preserving the health of employees, fair remuneration and respect for the rights of employees, individual development	+	<p>The Company ensures consistency of its economic, environmental and social goals for sustainable development in the long term. The Company, within the framework of its activities, is guided by the principles of sustainable development enshrined in Corporate Governance Code of the Company. The Company also declares its commitment in its activities to the principles of UN Global Compact in the field of human rights protection, labor relations, environmental protection and the fight against corruption.</p> <p>The business activities of the Company are not productive, therefore they do not have a significant negative impact on the environment. The main resources consumed are electricity, thermal energy and water.</p> <p>However, the Company is aware of the importance and necessity of continuous improvement of processes and the use of new technologies that can significantly reduce the burden on ecosystems, achieve comfortable production and social conditions for employees.</p> <p>The business activities of the Company are carried out</p>

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	<p>of personnel, implementation of social programs for personnel, creating new jobs, sponsorship and charity, environmental and educational campaigns. The Company selects employees based on transparent competitive procedures in accordance with internal regulations of the Company. The Company conducts an analysis of its activities and risks in these three aspects, and also strives to prevent or reduce the negative impact of the results of its activities on stakeholders. International standards provide the following classification of categories and aspects of sustainable development:</p>		<p>in accordance with the requirements of legislative and other mandatory requirements of labor protection, fire safety and environmental protection. The company introduces modern eco-friendly and energy-efficient technologies, inspires employees to take care of the environment, gradually switches to electronic document management, thereby reducing office paper consumption and increasing mobility in the process of work. The Company has implemented an electronic procurement system, which significantly reflects transparency in relations with suppliers. In addition, when concluding a transaction, the document provides for a clause providing for compliance by the parties with Sustainable Development Policy of the Company and Environmental Responsibility. In order to control environmental risks, Company has adopted an Environmental and Social Policy, which provides for an assessment of environmental and social factors in the activities of Kazakhstani exporters, according to which, when providing support to exporters through insurance or reinsurance, the Company is able to have a significant impact on financing the process of creating and developing industrial production, which, in accordance with the legislation of the Republic of Kazakhstan, having a negative impact on the environment. The Company has approved the Concept of “Green Office”, which implies an increase in the environmental responsibility of the employees of the Company, an increase in the efficiency and productivity of their work, and an increase in the image in the eyes of the public. It should be noted that the Company does not have a significant negative impact on the environment. The Company is aware of its accountability for the impact on the economy, the environment and society, seeks to minimize the negative impact of its activities on the environment and society by taking care of resources (including energy, raw materials, water). In 2021, in the course of business activities of the Company, there were no cases related to fines imposed for non-compliance with the environmental legislation of the Republic of Kazakhstan. The implementation of most of the tasks of the Company largely depends on the level of professionalism and labor of employees. The training and development of the employees of the Company is fixed as a priority direction of the social sphere of Sustainable Development Policy. For this purpose, trainings, drills and courses on various topics are provided. For the employees of the Company, in agreement with the management, there is an opportunity to choose appropriate courses and training. In addition, international trainings are provided for the exchange of experience. Adaptation trainings are conducted for new employees, consisting of basic and main knowledge (anti-corruption and compliance with business ethics, on safety and labor protection issues). Training materials have high-quality development and favorable visual perception. Since the beginning of 2021, the Company has held 37 training events,</p>

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			<p>including language courses for the employees of the Company, training courses developing professional skills, practical courses and workshops. The personnel reserve for all key positions in the Company (positions of directors of structural divisions and employees not included in structural divisions) has been formed. It should be noted that in Reservists database there is information about the candidates' work experience, achievements and value orientations, motivation for personnel movements. Posting in the public domain about the availability of vacancies and posting information about the competitive selection implies disclosure of information and provides equal opportunities for all potential candidates to occupy certain positions, facilitates the search for highly qualified specialists. Information about vacancies is posted on a network resource “enbek.kz” and also on the website of <b>KazakhExport</b> EIC JSC. The social package of a full-time employee includes such social guarantees as medical insurance, maternity/ paternity leave, for recovery when providing paid annual leave, as well as financial assistance in accordance with the legislation of the Republic of Kazakhstan. Voluntary health insurance in case of illness is available to all full-time and probationary employees, with the exception of foreign representatives. To motivate and strengthen sports spirit of employees, to support a healthy lifestyle and increase the corporate culture of employees, sports events and active “team building” are held.</p>
4.6.	<p>The principles in the field of sustainable development are openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest. Under the principles it is necessary to understand the following: 1) openness – we are open to meetings, discussions and dialogue; we strive to build long-term cooperation with stakeholders based on consideration of mutual interests, respect for rights and balance between the interests of the Company and stakeholders; 2) accountability – we are aware of our accountability for the impact on the economy, the environment and society; we are aware of our responsibility to Sole Shareholder and investors for the profitability of the activities of the Company in the long term; we strive to minimize the negative impact of our activities on the environment and society by taking care of resources (including energy, raw materials, water), consistent reduction of emissions, waste, and the implementation of high-performance, energy- and resource-saving technologies; we pay taxes and other statutory fees to the state budget; we maintain and create jobs as part of our development strategy and opportunities; we strive to promote the development of the area in which we operate within our strategy and within the available financial opportunities; we thoughtfully and intelligently</p>	+	<p>The Company supports and strictly observes human rights in its activities, is guided by the Labor and Civil Codes of the Republic of Kazakhstan, the Constitution of the Republic of Kazakhstan, as well as other legislative and regulatory acts aimed at compliance with international standards of freedom and human rights. The Company has approved Code of Business Ethics of <b>KazakhExport</b> EIC JSC (decision of Board of Directors of <b>KazakhExport</b> EIC JSC dated May 31, 2019, Minutes No. 5), which regulates that relations between all employees of the Company are based on equality. The provisions of this Code apply to management and all employees who undertake to be guided by them in their work with colleagues, clients, business partners and society as a whole. The Company is guided by the principles of Labor Code of the Republic of Kazakhstan, according to which no one can be subjected to any discrimination in the exercise of labor rights based on origin, social, official and property status, gender, race, nationality, language, attitude to religion, beliefs, place of residence, age or physical disabilities, as well as membership in public associations. All questions about possible violations of the labor rights of employees can always be sent to the Ombudsman of the Company for consideration, both orally and in writing. For a long period of time, not a single case of discrimination and non-observance of</p>



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	make decisions and take actions at every level, starting from the level of officials and ending with employees; we strive to introduce innovative technologies aimed at careful and responsible use of resources, increasing labor productivity; our products, goods and services must comply with consumer health and safety standards established by law, and be of proper quality; we value our customers; 3) transparency – our decisions and actions should be clear and transparent to stakeholders. We disclose the information provided by the legislation and our documents in a timely manner, taking into account standards for the protection of confidential information; 4) ethical behavior – at the very core of our decisions and actions are our values, such as respect, honesty, openness, team spirit and trust, integrity and fairness; 5) respect – we respect rights and interests of stakeholders that follow from legislation, concluded contracts, or indirectly within the framework of business relationships; 6) legality – our decisions, actions and behavior comply with the legislation of the Republic of Kazakhstan and the decisions of the bodies of the Company; 7) respect for human rights – we respect and promote respect for human rights provided for by the Constitution of the Republic of Kazakhstan, laws of the Republic of Kazakhstan and international documents; we categorically do not accept and prohibit the usage of child labor; our employees are our main value and main resource, the results of our activities directly depend on their level of professionalism and safety. Therefore, we attract professional candidates from the labor market on an open and transparent basis and develop our employees based on the principle of meritocracy; ensure the safety and labor protection of our employees; conduct wellness programs and provide social support to employees; create an effective system of motivation and employee development; develop corporate culture; 8) intolerance to corruption – corruption destroys the value that our organizations create for our shareholders, investors, other stakeholders and society as a whole; we declare intolerance to corruption in any of its manifestations in cooperation with all stakeholders. Officials and employees involved in corruption cases are subject to dismissal and prosecution in accordance with the procedure provided for by laws; internal control systems in the Company include, among other things, measures aimed at non-admitting, preventing and detecting corruption offenses; The Company should develop a dialogue with stakeholders to raise their awareness in the fight against corruption; 9) inadmissibility of a conflict of interests – serious violations related to a conflict of interests may damage the reputation of the Company and undermine trust in them on the part of Sole Shareholder and other interested parties; personal interests of an official or employee should not affect the impartial performance of their official, functional duties; in relations with partners, the reputation of the Company, counting on the establishment and preservation of fiduciary relations, in which the parties are obliged to act towards each		human rights has been recorded in the Company. Trust from partners and customers is the main advantage of the Company. In order to provide the necessary and sufficient guarantees, the Company strictly complies with requirements and restrictions established by the current legislation. The Company strictly adheres to professional ethical principles, ensures an impartial approach to the consideration of any issues. The main goals for the Company are to create a system for preventing fraud and corruption, to create an atmosphere in the Company of their harsh rejection and counteraction to them. This dictates the most important corporate internal regulations, such as Code of Business Ethics of the Company, Rules for Resolving Conflicts of Interest and Corporate Conflicts, internal regulatory documents on combating corruption and fraud approved by Management Board of the Company. Anti-corruption measures system is aimed at thorough prevention of corruption, analysis of corruption risks, prevention of conflicts of interest, detection and suppression of corruption offenses. On a regular basis, training is conducted on combating corruption and other illegal actions, including extortion and bribery, as well as on explaining anti-corruption legislation and the consequences of offenses.		other as honestly, conscientiously, fairly and loyally as possible, take measures to prevent, identify and exclude conflicts of interest; 10) personal example – each of us contributes to the implementation of sustainable development principles every day in our actions, behavior and decision-making; officials and employees holding managerial positions should motivate by their personal example to implement the principles of sustainable development.		
				4.7.	The Company is building a management system in the field of sustainable development, which includes, but is not limited to, the following elements: 1) commitment to the principles of sustainable development at the level of Board of Directors, Management Board and employees; 2) analysis of internal and external situation on three components (economy, ecology, social issues); 3) identification of risks in the field of sustainable development in the social, economic and environmental spheres; 4) building a stakeholder map; 5) integration of sustainable development into key processes, including risk management, planning, human resource management, investments, reporting, operational activities and others, as well as into development strategy and decision-making processes; 6) definition of goals and KPI in the field of sustainable development, development of an Activity plan and identification of responsible persons; 7) professional development of officials and employees in the field of sustainable development; 8) regular monitoring and evaluation of activities in the field of sustainable development, assessment of the achievement of goals and KPI, the adoption of corrective measures, the introduction of a culture of continuous improvement. Board of Directors and Management Board of the Company ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and officials at all levels contribute to sustainable development.	+	The Company's approach to sustainable development issues is based on the alignment of the Company's interests and strategic plans with the basic principles in the field of sustainable development and compliance with the principles of conscientious and responsible behavior towards all stakeholders. The Company's commitment to principles of sustainable development: - an effective and transparent system of interaction with stakeholders; - improving working conditions and providing decent wages; - protection of workers' health and ensuring safe working conditions; - improvement of corporate governance system; - providing social support and educational activities for the professional development of employees; - respect for the rights of employees, non-discrimination and compliance with ethical standards; - intolerance to corruption; - reducing the negative impact on the environment. Many aspects related to principles of sustainable development are already present in the activities of the Company and approved by the Regulations on Corporate Social Responsibility of the Company (decision of Board of Directors of the Company dated May 20, 2011 No. 52), as well as laid down in Corporate Governance Code of the Company (decision of Sole Shareholder of Baiterek NMH JSC with amendments and additions dated December 25 2019 No. 61/19). Corporate goals related to sustainable development are integrated into the strategy of the Company. In addition, the Company adheres to the principles of UN Global Compact in the field of human rights, labor relations, environmental protection and anti-corruption. The Company has comprehensively approached the analysis of internal regulations database for making amendments and additions aimed at ensuring the sustainable development of the Company. A list of internal regulations was defined and additions were made providing for the principles of sustainable development. For the continuous functioning of the company and the sustainability of the business, an effective approach to risk management and a well-functioning internal control system are necessary. The Company supports risk-oriented management, which includes constant updating and improvement of the effectiveness of risk management system, developing risk management culture, promotes

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			<p>the identification of risks and the openness of their discussion.</p> <p>The main document in the field of risk management in the Company is Risk Management Policy of the Company, approved by the decision of Board of Directors No. 4 dated May 28, 2019.</p> <p>The risk of sustainable development is reflected in the risk register as a reputational risk, the implementation of which is possible if principles of sustainable development are not observed. In addition to that, “Risk of improper execution of measures to implement Policy of Sustainable Development of the Company” is included, which can also lead to consequences such as not implementing the principles of sustainable development. This Risk Register was approved by the decision of Board of Directors of the Company dated March 30, 2021 by the decision No. 2 of in-person meeting.</p> <p>In 2021, Key Performance Indicators in the field of sustainable development of the Company for 2021-2023 were approved by the decision of Board of the Company dated August 17, 2021, Minutes No. 48 (hereinafter referred to as Sustainable Development Efficiency) in accordance with international GRI standards, as well as UN Sustainable Development Goals, covering certain aspects of development, such as economic, environmental and social, not limited only to economic indicators.</p> <p>To track the development or changes in economic, social and environmental variables, those indicators were selected that are more relevant and adapted to the activities of the Company, as well as characterize the current state of various aspects related to sustainable development.</p> <p>For example, according to environmental indicators, Company does not have a direct impact on the environment with emissions and waste, and cannot determine for itself in the form of an indicator tracking electricity and water consumption inside the building, being a tenant of an office premises. In turn, Lessor envisage all methods of rational usage of resources that ensure the prevention of adverse environmental impacts (energy-saving technologies, water supply sensors are installed) In addition to that, containers for separate garbage are provided on each floor according to “green office” principle.</p> <p>The analysis of the effectiveness of KPI in the field of sustainable development for 2021 is disclosed in more detail in the report provided to Board of Directors of the Company once a year.</p>
4.8.	1. The Company develops action plans in the field of sustainable development through: 1) a thorough, in-depth and thoughtful analysis of the current situation in three main areas: economic, environmental and social; when conducting this analysis, the reliability, timeliness and quality of information is important; 2) identification of risks in the field of sustainable development; risks are distributed in accordance with three directions of sustainable development, may	+	<p>On November 20, 2019, by the decision of Board of Directors of <b>KazakhExport</b> EIC JSC, Sustainable Development Policy of the Company (hereinafter referred to as the Policy) was adopted, objectives of which are to define the principles and directions of the activities of the Company in the field of sustainable development.</p> <p>In order to implement tasks of adopting sustainable development principles, the Company has studied international experience in implementing sustainable</p>

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	<p>also affect related areas and capture other risks. To determine the risks, an analysis of both internal and external factors affecting the Company and its subsidiaries is carried out;</p> <p>3) identification of stakeholders and their impact on the activities;</p> <p>4) defining goals, as well as, if possible, targets, measures to improve and develop activities of three components, responsible persons, necessary resources and deadlines;</p> <p>5) regular monitoring and evaluation of the implementation of goals, measures to achieve targets;</p> <p>6) systematic and constructive interaction with stakeholders, receiving feedback;</p> <p>7) implementation of the formed plan;</p> <p>8) continuous monitoring and regular reporting;</p> <p>9) analyzing and evaluating effectiveness of the plan, summarizing and taking corrective and improving measures.</p> <p>It is recommended to integrate sustainable development into:</p> <p>1) control system;</p> <p>2) business plan;</p> <p>3) key processes, including risk management, planning (long-term (strategy), medium-term (5-year development plan) and short-term (annual budget) periods), reporting, risk management, human resource management, investments, operational activities and others, as well as decision-making processes at all levels starting from bodies (Sole Shareholder, Board of Directors, Management Board), and ending with ordinary employees.</p>		<p>development principles in the business processes of export credit agencies. In order to implement tasks on adopting principles of sustainable development in the Company, defined by the aforementioned Policy, Activity Plan for the implementation of Sustainable Development Policy for 2021 (hereinafter referred to as Activity Plan) was prepared and approved, including the following aspects: adherence to the principles of sustainable development, the desire to create an effective and transparent system of interaction with stakeholders, promotion of professional development employees, rational consumption of natural resources, minimal negative impact on the environment and anti-corruption.</p> <p>According to Activity Plan, in 2021, the initial stage of implementing principles of sustainable development in the activities of the Company has been completed:</p> <p>1) The analysis of internal regulations base of the Company for making changes and/or additions aimed at ensuring sustainable development has been carried out;</p> <p>2) Updated Risk Register and Risk Management Activity Plan;</p> <p>3) A concept and a plan for implementing ESG factors and project prioritization tools into the business processes of the Company have been developed;</p> <p>4) Information is posted on the corporate Internet resource regarding activities in the field of sustainable development;</p> <p>5) The concept on implementation “Green Office” program was approved and training on its implementation was conducted;</p> <p>6) Trainings were conducted on environmental education, on the implementation of the principles of sustainable development in the activities of the Company and on combating corruption and other illegal actions;</p> <p>7) The practice of responsible insurance and reinsurance has been introduced by integrating ESG principles into business processes, as well as into the underwriting process;</p> <p>8) Reserve base has been formed;</p> <p>9) Information about the availability of vacancies is posted;</p> <p>10) There is a clause on compliance with the principles of sustainable development in contracts for the procurement of goods, works and services;</p> <p>11) Criteria for checking exporters for their reliability have been developed;</p> <p>12) Counterparties were checked for connectivity;</p> <p>13) Anti-corruption monitoring was carried out;</p> <p>14) Internal analysis of corruption risks in the activities of the Company has been carried out.</p> <p>On a quarterly basis, the Company approves a report on the execution of Activity Plan for implementing Sustainable Development Policy of the Company for 2021.</p>

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4.9.	The management system in the field of sustainable development defines and establishes roles, competencies, responsibilities of each body and all employees for the implementation of principles, standards and relevant policies and plans in the field of sustainable development. Board of Directors of the Company carries out strategic management and control over the implementation of sustainable development. Management Board of the Company forms an appropriate activity plan. In order to prepare sustainable development issues, a committee is created or these functions are delegated to the competence of one of the existing committees under Board of Directors of Sustainable Development Issues Company. The Company conducts training and advanced training programs on an ongoing basis. Training is a permanent element in the implementation of sustainable development. The officials of the Company promote the involvement of employees in sustainable development on the basis of understanding and commitment to the principles of sustainable development and changing culture, behavior when conducting activities and performing duties. The Company conducts research on employee engagement and satisfaction on an annual basis.	+	In order to implement the tasks related to the implementation of sustainable development principles, the Company has prepared and approved Activity Plan for the implementation of Sustainable Development Policy of the Company for 2021 (hereinafter referred to as Activity Plan) and Key Performance Indicators in the Field of Sustainable Development of the Company for 2021-2023 (hereinafter referred to as Sustainable Development Efficiency). The formation of targets in the field of sustainable development will be implemented on the basis of Activity Plan and Efficiency in the field of sustainable development with an annual performance analysis. With the growing importance of environmental, social and managerial aspects of doing work, the role of sustainable development specialists is becoming increasingly important. Key performance indicators of the members of Management Board and employees of the Company include the implementation of the above-mentioned Activity Plan. In 2021, the position of a sustainable development manager was created, regulating the operational management of aspects of sustainable development in the Company in accordance with the relevant structural units in their areas of competence. The Company conducted training on the implementation of the principles of sustainable development in the activities of the Company, followed by testing for the degree of understanding by the employees of the Company of the materiality of standards of sustainable development. The effectiveness of the results of computer testing is 100%, all employees of the Company have a positive comprehensive idea of sustainable development, how the Company applies principles of sustainable development to its own business processes, as well as what contribution each employee can make to achieving sustainable development goals. In January 2021, the employees of the Company took part in the training “Introduction to Sustainable Development and non-financial reporting”, organized by experts on sustainable development of Deloitte with the assistance of Baiterek NMH JSC. Also, on March 4-5, 2021, the Company organized an online seminar for managers of the Company “Implementation of the principles of sustainable development in the company” to explain the implementation of the principles of sustainable development in the corporate sector. The seminar was held with the involvement of leading Russian experts in the field of sustainable development. A study of the involvement and satisfaction of the employees of thy Company was conducted, organized by the international consulting company Ernst&Young Kazakhstan, with the assistance of Baiterek NMH JSC. The results of the study showed an excellent level of involvement of the employees of the Company, which, first of all, is an indicator of a “healthy” corporate culture. A number of factors influenced the high level of engagement: - senior personnel support of Company during the pandemic; - creating safe and comfortable working conditions; - the opportunity to improve.	4.10.	The Company discusses the inclusion and compliance with principles and standards of sustainable development in the relevant contracts (agreements, contracts) with partners. If the Company identifies a risk associated with the partners having a negative impact on the economy, environment and society, the Company takes measures aimed at stopping or preventing such impact. In case of non-acceptance or improper implementation of principles and standards of sustainable development by a partner, it is necessary to take into account the importance of this partner for the Company and whether there are measures to influence it and the possibility of its replacement.	+	In order to take a responsible approach to the procurement of goods, works and services in the Company, a clause has been taken into account in all contracts for the procurement of goods, works and services, providing for compliance by the parties with the principles of sustainable development (compliance with environmental requirements), and an anti-corruption clause has also been taken into account. Checkups are carried out for reliability and connectivity with respect to participants in the procurement of goods, works and services conducted by tender method, and with respect to policyholders on draft transactions. In order to take a responsible approach in providing insurance support to Kazakhstani exporters, the Company has integrated ESG principles into its business processes, as well as into the underwriting process.
5. The principle of risk management, internal control and internal audit							
5.1.	The Company has an effectively functioning risk management and internal control system aimed at ensuring reasonable confidence in the Company’s achievement of its strategic and operational goals, and representing a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by Board of Directors and Management Board of the Company to ensure: 1) an optimal balance between the profitability of activities of the Company, strategic goals and risks associated with them; 2) efficiency of financial and economic activity and achievement of financial stability of the Company; 3) preservation of assets and efficient use of the resources of the Company; 4) completeness, reliability and authenticity of financial and management reports; 5) compliance with requirements of the legislation of the Republic of Kazakhstan and internal regulations of the Company; 6) proper internal control to prevent fraud and ensure effective support for the functioning of the main and auxiliary business processes and analysis of performance.	+	The Company has risk management and internal control systems, which are a set of interrelated components (organizational policies, procedures, methods, mechanisms, standards of behavior and actions, etc.) aimed at providing reasonable confidence in achieving strategic and operational goals by the Company. Regulatory control of risk management and internal control system is ensured by the presence of a set of internal regulatory documents regulating construction and functioning of risk management process. The Company has approved and operates: Risk management Policy, Policy on the internal control system, defining goals, objectives, principles and participants of these systems; Rules and methods regulating the procedure for the implementation of risk management processes and the implementation of internal control, as well as establishing certain methods and approaches used at various stages of risk management processes and the implementation of internal control; The work plan of Risk Management Department includes improving internal control system, as well as strengthening the risk culture in the Company. On a quarterly basis, the register and the risk map are updated, which have a critical impact on the ability of the Company to achieve strategic and operational goals and objectives. The Internal Audit Service periodically evaluates the effectiveness of risk management and internal control systems. The main principles of Risk Management process of the Company are: 1) integrity – consideration of the elements of total risk of the Company in the context of Corporate risk management system; 2) openness – a ban on considering a corporate risk management system as autonomous or separate; 3) structurality – comprehensive risk management system has a clear structure; 4) awareness – risk management is accompanied by				



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			the availability of objective, reliable and up-to-date information; 5) continuity – risk management process is carried out on an ongoing basis; 6) cyclicity – risk management process is a constantly repeating structured cycle of its main components. The Company is constantly improving its corporate risk management system.		Governance: 1) ensures the development and implementation of internal documents approved by Board of Directors in the field of risk management and internal control; 2) ensures the creation and effective functioning of risk management and internal control system through practical implementation and continuous implementation of principles and procedures of risk management and internal control assigned to it; 3) is responsible for the implementation of decisions of Board of Directors and recommendations of Audit Committee in the field of risk management and internal control system organization; 4) monitors risk management and internal control system in accordance with the requirements of internal regulations; 5) ensures the improvement of risk management and internal control processes and procedures, taking into account changes in external and internal business environment. In order to implement principles of internal control and ensure the effectiveness of risk management and internal control system, Management Board of the Company distributes powers, obligations and responsibility for specific risk management and internal control procedures among the managers of the following level and/or heads of structural divisions/ owners of business processes. Heads of structural divisions, in accordance with their functional responsibilities, are responsible for the development, documentation, implementation, monitoring and developing risk management and internal control system in the functional areas of the Company entrusted to them.		JSC dated November 20 2019 (Minutes No. 10) reflects the responsibilities of Management Board and Board of Directors of the Company, in order to ensure the proper functioning of risk management and internal control. The Company has carried out work to include in the job descriptions of all employees functional responsibilities for the identification and analysis of risks falling within the scope of direct activity, as well as taking necessary measures to minimize them. Management Board of the Company provides conditions for effective implementation of risk management system, organizes risk management process in the Company, determines departments responsible for risk management. It also ensures integrity and functionality of risk management and internal control system. In accordance with Risk Management Policy approved by the decision of Board of Directors of the Company dated September 29, 2021 (Minutes No. 9), Management Board is responsible for the formation of a risk culture in the Company, which is a necessary element for building an effective risk management system and performs the following functions: performs daily management of the Company in accordance with established goals and methods in terms of risk management and internal control; approves the procedure for transferring information between Board of Directors, collegial bodies, Management Board and structural divisions of the Company, ensuring effective risk management and internal control; implements the instructions of Board of Directors, recommendations and comments of Internal Audit Service, recommendations of structural unit responsible for risk management, requirements and measures of the authorized body; approves internal regulations in order to implement risk management and internal control policy; defines guidelines for asset diversification, profitability, liquidity and capital adequacy, risks in order to maintain necessary level of margin sufficiency of solvency; Approves risk limits by type of operations within the risk limits set by Board of Directors; ensures the adoption of effective measures to monitor compliance with these limits based on monthly calculations of the structural unit responsible for risk management; ensures compliance of the tariff policy with predicted trends in the development of risks based on reliable risk statistics; provides regular analysis of internal and external economic factors that pose a potential risk to the organization, assessment of their impact on financial performance; provides recommendations to Board of Directors of the Company regarding the preparation of annual budgets, strategic plans, taking into account current
5.2.	Board of Directors of the Company approves internal regulations defining principles and approaches to the organization of risk management and internal control system based on the objectives of this system. The organization of an effective risk management and internal control system in the Company is aimed at building a management system capable of ensuring that employees, management, and Company bodies understand reasonableness and acceptability of the risk level when making decisions, respond quickly to risks, exercise control over the main and auxiliary business processes and daily operations, as well as immediately inform management of the relevant level of any significant drawbacks. Principles and approaches to the organization of an effective risk management and internal control system include: 1) defining goals and objectives of risk management and internal control system; 2) the organizational structure of risk management and internal control system covering all levels of decision-making and taking into account the role of the appropriate level in the process of developing, approving, applying and evaluating risk management and internal control system; 3) basic requirements for the organization of risk management process (approaches to risk identification, procedure for identifying and assessing risks, determining response methods, monitoring, and others); 4) requirements for the organization of internal control system and the conduct of control procedures (characteristics of key areas and main components of internal control system, the procedure for evaluating effectiveness and reporting in the field of internal control, and others). Internal regulatory documents of the Company establish the responsibility of Board of Directors and Management Board of the Company to organize and ensure the effective functioning of risk management and internal control system on a consolidated basis.	+	Risk management in the Company is a constant, continuous process and is carried out at all levels with the involvement of collegial bodies, authorized bodies, structural divisions and employees of the Company. Internal control system in the Company is created for the purposes of ensuring: 1) operational and financial efficiency of the activities of the Company, which involves checking effectiveness and profitability of the management of assets and liabilities of the Company and determining the probability of losses; 2) reliability, completeness and timeliness of financial and management reporting, 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 requirements of the legislation of the Republic of Kazakhstan on insurance and insurance activities, on joint stock companies, on securities market, on countering the legalization (laundering) of proceeds from crime and financing of terrorism and internal regulations of the Company. Risk Management Policy and Policy on the Internal Control System of <b>KazakhExport</b> EIC JSC reflect the responsibility of Management Board and Board of Directors of the Company.				
5.3.	Each official of the Company ensures proper consideration of risks when making decisions. Management Board of the Company ensures the implementation of risk management procedures by employees with appropriate qualifications and experience.	+	In Risk Management Policy of <b>KazakhExport</b> EIC JSC, approved by the decision of Board of Directors of <b>KazakhExport</b> EIC JSC dated September 29, 2021 (Minutes No. 9) and in the Policy on Internal Control system of <b>KazakhExport</b> EIC JSC, approved by the decision of Board of Directors of <b>KazakhExport</b> EIC				

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			and future economic environment, regulatory framework, amount of capital; monitors the implementation of Activity plan in conditions of financial instability and emergency circumstances and the provision of an appropriate quarterly report; conducts regular analysis of compliance with contractual relations, requirements of the legislation of the Republic of Kazakhstan on insurance and insurance activities, on compulsory insurance, on joint stock companies, on securities market, on countering the legalization (laundering) of proceeds from crime and financing of terrorism, internal documents of the organization regulating transactions with financial instruments; monitors compliance by structural units with policies in the management of possible and potential risks, the size of risks within the established limits; provides analysis of changes in income (expenses) from transactions with financial instruments, taking into account the dynamics of their market value; ensures that the equity capital of the Company meets the minimum required level in accordance with the legislation of the Republic of Kazakhstan on insurance and insurance activities; ensures improvement of accounting and reporting system, taking into account recommendations of external auditors; analyzes audit reports and submits proposals to Board of Directors on taking appropriate measures to eliminate the identified deficiencies; approves the work plan of structural division of the Company responsible for risk management on an annual basis; On an annual basis, he submits a Report of Company's Management Board to Board of Directors of the Company on the effectiveness of risk management system no later than the fourth month following the reporting period. Management Board is responsible for the formation of a risk culture in the Company, which is a necessary element for building an effective risk management system. Responsibilities and powers of employees of structural divisions of the Company responsible for coordinating risk management and internal control process are provided for by Risk Management Policy, Internal Control System Policy, regulations on structural divisions responsible for risk management and methodological support of internal control system, and job descriptions of employees of structural divisions of the Company responsible for risk management and methodological support of system internal control.	5.4.	<p>The organizational structure of risk management and internal control system in the Company provides for the existence of a structural unit responsible for risk management and control issues, the tasks of which include:</p> <p>1) overall coordination of risk management and control processes;</p> <p>2) development of methodological documents in the field of risk management and control and provision of methodological support to business process owners and employees in the process of identifying, documenting risks, implementing, monitoring and improving control procedures, forming action plans to respond to risks and action plans to improve the risk management and internal control system, reports on their implementation;</p> <p>3) organization of training of employees in the field of risk management and control;</p> <p>4) analysis of risk portfolio and development of offers for a response strategy and reallocation of resources in relation to the management of relevant risks;</p> <p>5) formation of consolidated risk reporting;</p> <p>6) implementation of operational control over the risk management process by structural units;</p> <p>7) preparing and informing Board of Directors and/or Management Board of the Company about the status of risk management system, existing threats and offers for their prevention/leveling.</p> <p>The manager in charge of risk management and control function is not the owner of the risk, which ensures its independence and objectivity. It is impossible to combine risk management and control functions with functions related to economic planning, corporate finance, treasury, and investment decision-making. Combination with other functions is allowed if there is no significant conflict of interest.</p>	+	<p>According to Risk Management Policy approved by the decision of Board of Directors of the Company dated September 29, 2021 (Minutes No. 9), the third level in risk management process is the structural unit of the Company responsible for coordinating risk management system. The main functions of which are:</p> <p>1) organization and coordination of the process of identification and assessment of critical risks, as well as coordination with the risk owners of the register and the critical risk map, the matrix of business processes of risks and controls, key risk indicators, activity plan for the management of critical risks of the Company, as well as monitoring the implementation of the plan;</p> <p>2) development of a risk management policy;</p> <p>3) informing Management Board of the Company and Board of Directors of the Company about significant deviations in risk management processes;</p> <p>4) maintaining a database of realized risks, tracking external factors that may have a significant impact on risks;</p> <p>5) preparation and provision of risk information to Management Board of the Company and Board of Directors of the Company;</p> <p>6) participation in the organization of periodic assessment of risk management systems by making offers for the assessment of Risk Management sub-component as part of diagnostics of level of corporate governance;</p> <p>7) development, implementation and updating (if necessary) of the methodological framework, policies and rules for identification, assessment and risk management of the Company, procedures for monitoring risks;</p> <p>8) ensuring the integration of risk management into other business processes and development of a risk management culture in the Company;</p> <p>9) providing methodological and consulting support to employees of the Company on risk management issues;</p> <p>10) making offers regarding conducting training workshops and trainings on risk management for the employees of the Company;</p> <p>11) interaction with Internal Audit Service of the Company regarding developing internal audit plan, exchange of information, discussion of audit results, exchange of knowledge and methodologies;</p> <p>12) identification and assessment of risks, including determination of descriptive and quantitative values of risk indicators related to the activities of the Company, as well as determination of maximum permissible values of risk indicators;</p> <p>13) taking measures to manage risks arising during business activities of the Company;</p> <p>14) monitoring, assessment and control of identified risks, drawing up a risk map, including:</p> <ul style="list-style-type: none"><li>- taking measures together with other divisions of the Company to identify risks;</li><li>- risk assessment, including assessment of the frequency of occurrence of risks, subsequent</li></ul>

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			<p>classification of the impacts of these risks, and the establishment of risk limits;</p> <p>- risk monitoring, including monitoring of changes in the values of risk indicators and maximum permissible values of risk indicators, as well as measures taken to minimize risks in case of non-compliance of the values of risk indicators with risk limits;</p> <p>15) immediate reporting to Board of Directors on any significant cases that may cause damage and (or) affect activities of the Company, or are of an illegal nature;</p> <p>16) organization of the process for the development by relevant divisions of the Company of a detailed action plan to minimize identified risks and further monitoring of Activity plan approved by Board of Directors to minimize the risks of the Company;</p> <p>17) organization of measures for the execution of the plan in case of emergency and ensuring the continuity of the activities of the Company;</p> <p>18) regular analysis:</p> <p>- financial indicators (as part of stress tests and regular monitoring of the level of accepted risks);</p> <p>- the impact of changes in the prices of financial instruments on the indicators of liquidity, solvency, capital adequacy (as part of stress tests and regular monitoring of level of accepted risks);</p> <p>19) forecasting the impact of macroeconomic factors on profitability, liquidity, equity adequacy;</p> <p>20) providing Board of Directors and Management Board with a quarterly report on the assessment and analysis of the risk management system;</p> <p>21) constant monitoring of the implementation of decisions of Management Board of the Company and determination of the effectiveness of the decisions taken;</p> <p>22) ensuring compliance of business units with approved internal risk management policies;</p> <p>23) ensuring the fulfillment of responsibilities for managing the risk of underwriting, reinsurance, insurance payments, insufficient insurance reserves, investment, operational, collateral and compliance risk in accordance with the Resolution of 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) organizations”;</p> <p>24) in order to adjust corporate strategy and internal risk management policy, submission to Management Board at least once a year:</p> <p>- 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, measures taken to minimize them, response measures;</p> <p>jointly with the Compliance Service in terms of amendments to the legislative acts of the Republic of Kazakhstan, as well as jointly with the structural unit responsible for strategy and economic planning</p>

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			<p>in terms of reviewing the financial condition and performance of the Company, in particular:</p> <p>- a report containing an overview of financial condition and results of the activities 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 securities market, on countering legalization (laundering) of proceeds from crime and financing of terrorism that can affect the financial condition of the organization, a risk map of the Company.</p> <p>25) annually:</p> <p>- measurement and forecasting of catastrophic risks involving the usage of models that include scenarios of the occurrence of natural and man-made disasters;</p> <p>- assessment of the insurance portfolio on the ability to withstand catastrophic events. A report on catastrophic risks is submitted to Board of Directors and Management Board once a year as part of the risk report of the Company.</p> <p>26) as well as other functions that meet specifics of business activities of the Company.</p>
5.5.	<p>Risk management and internal control system provides for the identification, assessment and monitoring of all significant risks, as well as adoption of timely and adequate measures to reduce the level of risks. Risk management procedures ensure rapid response to new risks, their clear identification and identification of risk owners. In case of any unforeseen changes in the competitive or economic environment of the Company, risk map is reassessed and its compliance with risk appetite.</p> <p>Board of Directors approves the overall level of risk appetite and level of tolerance in relation to key risks, which are fixed by internal regulations of the Company. Tolerance levels for key risks are reviewed in the event of significant events. Limits are set that limit risks in daily activities.</p> <p>For a holistic and clear understanding of the inherent risks in the Company, at least on an annual basis, risks are identified and assessed, which are reflected in the risk register, risk map, risk response plan (process improvement, minimization strategies) approved by Board of Directors.</p> <p>Board of Directors, when reviewing register and risk map, ensures that risks that can really affect the implementation of strategic objectives are included in them, and when considering risk response action plan, make sure that measures are useful. Board of Directors and Management Board of the Company regularly receive information about key risks and their analysis in terms of their impact on the strategy and business plan of the Company.</p> <p>Risk reports are submitted to meetings of Board of Directors at least once a quarter and are discussed properly in full.</p>	+	<p>Corporate risk management system of the Company is aimed at identifying a wide range of risks and considering them in a complex, which contributes to reflecting a holistic picture of existing risks and improves the quality of risk analysis.</p> <p>According to the Methodology for determining business processes, their inherent risks and key risk indicators, approved by the decision of Board of Directors of <b>KazakhExport</b> EIC JSC dated November 10, 2021 (Minutes No. 10) and Policy for Managing Operational, Related Risks of <b>KazakhExport</b> EIC JSC, approved by the decision of Board of <b>KazakhExport</b> EIC JSC dated April 26, 2022 (Minutes No. 5) The Company regularly carries out risk identification with the participation of employees of all structural divisions in order to identify maximum range of risks, increase awareness of surrounding risks and stimulate the development of risk culture of the organization.</p> <p>To identify risks, a combination of various methods and tools is used, such as risk identification based on set goals and objectives, interviews, databases of losses that have occurred, etc. described in more detail in internal regulations of the Company regulating the identification and assessment of risks of the Company. Identified events and risks are systematized in the form of a risk register. Risk Register of the Company is a list of risks that the Company faces in its activities, which also includes the possible consequences of the implementation of the risk. For each risk, owners of the risk are identified, i.e. divisions (also employees who are not part of structural divisions) who deal with this risk by virtue of their functional responsibilities. Risk Register is supplemented by structural divisions and employees of the Company on an ongoing basis as new risks are identified. Structural divisions and employees who are not part of structural divisions are responsible for providing information to fill out Risk Register of the Company.</p>



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			<p>All identified and assessed risks are reflected on the risk map. Risk map allows you to assess relative importance of each risk (compared to other risks), as well as to identify risks that are critical and require the development of measures to manage them. During the identification and assessment of key risks, the risk appetite of the Company is calculated, which reflects the acceptable level of risk. At the same time, risk tolerance is determined, that is, this is level of risks that the Company is able to accept without significant damage to its activities. On a quarterly basis, Board of Directors is provided with a risk management report, which contains the following components:</p> <ol style="list-style-type: none"> <li>1) Risk register (identified risks; risks that may arise while conducting current activities), Risk map and Activity plan for managing critical risks;</li> <li>2) information on the implementation of critical risk management activity plan (ongoing work to minimize and eliminate risks);</li> <li>3) information about key risk indicators that may have a significant impact on risk portfolio;</li> <li>4) information on realized risks;</li> <li>5) risk minimization action plan;</li> <li>6) information about significant deviations from established risk management processes (if any);</li> <li>7) information about non-compliance with risk limits (if it happened);</li> <li>8) information on compliance with regulatory requirements in the field of risk management (if any);</li> <li>9) financial risk report in accordance with the rules for managing certain types of financial risks approved by the authorized bodies of the Company;</li> <li>10) risk appetite for the forecast year (once a year), adjusted risk appetite quarterly (if necessary);</li> <li>11) brief analysis of financial indicators for the reporting period;</li> <li>12) adequacy and effectiveness of risk management system.</li> </ol>
5.6.	The Company has established Internal Audit Service for a systematic independent assessment of the reliability and effectiveness of risk management and internal control system and corporate governance practices.	+	The Company conducts training on risk management and internal control system on an annual basis. Based on the results of such training, the knowledge of the employees of the Company is tested. Meetings with risk coordinators of the Company are held on a quarterly basis. Automated adaptation training has been introduced for newly hired employees of the Company. When hiring new employees, testing is carried out based on the results of adaptive training.

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5.7.	The Company has established Internal Audit Service for a systematic independent assessment of the reliability and effectiveness of risk management and internal control system and corporate governance practices.	+	<p>The Company has an Internal Audit Service. By the decision of Board of Directors of the Company dated 15.02.2018 (Minutes No. 1) the quantitative composition and term of powers of IAS have been determined, the Head and employees of IAS have been appointed. At the end of 2020, the composition of Internal Audit Service of the Company is determined in the number of 2 (two) units: the Head, the Chief Internal Auditor. By the decision of Board of Directors of the Company dated 28.01.2021 (Minutes No. 1), a new term of powers of Internal Audit Service was determined.</p> <p>IAS is the internal audit body of the Company – the activity of providing independent and objective guarantees and consultations aimed at improving the work of the organization. Internal audit helps an organization achieve its goals by using a systematic and consistent approach to assess and improve effectiveness of risk management, control and corporate governance processes.</p> <p>IAS ensures the organization and implementation of internal audit in the Company, is directly organizationally subordinate and functionally accountable to Board of Directors.</p>
5.8.	Internal Audit Service carries out its activities on the basis of a risk-based (annual) audit work plan approved by Board of Directors of the Company. Results of audit reports, key findings and relevant recommendations are submitted quarterly for consideration by Board of Directors. The Head of Internal Audit Service takes into account risk management concept adopted by the Company, and also applies his own risk judgment formed after consultations with Management Board of the Company and Audit Committee.	+	<p>Internal Audit Service annually, based on data from Risk Management System of the Company and/or independent risk assessment, develops an annual audit plan for the upcoming calendar year that determines priorities of internal audit of activities of the Company, taking into account risks, strategic objectives of the Company and submits it for consideration and approval to Board of Directors, previously reviewed by Audit Committee.</p> <p>In 2021, Internal Audit Service of the Company carried out its activities on the basis of annual audit plan of Internal Audit Service of <b>KazakhExport</b> EIC JSC for 2021.</p> <p>Audit plan for January-February 2021 was approved by the decision of Board of Directors of the Company dated 25.12.2020 (Minutes No. 13). By the decision of Board of Directors dated 30.03.2021 (Minutes No. 2), annual audit plan for 2021 was approved.</p> <p>Results of audit reports, key findings and relevant recommendations are submitted quarterly for consideration by Board of Directors.</p> <p>The Head of Internal Audit Service takes into account risk management concept adopted by the Company, and also applies his own risk judgment formed after consultations with Management Board of the Company and Audit Committee.</p>
5.9.	In carrying out its activities, Internal Audit Service evaluates effectiveness of internal control, risk management and corporate governance systems using generally accepted standards of internal audit and corporate standards, in accordance with methods approved by Board of Directors.	+	Internal Audit Service of the Company in carrying out its activities, conducts (within the framework of individual tasks) an assessment of the effectiveness of internal control, risk management and corporate governance systems using generally accepted standards of internal audit and corporate standards, in accordance with

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	Evaluation of the effectiveness of internal control system includes: 1) conducting an analysis of the compliance of the goals of business processes, projects and structural units with the goals of the Company, checking reliability and integrity of business processes (activities) and information systems, including reliability of procedures for countering illegal actions, abuse and corruption; 2) verification of the reliability of accounting (financial), statistical, managerial and other reporting, identification of the results of business processes and structural units for compliance with the set goals; 3) determination of the adequacy of the criteria established by Management Board of the Company for analyzing the degree of fulfillment (achievement) of the set goals; 4) identification of shortcomings of internal control system that did not allow (do not allow) to achieve the set goals; 5) evaluation of the results of the implementation (implementation) of measures to eliminate violations, deficiencies and improve internal control system implemented at all levels of management; 6) checking efficiency and appropriateness of using resources; 7) verification of the safety of the assets of the Company; 8) verification of compliance with requirements of the legislation of the Republic of Kazakhstan, the Charter and Internal regulations of the Company. Assessment of the effectiveness of risk management system includes: 1) verification of sufficiency and maturity of elements of risk management system for effective risk management (goals and objectives, infrastructure, organization of processes, regulatory and methodological support, interaction of structural units within the risk management system, reporting); 2) verification of completeness of identification and correctness of risk assessment by the executive body at all levels of its management; 3) verification of effectiveness of control procedures and other risk management measures, including the effectiveness of using resources allocated for these purposes; 4) analysis of information on realized risks (violations identified by the results of internal audits, facts of failure to achieve goals, facts of litigation). Corporate governance assessment includes verification: 1) compliance with ethical principles and corporate values of the Company; 2) procedure for setting goals, monitoring and controlling their achievement; 3) level of regulatory support and procedures for information interaction (including on internal control and risk management) at all levels of management, including interaction with stakeholders; 4) ensuring the rights of Sole Shareholder and the effectiveness of relations with interested parties; 5) procedures for disclosure of information about the activities of the Company.		criteria approved by Board of Directors, and taking into account the relevant standards of the legislation of the Republic of Kazakhstan and internal regulations, applicable international standards and best practices. According to Rules on the Organization of Internal Audit of the Company, Internal Audit Service evaluates effectiveness of internal control systems, risk management (in general and/or in the context of key business processes) and corporate governance in relevant areas periodically in accordance with requirements of the legislation of the Republic of Kazakhstan, at least once every two years). In 2021, there was no separate assessment of internal control, risk management and corporate governance systems.	5.10.	The Company conducts an annual audit of financial statements by engaging an independent and qualified auditor who, as an outside party, provides an objective opinion to stakeholders on the reliability of financial statements and their compliance with IFRS requirements. Standards regarding the annual audit are applied if audit of the annual financial statements is provided for by the legislation of the Republic of Kazakhstan and/or internal regulations of the Company. The selection of an external auditor is carried out on the basis of a competition. An important role in the selection process is played by Audit Committee of Board of Directors of the Company, which coordinates qualification requirements and/or technical specifications developed for the purposes of the competition.	+	The Company conducts an annual audit of financial statements by engaging an independent and qualified auditor who, as an outside party, provides an objective opinion to stakeholders on the reliability of financial statements and their compliance with IFRS requirements. When selecting an external auditor for 2019-2021, centralized procurement of financial reporting audit services for the Holding and its subsidiaries was carried out. According to the Minutes of the results of tender for centralized long-term procurement of financial audit services (audit of financial statements) for 2019-2021 for Baiterek NMH JSC and its subsidiaries and affiliates No. 9897 dated 20.02.2020, the tender was declared invalid due to the fact that less than two potential suppliers submitted applications for participation in the tender, while a potential supplier – KPMG Audit LLP was admitted following the results of the tender. In this connection, Sole Shareholder recommended to make purchases from a single source. In accordance with the decision of Sole Shareholder of the Company dated May 21, 2019 (Minutes of the meeting of Management Board of Baiterek NMH JSC No. 26/19), KPMG Audit LLP has been identified as audit organization auditing the financial statements for 2019-2021. A long-term contract for the audit of financial statements for 2019-2021 No. 13-01-03/267 dated 01.04.2019 was concluded. On May 12, 2022, annual financial statements of the Company for 2021 were approved by the decision of Baiterek National Managing Holding JSC (decision No. 21/22).
				5.11.	Involved external auditor should not provide consulting services to the Company that may threaten the independence of the external auditor. If a person participating in the mandatory audit of the Company as an employee of an external auditor or participating in the mandatory audit of the Company as an employee of an external auditor is expected to be appointed (elected) to the position of a member of Management Board, managing director or chief accountant of the Company within two years preceding the date of his appointment (election) to the Company, in order to avoid a conflict of interest, it is required to obtain preliminary approval of Audit Committee of Board of Directors of the Company for the proposed candidate for further consideration of his appointment (election).	+	Decision of Board of Directors of the Company dated 26.09.2018 No. 8 approved the Policy on external Audit in <b>KazakhExport</b> Export Insurance Company Joint Stock Company, which discloses the issue of conflict of interest in the provision of non-audit services by an external auditor. In addition to that, Policy discloses the issue of actions for proposed appointment (election) to the position of a member of Management Board, Managing Director and chief accountant of the Company of a person participating in the mandatory audit of the Company as an employee of an external auditor or who participated in the mandatory audit of the Company as an employee of an external auditor during two years preceding the date of his appointment (election) to the Company, in order to exclude a conflict of interests, it is required to obtain the preliminary approval of Audit Committee for the prospective candidate for further consideration of the issue of his appointment (election). The Policy also regulates the requirement to prohibit audit of an audit organization in cases provided for by the Law of the Republic of Kazakhstan “On Audit Activity”.

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5.12.	Stakeholders should be confident in the reliability of financial statements of the Company by engaging an external auditor who meets the following criteria: high level of qualification of the specialists of audit organization; significant work experience and positive reputation (both on the Kazakh market and on the international market (if necessary); experience in the industry; compliance by the audit organization with international auditing standards, the legislation of the Republic of Kazakhstan in the field of auditing, Code of Ethics of Professional Accountants of International Federation of Accountants; efficiency of work on identifying deficiencies and providing recommendations for improving internal controls on the process of preparing financial statements.	+	In accordance with External Audit Policy, in order to ensure the selection of a qualified external auditor with the most optimal combination of quality, cost and timing of services, the Company makes purchases in accordance with Procurement Rules and establishes the necessary requirements for a potential external auditor, except in cases when centralized procurement of financial reporting audit services is carried out for the Holding and its subsidiaries organizations. Requirements for the selection of an external auditor are submitted to Audit Committee for consideration. In case of procurement of external audit services from a single source by direct conclusion of a contract, the candidacy of a potential external auditor is preliminarily evaluated by Audit Committee. To participate in the tender for a potential external auditor of the Holding, the following qualification requirements are established: 1) the presence of at least 10 (ten) specialists with work experience in the last 5 (five) years in an international audit organization and having ACCA professional qualification; 2) the presence of at least 5 (five) specialists with an auditor's qualification certificate, including at least 3 (three) specialists with experience in auditing financial organizations over the past 5 (five) years; 3) the presence of at least 3 (three) audit partners who have an ACCA or CA or CPA certificate and have practical experience in auditing financial statements under IFRS of financial organizations over the past 5 (five) years, while at least 2 (two) audit partners must be citizens of the Republic of Kazakhstan.
5.13.	The Company should approve documents regulating the procedure for conducting an audit and relations with an external auditor, including the process of selecting an external auditor, powers and functions of the competition commission, provision of consulting services by an audit organization that are not related to the audit of financial statements and other information, the rotation of audit organizations and senior personnel of an audit organization, recruitment issues former employees of audit organization. Rotation of partners and senior personnel of the audit organization responsible for the audit of financial statements is carried out at least once every five years, if audit organization provides audit services to the Company for more than 5 consecutive years.	+	The Company has approved Policy on External Audit (Decision of Board of Directors of the Company dated 26.09.2018 No. 8). The main provisions of the Policy provide for the possibility of attracting auditors to provide certain audit and non-audit services without prejudice to the objectivity or independence of the external auditor. The purpose of the Policy is to organize effective activities to attract services of audit organizations (including non-audit services provided by audit organizations), to introduce generally accepted procedures of their choice, to ensure that auditors of the Company maintain independence in the provision of audit and non-audit services and to prevent conflicts of interest. In accordance with the Policy, in order to ensure mandatory audit of the annual financial statements and follow-up activities, the Company, in accordance with the established procedure, carries out following procedures: procurement procedures for external auditor services; determination of the external auditor and the amount of payment for his services; conclusion of an audit contract, in accordance with the legislation of the Republic of Kazakhstan, Charter of the Company and Rules of Implementation purchases of goods, works, services by national management holdings, national holdings, national

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			companies and organizations, fifty or more percent of voting shares (participation shares in the authorized capital) of which directly or indirectly belong to national management holding, national holding, national company, approved by the order of First Deputy Prime Minister of the Republic of Kazakhstan – Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201. According to External Audit Policy of the Company, in accordance with the standards of international practice, the external auditor must follow rotation principle of the project partner (who is primarily responsible for the audit) every five years. Succession plan to achieve this result should be prepared by an external auditor and submitted to Audit Committee for consideration no later than one year before the rotation. KPMG Audit LLP has been auditing financial statements of the Company since 2015. In 2020, The partner was changed in KPMG Audit LLP. In accordance with the decision of Sole Shareholder of the Company dated May 21, 2019 (Minutes of the meeting of Management Board of Baiterek NMH JSC No. 26/19), KPMG Audit LLP has been identified as the audit organization auditing financial statements for 2019-2021.
6. The principle of conflict of interest regulation			
6.1.	A conflict of interest is defined as a situation in which personal interest of an employee of the Company affects or may affect impartial performance of official duties. Serious violations related to a conflict of interests may damage the reputation of the Company and undermine the trust in it on the part of Sole Shareholder and other stakeholders. Personal interests of an official or employee should not influence the impartial performance of their official, functional duties.	+	In 2021, there were no cases of admitting situations related to a conflict of interests in the Company.
6.2.	Employees of the Company do not allow a situation in which a conflict of interests may arise, either in relation to themselves (or related persons), or in relation to others. In order to avoid conflicts of interests that prevent Board of Directors from fulfilling its duties objectively and to limit political interference in the processes of Board of Directors of the Company, mechanisms are being introduced to prevent and regulate them.	+	
6.3.	Basic principles of conflict of interest prevention, methods of their identification, assessment and resolution are fixed in Code of Business Ethics of the Company approved by Board of Directors.	+	



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7. The principle of transparency and objectivity of disclosure of information about the activities of the Company.			
7.1.	In order to comply with the interests of stakeholders, the Company promptly and reliably discloses information provided for by the legislation of the Republic of Kazakhstan and internal documents of the Company, as well as information on all important aspects of its activities, including financial condition, results of operations, ownership and management structure.	+	The Company discloses information on corporate events, financial statements and audit reports, lists of affiliated persons, as well as other information subject to disclosure on the Internet resources of financial reporting depository in accordance with requirements approved by Resolution of the Board of National Society of the Republic of Kazakhstan No. 189 dated August 27, 2018.
7.2.	To ensure systematic disclosure of information, the Company approves internal regulations defining principles and approaches to disclosure and protection of information, a list of information disclosed to stakeholders, deadlines, procedure, method, form of disclosure of information, responsible officials and employees, indicating their functions and responsibilities, as well as other provisions governing the disclosure processes. In order to protect information constituting a commercial and other legally protected secret, the Company, in accordance with the legislation of the Republic of Kazakhstan, determines the procedure for classifying information into categories of access, conditions for storing and using information. The Company determines the circle of persons who have the right of free access to information constituting a commercial and other legally protected secret, and takes measures to protect its confidentiality.	+	The Company regulates the procedure for disclosure of confidential information, information about corporate events, as well as those responsible for their formation and provision. In particular, the Chairman of Management Board issued Order No. 51-o dated 11.09.2020 on approval of the list of external reports, notifications and information on corporate events of <b>KazakhExport</b> EIC JSC, the procedure and timing of their submission. Board of Directors approved Information Disclosure Policy, List of Confidential Information (Information) of <b>KazakhExport</b> EIC JSC, Information Security Policy and Rules, Rules for Ensuring the Security, Storage, Protection of Confidential Information and Information Data of <b>KazakhExport</b> EIC JSC, which were prepared taking into account requirements of regulatory legal acts and establish the necessary scope of measures, compliance with which makes it possible to ensure the safety and protection of confidential information in the Company.
7.3.	The Internet resource is structured, user-friendly navigation and contains information sufficient for stakeholders to understand the activities of the Company. It is recommended that the information be placed in separate thematic sections of Internet resource. Updating of Internet resource is carried out as necessary, but at least once a week. The Company regularly monitors completeness and relevance of information posted on Internet resource, and also determines the compliance of this information posted on Kazakh, Russian, English versions of the Internet resource. For these purposes, responsible persons (structural unit) responsible for the completeness and relevance of information on the Internet resource are assigned.	+	The Company regularly carries out work on updating information on the internet resource of the Company, in accordance with the requirements of regulatory legal act and internal regulations of the Company.
7.4.	Internet resource of the Company contains the following information: 1) general information about the Company, including information about the mission, main objectives, goals and activities, the amount of equity, the amount of assets, net income and the number of personnel; 2) about business plan and/or development plan (at least strategic goals); priority areas of activity; 3) the Charter and Internal regulations of the Company	+	The relevant information is available on Corporate Internet resource of the Company. The following information is available on Corporate Internet resource of the Company:  1) <a href="https://KazakhExport.kz/ru/page/obshchaya-informaciya">https://KazakhExport.kz/ru/page/obshchaya-informaciya</a> ; 2) <a href="https://KazakhExport.kz/ru/page/uchreditelnye-dokumenty">https://KazakhExport.kz/ru/page/uchreditelnye-dokumenty</a> ;

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	regulating activities of the bodies, committees, Corporate Secretary; 4) about ethical principles; 5) about risk management; 6) about dividend policy; 7) about the members of Board of Directors, including the following information: photo (in agreement with a member of Board of Directors), last name, first name, patronymic, date of birth, citizenship, status of a member of Board of Directors (independent director, representative of Sole Shareholder), indication of the functions of a member of Board of Directors, including membership in the committees of Board of Directors or performance of the functions of the Chairman of Board of Directors, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree), work experience over the past five years, main place of work and other positions currently held, professional qualifications, date of first election to Board of Directors and date of election to the current Board of Directors, the number and share fraction owned by affiliated organizations; 8) about the members of Management Board, including the following information: photo, last name, first name, patronymic, date of birth, citizenship, position and performed functions, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree), work experience over the past five years, professional qualifications, positions held concurrently, the number and share fraction owned by affiliated organizations; 9) about financial statements; 10) annual reports; 11) about the external auditor; 12) on procurement activities, including rules, announcements and procurement results; 13) on the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participation shares), a description of the rights granted by shares, the number and nominal value of declared but outstanding shares, information about Sole Shareholder, the number and share fraction (participation interest) owned by them, the procedure for disposing of ownership rights; 14) on the structure of assets, including information on affiliated organizations at all levels with a brief indication of the scope of their activities; 15) about the annual calendar of corporate events; 16) on interested party transactions, including information about the parties to the transaction, the essential terms of the transaction (the subject of the transaction, the transaction price), the body that made the decision to approve the transaction; 17) on major transactions, including information about the parties to the transaction, the essential		<a href="https://KazakhExport.kz/file/save/2288">https://KazakhExport.kz/file/save/2288</a> ; 3) <a href="https://KazakhExport.kz/ru/page/uchreditelnye-dokumenty">https://KazakhExport.kz/ru/page/uchreditelnye-dokumenty</a> ; <a href="https://KazakhExport.kz/file/save/1351">https://KazakhExport.kz/file/save/1351</a> ; <a href="https://KazakhExport.kz/file/save/1358">https://KazakhExport.kz/file/save/1358</a> ; <a href="https://KazakhExport.kz/file/save/1364">https://KazakhExport.kz/file/save/1364</a> ; 4) <a href="https://KazakhExport.kz/file/save/1596">https://KazakhExport.kz/file/save/1596</a> ; 5) <a href="https://KazakhExport.kz/file/save/2208">https://KazakhExport.kz/file/save/2208</a> ; 6) <a href="https://KazakhExport.kz/file/save/1751">https://KazakhExport.kz/file/save/1751</a> ; 7) <a href="https://KazakhExport.kz/ru/news/sovet-direktorov/">https://KazakhExport.kz/ru/news/sovet-direktorov/</a> rubrics; 8) <a href="https://KazakhExport.kz/ru/news/rukovodstvo/">https://KazakhExport.kz/ru/news/rukovodstvo/</a> rubrics; 9) <a href="https://KazakhExport.kz/ru/page/finansovaya-otchetnost">https://KazakhExport.kz/ru/page/finansovaya-otchetnost</a> ; 10) <a href="https://KazakhExport.kz/ru/news/godovye-otchety">https://KazakhExport.kz/ru/news/godovye-otchety</a> ; 11) Information about the external auditor is not posted on the corporate Internet resource of the Company; 12) <a href="https://KazakhExport.kz/ru/page/informaciya-dlya-postavshchikov">https://KazakhExport.kz/ru/page/informaciya-dlya-postavshchikov</a> ; <a href="https://KazakhExport.kz/ru/news/plan-zakupok">https://KazakhExport.kz/ru/news/plan-zakupok</a> ; 13) <a href="https://KazakhExport.kz/ru/page/informaciya-ob-akciyah-i-dividendah">https://KazakhExport.kz/ru/page/informaciya-ob-akciyah-i-dividendah</a> ; 14) Information on the structure of assets, including information on affiliated organizations of all levels with a brief indication of the scope of their activities, is not posted on the corporate Internet resource of the Company; 15) <a href="https://KazakhExport.kz/ru/page/kalendar-korporativnyh-sobytiy">https://KazakhExport.kz/ru/page/kalendar-korporativnyh-sobytiy</a> ; 16) Information about stakeholder transactions, including information about the parties to the transaction, essential terms of the transaction (subject of the transaction, transaction price), body that made the decision to approve the transaction is not posted on the corporate Internet resource of the Company; 17) Information about major transactions, including information about the parties to the transaction, essential terms of the transaction (subject of the transaction, transaction price), the body that made the decision to approve the transaction is not posted on the corporate Internet resource of the Company; 18) <a href="https://KazakhExport.kz/ru/page/politika-ustoychivogo-razvitiya">https://KazakhExport.kz/ru/page/politika-ustoychivogo-razvitiya</a> ; 19) <a href="https://KazakhExport.kz/ru/page/informaciya-ob-akciyah-i-dividendah">https://KazakhExport.kz/ru/page/informaciya-ob-akciyah-i-dividendah</a> ; 20) <a href="https://KazakhExport.kz/ru/news/novosti-kompanii">https://KazakhExport.kz/ru/news/novosti-kompanii</a> ; <a href="https://KazakhExport.kz/ru/news/press-relizy">https://KazakhExport.kz/ru/news/press-relizy</a> .

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	terms of the transaction (subject of the transaction, transaction price), body that made the decision to approve the transaction; 18) on activities in the field of sustainable development; 19) on the amount of approved dividends; 20) about news and press releases.		
7.5.	The Company prepares an annual report in accordance with the provisions of this Code and best practice of information disclosure. The Annual Report is approved by Sole Shareholder. The annual report is a structured document and is published in Kazakh, Russian and English (if necessary). The annual report is prepared and, after approval by Sole Shareholder, posted on the Internet resource.	+	The Company prepares an Annual Report on an annual basis, which is further approved by Sole Shareholder. In 2021, by the decision of Board of Baiterek NMH JSC No. 48/21 dated September 8, 2021, Annual Report of <b>KazakhExport</b> EIC JSC for 2020 was approved.
7.6.	The requirements for the content of the annual report minimally assume the following information: 1) address of the Chairman of Board of Directors of the Company; 2) address of the Chairman of Management Board; 3) about the Company: general information; about the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participation interests), a description of the rights granted by shares, the number and nominal value of declared but outstanding shares, information about Sole Shareholder, the number of ordinary shares owned by him, the procedure for disposing of property rights; mission; development strategy, results of its implementation; market overview and market position; 4) results of financial and operational activities for the reporting year: review and analysis of activities regarding the tasks set; operational and financial performance indicators; key significant events and achievements; information on significant transactions; any financial support, including guarantees received/ received from the state and any obligations to the state and the company assumed by the Company (if not disclosed in accordance with IFRS); 5) asset structure, overview, main results of their financial and production activities; 6) goals and plans for future periods; 7) main risk factors and risk management system; 8) corporate governance: corporate governance structure; composition of shareholders and ownership structure; composition of Board of Directors, including qualifications, selection process, including independent directors with criteria for determining their independence; report on the activities of Board of Directors and its committees, which reflects the results of the activities of Board of Directors and its committees for the reporting period, significant events, issues considered, number of meetings, form of meetings, attendance; information on the compliance of corporate	+	The annual report includes this information.

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	governance practices with principles of this Code, and if it does not comply with explanations on the reasons for non-compliance with each of the principles; composition of Management Board of the Company; report on the activities of Management Board; remuneration policy of officials; 9) sustainable development; 10) auditor's report and financial statements with notes; 11) analytical indicators and data included in the annual report should reflect a comparative analysis and the progress achieved (regression) in relation to the previous period (comparison with the values of similar indicators indicated in the last annual report). In order to compare indicators with international companies operating in a similar industry, it is recommended to publish performance indicators that will allow for an industry benchmarking analysis.		
8. Interaction with business partners			
8.1.	The Company interacts with business partners (clients, investors, rating agencies, consulting companies, etc.) on the basis of mutual benefit, respect, trust, honesty and fairness. The Company does business only with reliable business partners who are engaged in legitimate activities. The Company selects suppliers of services/goods mainly on a competitive basis in accordance with the legislation and internal documents of the Company. The Company faithfully fulfills its contractual obligations to business partners and demands the same from them. The Company always resolves disputes arising while its activities by legal means, negotiating and striving to find mutually acceptable compromises.	+	Interaction with international organizations: Since 2004, <b>KazakhExport</b> has been a full member of the Prague Club of the Berne Union (Switzerland, Bern), an association of the largest international export credit agencies, whose members today are 82 companies from around the world, two of them have observer status.  In November 2014, <b>KazakhExport</b> officially became a full member of the Aman Union - the Association of the largest export credit agencies of the Islamic States and the Arab World (the State of Kuwait, Kuwait City).  On March 17, 2020, <b>KazakhExport</b> joined the International Credit Insurance and Surety Association ICISA (Netherlands, Amsterdam). The Association unites the world's leading companies providing insurance of trade loans, guarantees and sureties.  Interaction with allied associations: Since July 1, 2004, <b>KazakhExport</b> has been a full member of the Association of Legal Entities "Association of Financiers of Kazakhstan"  Since September 18, 2018, <b>KazakhExport</b> has also been a member of the Council of Representatives of the Insurance Ombudsman.  Cooperation with the largest foreign export credit agencies: EXIAR JSC (Russian Federation), Beleximgarant BRUPEIS (Republic of Belarus), Export Insurance Agency of Armenia JSC (Republic of Armenia), The Islamic Corporation for the Insurance of Investment and Export Credit ICIEC (Saudi Arabia), Export Guarantee fund of Iran (Iran), SACE (Italy), China Export & Credit Insurance Corporation SINOSURE (PRC), KUKE Export Credit Insurance Corporation (Poland), Korea trade insurance corporation (Korea), Nippon export and investment organization (Japan),

Nº	Principles and Provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Code)	Observed/ not ob- served	Activities carried out to implement principles and provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Company)	Nº	Principles and Provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Code)	Observed/ not ob- served	Activities carried out to implement principles and provisions of Corporate Governance Code of KazakhExport Export Insurance Company Joint Stock Company (hereinafter referred to as Company)
			<p>EGAP (Czech Republic), Uzbekinvest National Export-Import Insurance Company (Republic of Uzbekistan), CESCE (Spain), Russian Agency for Export Credit and Investment Insurance JSC (Russian Federation), AZPROMO Export and Investment Promotion Foundation (Republic of Azerbaijan), Wuhan Asia Europe Logistics Co. Ltd (China), Hunan Zhonghong Investment Management Co. Ltd (China).</p> <p>Interaction with international organizations: Since 2004, <b>KazakhExport</b> has been a full member of the Prague Club of the Berne Union (Switzerland, Bern), an association of the largest international export credit agencies, whose members today are 82 companies from around the world, two of them have observer status.</p> <p>In November 2014, <b>KazakhExport</b> officially became a full member of the Aman Union - the Association of the largest export credit agencies of the Islamic States and the Arab World (the State of Kuwait, Kuwait City).</p> <p>On March 17, 2020, <b>KazakhExport</b> joined the International Credit Insurance and Surety Association ICISA (Netherlands, Amsterdam). The Association unites the world's leading companies providing insurance of trade loans, guarantees and sureties.</p> <p>Interaction with allied associations: Since July 1, 2004, <b>KazakhExport</b> has been a full member of the Association of Legal Entities "Association of Financiers of Kazakhstan"</p> <p>Since September 18, 2018, <b>KazakhExport</b> has also been a member of the Council of Representatives of the Insurance Ombudsman.</p> <p>Cooperation with the largest foreign export credit agencies and insurance organizations: EXIAR JSC (Russian Federation), Beleximgarant BRUPEIS (Republic of Belarus), Export Insurance Agency of Armenia JSC (Republic of Armenia),The Islamic Corporation for the Insurance of Investment and Export Credit ICIEC (Saudi Arabia), Export Guarantee fund of Iran (Iran), SACE (Italy), China Export &amp; Credit Insurance Corporation SINOSURE (PRC), KUKE Export Credit Insurance Corporation (Poland), Korea trade insurance corporation (Korea), Nippon export and investment organization (Japan), EGAP (Czech Republic), Uzbekinvest National Export-Import Insurance Company (Republic of Uzbekistan), CESCE (Spain), Russian Agency for Export Credit and Investment Insurance JSC (Russian Federation), AZPROMO Export and Investment Promotion Foundation (Republic of Azerbaijan), Wuhan Asia Europe Logistics Co. Ltd (China), Hunan Zhonghong Investment Management Co. Ltd (China), Swiss Reinsurance Company (Switzerland), MS Amlin Syndicate 2001 (UK).</p> <p>Interaction with international organizations:</p>				<p>Since 2004, <b>KazakhExport</b> has been a full member of the Prague Club of the Berne Union (Switzerland, Bern), an association of the largest international export credit agencies, whose members today are 82 companies from around the world, two of them have observer status.</p> <p>In November 2014, <b>KazakhExport</b> officially became a full member of the Aman Union - the Association of the largest export credit agencies of the Islamic States and the Arab World (the State of Kuwait, Kuwait City).</p> <p>On March 17, 2020, <b>KazakhExport</b> joined the International Credit Insurance and Surety Association ICISA (Netherlands, Amsterdam). The Association unites the world's leading companies providing insurance of trade loans, guarantees and sureties.</p> <p>Interaction with allied associations: Since July 1, 2004, <b>KazakhExport</b> has been a full member of the Association of Legal Entities "Association of Financiers of Kazakhstan"</p> <p>Since September 18, 2018, <b>KazakhExport</b> has also been a member of the Council of Representatives of the Insurance Ombudsman.</p> <p>Cooperation with the largest foreign export credit agencies and insurance organizations: EXIAR JSC (Russian Federation), Beleximgarant BRUPEIS (Republic of Belarus), Export Insurance Agency of Armenia JSC (Republic of Armenia),The Islamic Corporation for the Insurance of Investment and Export Credit ICIEC (Saudi Arabia), Export Guarantee fund of Iran (Iran), SACE (Italy), China Export &amp; Credit Insurance Corporation SINOSURE (PRC), KUKE Export Credit Insurance Corporation (Poland), Korea trade insurance corporation (Korea), Nippon export and investment organization (Japan), EGAP (Czech Republic), Uzbekinvest National Export-Import Insurance Company (Republic of Uzbekistan), CESCE (Spain), Russian Agency for Export Credit and Investment Insurance JSC (Russian Federation), AZPROMO Export and Investment Promotion Foundation (Republic of Azerbaijan), Wuhan Asia Europe Logistics Co. Ltd (China), Hunan Zhonghong Investment Management Co. Ltd (China), Swiss Reinsurance Company (Switzerland), MS Amlin Syndicate 2001 (UK).</p> <p>Cooperation with partner banks of the Republic of Kazakhstan: Baiterek Venture Fund JSC, Industrial Development Fund JSC, Eurasian Development Bank (EDB), Nurbank JSC, Bank CenterCredit JSC, Bank Bank RBK JSC, Halyk Bank of Kazakhstan JSC, Sberbank JSC, Eurasian Bank JSC, Alfa-Bank SB JSC, Development Bank of Kazakhstan JSC, Agrarian Credit Corporation JSC, VTB Bank JSC (Kazakhstan), First Heartland Jusan Bank JSC (Jusan Bank), ForteBank JSC.</p>



## APPENDIX 3.

## Financial statements.

Full financial report of the Company, including report of the auditor, can be found on the corporate website: <https://kazakhexport.kz/file/save/231>

**JSC «KazakhExport» Export Insurance Company**  
*Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021*

		2021 KZT'000	2020 KZT'000
	Note		
Gross insurance premiums written	5	6,839,244	3,756,554
Written insurance premiums ceded to reinsurers	5	(1,195,429)	(9,598)
<b>Net insurance premiums written</b>		<b>5,643,815</b>	<b>3,746,956</b>
Change in the gross provision for unearned premiums	5	(3,343,158)	(1,933,932)
Reinsurers' share of change in the gross provision for unearned premiums	5	1,123,671	(36,163)
<b>Net earned insurance premiums</b>		<b>3,424,328</b>	<b>1,776,861</b>
Claims paid	6	(2,476,145)	(1,274,235)
Reimbursement from recourse claims	6	1,371,934	-
Change in gross insurance contract provisions	6	(7,202,168)	(2,621,990)
Change in reinsurers' share in insurance contract provisions	6	(56,934)	(31,605)
<b>Net claims paid</b>		<b>(8,363,313)</b>	<b>(3,927,830)</b>
Interest income calculated using the effective interest rate method	7	8,881,629	7,179,995
Other interest income	7	60,169	48,383
Interest expense	7	(20,769)	(20,287)
Net gain from change in fair value of investment securities measured at fair value through profit or loss		55,081	73,875
Realised gain from change in fair value of investment securities measured at fair value through other comprehensive income		-	99,573
Net foreign exchange gain		718,849	1,150,720
Net fee and commission income/(expense)		13,643	(7,424)
General administrative expenses	8	(2,150,084)	(1,757,809)
Reversal of impairment loss/(impairment loss) on debt financial assets		16,619	(82,427)
Other operating expense, net		(304,138)	(16,515)
<b>Profit before income tax</b>		<b>2,332,014</b>	<b>4,517,115</b>
Income tax expense	9	(320,023)	(653,211)
<b>Profit for the year</b>		<b>2,011,991</b>	<b>3,863,904</b>
<b>Other comprehensive income, net of income tax</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Movement in fair value reserve:			
- Net change in fair value		464,519	(161,772)
- Net change in fair value transferred to profit or loss		1,704	(99,573)
<b>Other comprehensive income for the year, net of income tax</b>		<b>466,223</b>	<b>(261,345)</b>
<b>Total comprehensive income for the year</b>		<b>2,478,214</b>	<b>3,602,559</b>

The financial statements as set out on pages 6 to 61 were approved by the Management Board on 4 March 2022 and were signed on its behalf by:

A.Ye. Kaligazin  
Acting Chairman of the Management Board



Zh.K. Sartkozshiniva  
Chief Accountant



**JSC “KazakhExport” Export Insurance Company**  
*Statement of Financial Position as at 31 December 2021*

	Note	2021 KZT'000	2020 KZT'000
<b>ASSETS</b>			
Cash and cash equivalents	10	14,657,355	9,779,322
Placements with banks	11	59,859,106	63,917,841
Investment securities:			
- measured at fair value through other comprehensive income	12	35,166,389	19,928,909
- measured at amortised cost	12	22,803,125	25,576,523
- measured at fair value through profit or loss	12	775,185	727,495
Insurance and reinsurance receivables	13	3,372,039	1,818,877
Reinsurers' share in insurance contract provisions	14	1,317,764	251,027
Property and equipment		116,968	122,212
Current tax asset		837,619	462,562
Deferred tax assets	9	40,090	40,311
Other assets		452,243	247,818
<b>Total assets</b>		<b>139,397,883</b>	<b>122,872,897</b>
<b>LIABILITIES</b>			
Insurance contract provisions	14	23,545,486	13,000,159
Insurance and reinsurance payables		1,201,876	27,529
Loan from Samruk-Kazyna JSC		-	71,876
Other liabilities		436,579	332,872
<b>Total liabilities</b>		<b>25,183,941</b>	<b>13,432,436</b>
<b>EQUITY</b>			
Share capital	15(a)	105,100,000	100,100,000
Additional paid-in capital on loan received from Samruk-Kazyna JSC at the below market rate		732,819	732,819
Stabilisation reserve		240,259	90,508
Provision for unexpected risks	15(d)	14,941,834	7,544,808
Reserve for changes in fair value of securities		(1,058,889)	(1,525,112)
Retained earnings		(5,742,081)	2,497,438
<b>Total equity</b>		<b>114,213,942</b>	<b>109,440,461</b>
<b>Total liabilities and equity</b>		<b>139,397,883</b>	<b>122,872,897</b>

The Statement of Financial Position is to be read in conjunction with the Notes to, and forming part of, the Financial Statements.

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**JSC “KazakhExport” Export Insurance Company**  
*Statement of Cash Flows for the year ended 31 December 2021*

	2021 KZT'000	2020 KZT'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	<b>2,332,014</b>	<b>4,517,115</b>
<i>Adjustments for:</i>		
Change in insurance contract provisions, less reinsurers' share	9,478,590	4,623,690
Amortisation of discount and premiums	(1,207,976)	(928,632)
Depreciation and amortisation	50,337	29,225
Interest expense on loan received from Samruk-Kazyna JSC	20,599	20,287
Reversal of impairment loss/(impairment loss) on debt financial assets	(16,619)	82,427
Net gain from change in fair value of investment securities measured at fair value through profit or loss	(55,081)	(73,875)
Realised gain from change in fair value of investment securities measured at fair value through other comprehensive income	-	(99,573)
Interest income calculated using the effective interest rate method	(7,673,440)	(6,251,363)
Other interest income	(60,169)	(48,384)
Unrealised foreign exchange difference	(718,849)	(1,150,720)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>2,149,406</b>	<b>720,197</b>
<b>(Increase)/decrease in operating assets</b>		
Placements with banks	4,521,987	(17,412,627)
Insurance and reinsurance receivables	(1,551,314)	(398,860)
Other assets	(230,223)	(19,956)
<b>Increase/(decrease) in operating liabilities</b>		
Insurance and reinsurance payables	1,174,347	(38,179)
Other liabilities	107,870	(19,270)
<b>Net cash flows from/(used in) operating activities before interest received and income tax paid</b>	<b>6,172,073</b>	<b>(17,168,695)</b>
Income tax paid	(694,859)	(790,360)
Interest income received	6,979,029	5,941,150
Interest expense paid	-	(354)
<b>Cash flows from/(used in) operating activities</b>	<b>12,456,243</b>	<b>(12,018,259)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and repayment of investment securities	33,634,516	8,311,098
Acquisition of debt securities	(43,434,916)	(31,045,991)
Acquisition of property and equipment and intangible assets	(18,317)	(54,464)
<b>Cash flows used in investing activities</b>	<b>(9,818,717)</b>	<b>(22,789,357)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	5,000,000	29,000,000
Repayment of loan from Samruk-Kazyna JSC	(92,460)	(92,460)
Dividends paid	(2,704,733)	(2,355,583)
<b>Cash flows from financing activities</b>	<b>2,202,807</b>	<b>26,551,957</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,840,333</b>	<b>(8,255,659)</b>
Effect of changes in exchange rates on cash and cash equivalents	37,700	379,282
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9,779,322</b>	<b>17,655,699</b>
<b>Cash and cash equivalents at the end of the year (Note 10)</b>	<b>14,657,355</b>	<b>9,779,322</b>

The Statement of Cash Flows is to be read in conjunction with the Notes to, and forming part of, the Financial Statements.

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JSC "KazakhExport" Export Insurance Company  
Statement of Changes in Equity for the year ended 31 December 2021

	Share capital	Additional paid-in capital on loan received from Samruk-Kazyna JSC at the below market rate	Stabilisation reserve	Provision for unexpected risks	Revaluation reserve for changes in fair value of securities	Retained earnings	Total equity
<b>KZT'000</b>							
Balance at 1 January 2021	100,100,000	732,819	90,508	7,544,808	(1,525,112)	2,497,438	109,440,461
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	2,011,991	2,011,991
<b>Other comprehensive income</b>							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Net change in fair value of investment securities	-	-	-	-	466,223	-	466,223
Total other comprehensive income	-	-	-	-	466,223	-	466,223
<b>Total comprehensive income for the year</b>	-	-	-	-	466,223	2,011,991	2,478,214
<b>Transactions with owners recorded directly in equity</b>							
Issue of shares	5,000,000	-	-	-	-	-	5,000,000
Dividends paid (Note 15(c))	-	-	-	-	-	(2,704,733)	(2,704,733)
Transfer to provision for unexpected risks (Note 15(d))	-	-	-	7,397,026	-	(7,397,026)	-
Transfer to stabilisation reserve	-	-	149,751	-	-	(149,751)	-
<b>Total transactions with owners</b>	5,000,000	-	149,751	7,397,026	-	(10,251,510)	2,295,267
<b>Balance at 31 December 2021</b>	105,100,000	732,819	240,259	14,941,834	(1,058,889)	(5,742,081)	114,213,942

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The Statement of Changes in Equity is to be read in conjunction with the Notes to, and forming part of, the Financial Statements.

JSC "KazakhExport" Export Insurance Company  
Statement of Changes in Equity for the year ended 31 December 2021

	Share capital	Additional paid-in capital on loan received from Samruk-Kazyna JSC at the below market rate	Stabilisation reserve	Provision for unexpected risks	Revaluation reserve for changes in fair value of securities	Retained earnings	Total equity
<b>KZT'000</b>							
Balance at 1 January 2020	71,100,000	732,819	65,919	2,555,200	(1,263,767)	6,003,314	79,193,485
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	3,863,904	3,863,904
<b>Other comprehensive income</b>							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Net change in fair value of investment securities	-	-	-	-	(261,345)	-	(261,345)
Total other comprehensive income	-	-	-	-	(261,345)	-	(261,345)
<b>Total comprehensive income for the year</b>	-	-	-	-	(261,345)	3,863,904	3,602,559
<b>Transactions with owners recorded directly in equity</b>							
Issue of shares	29,000,000	-	-	-	-	-	29,000,000
Dividends paid (Note 15(c))	-	-	-	-	-	(2,355,583)	(2,355,583)
Transfer to provision for unexpected risks (Note 15(d))	-	-	-	4,989,608	-	(4,989,608)	-
Transfer to stabilisation reserve	-	-	24,589	-	-	(24,589)	-
<b>Total transactions with owners</b>	29,000,000	-	24,589	4,989,608	-	(7,369,780)	26,644,417
<b>Balance at 31 December 2020</b>	100,100,000	732,819	90,508	7,544,808	(1,525,112)	2,497,438	109,440,461

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The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.



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