Appendix to the decision of the
Board of Directors of JSC Almaty Electric
Stations dated 19.03.2024
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Risk Management Policy of Almaty Electric Stations JSC

The owner of the document	Corporate Development and Risks Department
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Almaty

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1. Purpose and scope of application

This Risk Management Policy of JSC AlES (hereinafter referred to as the Policy) is developed in accordance with the Risk Management Policy of Samruk-Energy JSC and internal regulatory documents of JSC AlES (hereinafter referred to as the Company).

The Company realises the importance of risk management as a key component of the corporate governance system aimed at timely identification and taking measures to reduce the level of risks that may adversely affect the Company's value and reputation.

Risk management in the Company is carried out by implementing the Company's Corporate Risk Management System (hereinafter referred to as CRMS). CRMS is a set of interrelated elements combined into a single process whereby the Board of Directors, management and employees, each at their own level, are involved in identifying potential events that may affect the Company's operations and in managing these events within a risk level acceptable to shareholders.

This Policy defines:

- the organisational structure of the Company's CRMS;
- general approaches to the classification of the Company's risks
- consistent stages of the risk management process and exchange of information on risks within the Company;
- mechanisms for monitoring the CRMS and certain aspects of the Company's activities in terms of risk management;
- elements linking the Company's CRMS with planning, budgeting and motivation processes;
- recommendations on the implementation of the risk management system by the Company, as well as criteria for the effectiveness of the Company's CRMS.
- The Policy also includes the following Annexes, which are an integral part of this Policy:
- structure and requirements for the minimum content of the risk report (Appendix 1);
- deadlines for submission of risk reports (Appendix 2).

The Policy is not intended to cover all possible scenarios that may arise in the process of practical application of CRMS, assuming that the risk management process, as part of the daily management process, should provide freedom to apply different management styles and creativity.

Implementation and improvement of the CRMS is a prerequisite for achieving the Company's strategic and operational goals and is one of the most important tasks in the near future.

This Policy applies to all types of the Company's activities. The Policy is mandatory for familiarisation and application by all structural subdivisions of the Company and all employees of the Company. When performing their functional duties and realising their tasks, the Company's employees shall be guided by the provisions set out in the Policy.

2. Responsibility

2.1 Responsibility for provision of timely, reliable, complete and adequate information used for formation of risk report, risk register, action plan for minimisation of key risks of the Company is borne by risk owners.

2.2 Responsibility for the management of this Policy is borne by the Managing Director supervising the direction on risks.

3. Terms and abbreviations

Term | abbreviation	Definition
External persons	persons who are not employees of the Company
Risk owner/Risk holder	a person (employee/structural unit/collegial body) responsible for all aspects of managing a certain risk, in particular, reducing the probability of

	risk realisation and/or reducing the possible impact of the consequences of risk realisation on the Company;
External risk factors	risk factors arising outside the Company's operating activities and independent of the Company's activities;
Internal risk factors	risk factors related to internal processes, organisational structure, human resources, assets of the Company and arising within the framework of the Company's operating activities;
Corporate Development and Risk Management Department	structural subdivision of the Company responsible for risk management;
Key Risk Indicator (KRI)	are early indicators that provide early signals of changes in risk factors in various areas of the business. BCCs enable the detection of potential risks and early action to avoid the occurrence of risk events or minimise their impact on the organisation's activities;
Key risks	Risks that fall into the red and orange zone of the risk map;
Cross-functional interaction within the framework of risk management	the process of cross-functional (cross-process) risk management (risks affecting the objectives of several functions (business processes)), which is based on collegial decisions made jointly on the basis of information available to different functions (business processes);
Risk	represents a potential future event (or set of circumstances) that, if realised, could have a material adverse effect on the Company's achievement of its long- and short-term goals;
Risk-appetite	is the degree of risk that the Company considers acceptable to itself in the process of achieving its goals. Within its risk appetite, the Company determines acceptable limits of its risk appetite (e.g. investment limits for one project, borrowing limits, etc.);
Risk-tolerance	is an acceptable level of deviation with respect to the achievement of a specific objective. Risk tolerance allows for effective monitoring and avoidance of risk appetite exceedance;
Event	An incident or event that has an internal or external source to the organisation that affects the achievement of its objectives;
Risk factor (risk factor)	is the conditions, state, circumstances in which the causes of risk manifest themselves, leading to the realisation of risk
Society	Almaty Power Plants Joint Stock Company;
SDC	structural subdivision of the Company
CRMS	corporate risk management system

4. Risk Management Policy of JSC AlES

4.1 General provisions

The main objective of the CRMS is to improve the effectiveness of threat and opportunity management, which should contribute to the process of increasing capitalisation. The CRMS also has the following objectives:

1) development and application of uniform and consistent approaches to risk identification, assessment and management in the Company, simplification of risk information exchange procedures vertically (management) and horizontally (experience sharing);

2) formation of an opportunity for the Company to set and monitor the quality of risk management on the basis of clear and understandable criteria;

3) formation of an information base for building a system of assets accounting, their market value and equity capital assessment;

4) prompt response to emerging risk events, tracking changes in the external and internal environment;

5) organising targeted risk management activities to reduce risks to an acceptable level or transfer them to third parties (insurance, hedging);

6) systematisation and further accumulation of information on the Company's risks, improvement of business manageability;

7) ultimately, increase of the Company's capitalisation by improving the efficiency and optimisation of risk management.

The main objectives of the Company's CRMS are:

1) to prevent the occurrence of events that threaten the achievement of strategic and operational goals;

2) to reduce the impact of such events, if they occur, to an acceptable level;

3) effectively respond to and manage unexpected situations;

4) maintain a systematic risk management process as part of the overall process of ensuring an effective internal control environment;

5) provide reasonable assurance to stakeholders that the Company is effectively managing risks.

The CRMS serves as a tool to support the management decision-making process and the Company's day-to-day operational activities. Therefore, the CRMS is intended to contribute to additional practical effect in the following areas of the Company's operations:

1) *Strategic Planning Process.* The CRMS is a simple and practical tool to fulfil the requirements of the Company's strategic planning regulations as they relate to risk identification, assessment and management.

2) *Budgeting Process.* Information on risks and risk management plans can serve as a firm justification for the Company's and individual subdivisions' requests for allocation of resources, including financial resources.

3) *The system of motivation and performance evaluation*. Evaluation of risk management efficiency should serve as one of the criteria for assessing the performance of the Company, its divisions and individual employees.

4) *Cross-functional and intra-group interaction.* Cross-functional and intra-group risk management plans shall serve as an effective and transparent tool for distribution of responsibilities and coordination of activities of various divisions of the Company in the course of implementation of such risk management process.

5) *Monitoring of risks at an appropriate level*. Risk assessment serves as a justification for the expediency of considering and monitoring a particular material risk at a higher level of the Company's management.

The CRMS cannot guarantee the success of the Company, but effective risk management, implemented in an integrated and consistent manner throughout the Company, can provide significant benefits:

1) greater certainty in the achievement of strategic and operational objectives set in a risk-adjusted and risk-appetite-driven manner by identifying and managing multiple risks in an integrated manner;

2) reduction of adverse unforeseen events, reduced volatility and increased profitability by ensuring that the Company takes acceptable risks adequate to the scale of its business;

3) Effective compliance with legal, regulatory and governance requirements;

4) Ability to monitor and respond to changes and trends in the external environment;

5) Improved quality of decision-making and transparency;

6) improved control over losses and expenses and maintaining a cost-optimised control environment;

7) improving performance indicators;

8) timely identification of new opportunities and markets and turning them into capital.

CRMS Policies and Procedures are implemented in stages, so the dates for implementation and full

compliance will depend on the specific phase of development of the overall CRMS.

The Risk Management and Internal Control Department of Samruk-Energy JSC (hereinafter referred to as 'RM&IC') or, if necessary, the Internal Audit Service (hereinafter referred to as 'IAS') of Samruk-Energy JSC conducts periodic audit - analyses of gaps and deficiencies in the risk management system (including involving an external independent consultant). Annual plans for improvement of the Company's CRMS are prepared based on the recommendations of the RM&ICD / IAS.

The mission of this Policy is to maintain a risk management system that enables the Company's Management Board to effectively manage and prioritise resources in order to ensure the level of risks acceptable to the Company and to obtain the greatest return on such investments through risk identification, assessment, management and monitoring.

The objectives of this Policy are:

1) to build an effective comprehensive system and establish an integrated risk management process as an element of the Company's management, and to continuously improve its activities based on the best practices and a uniform standardised approach to risk management methods and procedures, in order to ensure the stability of its activities and protect the Company's value from risks;

2) ensuring that the Company accepts acceptable risks adequate to the scale of its activities;

3) determining the risk appetite and ensuring effective management of accepted risks.

The objectives of this Policy are:

1) to provide a complete basis for the decision-making and planning process;

2) Ensuring a continuous coordinated risk management process based on timely identification, assessment, evaluation, analysis, monitoring, control to ensure achievement of the set objectives;

3) Implementing and improving the management system to prevent and minimise potentially adverse events;

4) Improving the efficiency of resource utilisation and allocation;

5) preventing losses and damages by improving the efficiency of the Company's operations, ensuring the protection of assets and share capital;

6) ensuring the efficiency of business processes, reliability of internal and external reporting and facilitating compliance with legal regulations.

A detailed description of the methods and procedures of the risk management process, including the procedure for submission and forms of risk management reporting, tasks, functions and responsibilities of the participants of the process of managing the main types of risks, risk management measures and other components of the risk management process are presented in the Company's internal documents (including this Policy) approved by the Board of Directors or the Management Board of the Company in accordance with the competence of each body.

The Company shall take measures to build a risk management system based on international standards and best international risk management practices.

Regulatory documents in the area of CRMS shall be reviewed (if necessary, including this Policy) at least once a year to ensure their compliance with the objectives, scale and complexity of the Company's activities and the Company's risk management systems, to take into account the best risk management practices and accumulated experience, as well as to take into account new regulatory requirements, experience and risk management standards.

Risk management should take place in the context of certain goals, objectives set for the Company, which arise from approved strategies, development plans and other internal documents. At least once a year, the Company should determine its risk appetite, i.e. its ability to assume risks in order to achieve its goals.

There should be a constant exchange of information in the Company to increase risk awareness, develop a risk culture and effectively manage risks. All employees receive timely assignments from management regarding risk management, clearly understand their role, the work they are expected to do and how they are expected to interact with their colleagues. There should be continuous awareness of the risks and their management by the Company's Management Board and Board of Directors. There should

also be effective communication with third parties such as customers, partners, regulators, supervisors and shareholders.

CRMS monitoring is an important part of the entire risk management process and assesses both the existence of such a system and the implementation of its components. Monitoring is performed through continuous tracking of the implementation of the Risk Management Policy, procedures and activities of the risk management system and targeted audits. The scope and frequency of targeted audits depend on the risk assessment and the effectiveness of ongoing monitoring. The Board of Directors and the Management Board should be informed of deficiencies in the risk management system.

Each employee of the Company is responsible for risk management to a greater or lesser extent.

The rules and methods of risk management are determined by the Board of Directors and the Management Board of the Company. Rules and methods of assessment of main types of financial risks are determined by Samruk-Energy JSC.

Implementation of the corporate risk management system in the Company implies establishment and development of the necessary infrastructure and culture, as well as covers application of logical and systematic methods of identification, analysis and assessment, monitoring, control and management of risks inherent in all activities, functions or processes of the Company in order to prevent losses and maximise benefits.

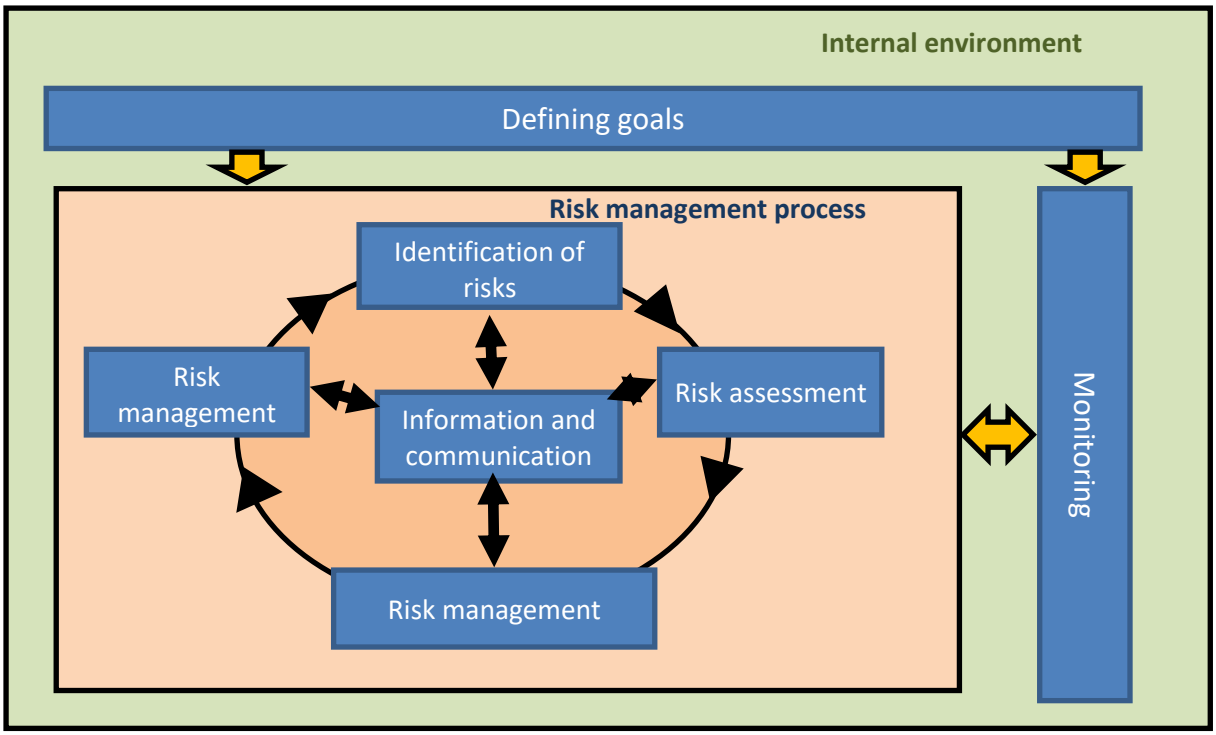
When carrying out its activities within the framework of the Policy, the Company takes into account the interests and consequences of risk realisation for the Sole Shareholder of the Company and other stakeholders.

The Policy is placed on the Company's website and its main provisions are disclosed in the Company's annual report. The Policy and other documents in the field of risk management are available to all employees and officials of the Company through the electronic document management system or by placing them on the server accessible to all employees of the Company (folder ‘ISM’).

4.2 Structure of the CSMS

Risk management in the Company is an ongoing, dynamic and continuous process and consists of components according to the following diagram:

Figure 1: Risk Management Process



The internal environment determines the general attitude of the Company to risks and the way its employees view and react to risks. The internal environment is the basis for all other components of the risk management system and includes the risk management philosophy, risk appetite, control by management bodies, ethical values, competence and responsibility of employees, the structure of the Company, its capabilities determined by human, financial and other resources.

The Company's activities are aimed at creating an internal environment that enhances employees' understanding of risks and increases their responsibility for risk management. The internal environment shall support the following principles of the Company's activities:

1) identification and consideration of all forms of risks in decision-making and support of a comprehensive risk vision by the Company's management;

2) creating and evaluating a risk profile that best meets the objectives of the Society as a whole;

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

4) monitoring compliance with the Company's internal policies and procedures and the state of the corporate governance system;

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

6) understanding that Risk Management Policies and Procedures are mandatory.

The Company's relations with the external environment (business structures, social, regulatory, other state and financial authorities) are reflected in the Company's internal environment and influence its formation. The external environment is complex in its structure and includes various interrelated industries, which creates conditions for the emergence of systemic risks.

The main principles of the risk management process in the Company are:

1) integrity – consideration of the elements of the Company's aggregate risk in the context of the corporate risk management system;

2) openness – prohibition to consider the corporate risk management system as autonomous or isolated;

3) structure – the integrated risk management system has a clear structure;

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

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

6) cyclicality – the risk management process is a constantly repeating cycle of its main components.

The structure of the risk management system in the Company is represented by risk management at several levels involving the following bodies and subdivisions of the Company: the Board of Directors, the Management Board, the Risk Management Committee, the Risk Management Department and other structural subdivisions.

The first level is represented by the Board of Directors. The Board of Directors plays a key role in supervising the corporate risk management system.

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

1) approval of the Company's Risk Management Policy;

2) approval of other risk management policies of the Company;

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

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

5) approval of the Company's risk management rules and procedures;

6) analysing the conclusions of external auditors on improvement of internal control and risk management and the results of audits conducted by DRM&VK /CVA;

7) approval of the register, the Company's risk map and critical risk management action plan;

8) approval of the risk and control matrix;

9) approval of risk reports (the structure and content of the risk report is given in Appendix 1);

10) approval of the Company's business continuity plan in the field of information technologies and recovery of critical IT resources (developed by the structural subdivision responsible for provision of IT resources);

11) approval of the Company's business continuity plans regulating the methods of incident management, recovery and support of the Company's activities to the established level in case of violations (developed by the responsible structural subdivision of the Company);

approval of risk management system efficiency indicators and annual evaluation of the company's risk management system efficiency;

1) review of reports on the effectiveness of the risk management system;

2) quarterly review of risk management reports with description and analysis of key risks of the Company, as well as information on implementation of plans and programmes to minimise key risks of the Company;

3) determination of the forms and terms for submission to the Board of Directors of financial and management reporting to enable analysis and evaluation of the Company's financial performance;

4) approval of the Company's risk appetite;

5) approval of limits;

6) approval of key risk indicators;

The second level is the Company's Management Board, which is responsible for organising an effective risk management system and creating a risk control structure to ensure compliance with and adherence to corporate policies. The Management Board is responsible for creating a culture of 'risk awareness' that reflects the risk management policy and philosophy of the Company. The Management Board is also responsible for establishing an effective risk management system such that employees have clearly defined risk management responsibilities and are accountable for the fulfilment of their duties. The Management Board is authorised to exercise some of its risk management functions through the establishment of appropriate committees.

The Management Board of the Company ensures the integrity and functionality of the risk

management system by performing the following functions:

1) implementation of the Risk Management Policy;

2) organising an effective risk management system that allows identifying and assessing potential risks;

3) submitting reports to the Board of Directors, in accordance with the approved regulatory documents;

4) ensuring compliance with the provisions of this Policy by the Company's structural subdivisions;

5) preliminary approval of the Company's organisational structure that meets the needs and ensures adequate risk control and mitigation;

6) reviewing the Company's risk management reports and taking appropriate measures within its competence;

7) approval of response measures and methodologies for risk management in the Company and some measures within the framework of regulatory documents approved by the Board of Directors;

8) improvement of internal procedures and regulations in the field of risk management;

The following requirements shall be observed in the Company:

1) the structural unit responsible for risk management should not combine functions related to financial risks (economic planning, corporate finance, treasury, accounting);

2) risk management functions may be combined with corporate governance and strategic planning functions.

For the purpose of efficient organisation of risk management, the collegial bodies under the Management Board of the Company may be assigned functions and powers to support the Management Board of the Company, which are determined by the relevant internal documents of the Company.

To ensure horizontal communication and effective implementation of CRMS, the Company has a Risk Management Committee, which is a consultative and advisory body under the Company's Management Board that develops proposals in terms of risk management, the main functions of which include the following:

1) consideration of key risks of the Company and efficiency of risk management measures;

2) approval of risk appetite, tolerance levels for each risk and limits to be submitted for approval by the Board of Directors;

3) approval of key risk indicators to be submitted to the Board of Directors for approval;

4) reviewing proposals of the Risk Management and Risk Management Department on the development of risk management policies, procedures and structure to be submitted to the Board of Directors for approval;

5) approval of the risk register, risk map, risk matrices and controls to be submitted to the Board of Directors for approval;

6) discussion of the Company's risk management issues submitted for consideration of the Company's Management Board;

7) consideration of internal regulatory documents on risk management of the Company;

8) consideration of risk management issues;

9) analysing existing critical risks of the Company and methods of their management;

10) consideration of new approaches to risk management and their applicability to the Company;

11) other functions as instructed by the Board of Directors and the Management Board of the Company.

The work of the Risk Management Committee is regulated by the Regulations on the Risk Management Committee approved by the Management Board of the Company.

The third level in the risk management process is the **CD&RD**, whose main functions are (including but not limited to):

1) preparation of recommendations on the development of risk management policies, procedures

and structure;

2) development of procedures for monitoring the Company's risks;

3) providing support to structural divisions on the functioning of the risk management system;

4) monitoring and informing the Management Board and the Board of Directors of material deviations from the established risk management processes;

5) tracking external factors that may have a significant impact on the Company's risks;

6) submitting quarterly reports to provide information describing and analysing the Company's risks, as well as information on the implementation of plans and programmes to minimise the Company's risks;

7) coordination of training programmes on risk management issues;

8) coordination of the process of preparation of the risk register, risk map and risk and control matrix, ensuring meetings, discussion, consolidation of data and submission of draft materials for approval by the Risk Management Committee and approval by the Board of Directors;

9) monitoring the implementation of risk mitigation plans and programmes;

10) holding quarterly meetings with the Company's risk owners to discuss identification and assessment of identified and emerging risks of the Company;

11) implementation and improvement of the risk management process in the Company through the Board of Directors;

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

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

14) development, implementation and updating (if necessary) of methodological base, risk management policies, rules, risk monitoring procedures;

15) ensuring integration of risk management into other business processes and development of risk management culture;

16) approval of strategic projects, investment projects of the Company in terms of sufficiency of disclosure and analysis of information on risks;

17) implementation, analysis and verification of regulatory and working documentation in the field of risk management;

18) making proposals on holding training seminars and trainings on risk management for the Company's employees;

19) interaction with RM&ICD /IAS of Samruk-Energy JSC in terms of forming an internal audit plan, information exchange, discussion of audit results, exchange of knowledge and methodologies;

20) identification of possible cases of risk occurrence, real or potential, negative trends indicating an increase in risk, analysis of factors that caused the risk, and assessment of the scale of the expected loss.

Responsibilities, authorities of CD&RD and reporting requirements are stipulated by this Policy and the Regulation on CD&RD.

The Risk Management Department interacts with other divisions, as well as external and internal auditors of the Company for effective implementation of the goals and objectives of the risk management system.

The Risk Management Department has access to information and documents of the Company necessary for fulfilment of its functional duties specified in this Policy and its job descriptions of the employees of the Risk Management Department.

One of the important elements in the structure of the risk management system are **structural divisions of the Company represented by each employee.** Structural subdivisions (risk owners) should understand that they play a key role in the risk management process. Employees of the Company on a daily basis work with risks, manage them and monitor their potential impact in the sphere of their functional duties. Structural subdivisions are responsible for the implementation of the risk management

action plan, must timely identify and inform about significant risks in the area of their activities and provide risk management proposals for inclusion in the action plan.

The main functions of the Company's structural subdivisions in the risk management process are:

1) identification and assessment of risks on an annual basis with quarterly review;

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

3) making proposals for the development of risk management action plans and risk mitigation measures;

4) implementation of approved response and risk management measures and reporting on a regular basis on the execution of risk management measures;

5) facilitating the process of risk communication development;

6) provision of information on realised risks to CD&RDD;

To ensure efficient organisation of the risk management system, each structural division of the Company appoints a **risk coordinator**, whose duties include organisation of risk management activities in his/her structural division and cooperation with the Risk Management and Risk Management Department at all stages of implementation of the Company's CRMS procedures.

In order to maintain and improve the risk culture in the Company, training is conducted to familiarise new employees and periodically familiarise all employees of the Company (at least on an annual basis) with the current CRMS of the Company. Upon completion of the training, employees of structural units coordinating the issues of the risk management system (risk coordinators) take a control test to confirm their knowledge.

4.3 **Interrelation of the risk management process with the processes of strategic planning and operational activities, budgeting and motivation**

The Company's business objectives are defined at the strategic level and set the basis for the development of operational objectives. The Company is exposed to risks from external and internal sources, and the main condition for effective identification, assessment and development of risk management methods is setting objectives.

The Company's objectives are defined before identifying potential risks that could adversely affect their achievement. Corporate risk management ensures that the Society has a process in place to identify goals and objectives that are aligned with the mission and consistent with the Society's risk appetite.

The Society establishes alternative ways of achieving its objectives annually or as required and identifies the risks associated with such alternatives or events that may affect the achievement of the objectives. Such analyses provide the basis for risk identification.

The risk management process is based on cross-functional co-operation. The process of cross-functional (cross-process) risk management (risks affecting the objectives of several functions (business processes)) is based on collegial decisions made jointly, based on the information available to various departments (participants and managers of business processes).

The relationship between the risk management process and the strategic planning process includes the following (but may not be limited to the following):

1) the process of developing strategic plans should provide for the identification and analysis of risks that may have an impact on the achievement of strategic objectives;

2) the Company's strategic plans should provide for a set of measures aimed at minimising the potential adverse effect of major risks associated with the implementation of p**lanned strategic initiatives.**

The interrelation of the risk management process with the **operational activity process** includes the following (but may not be limited to the following):

1) risk management action plans (as well as, if necessary, their individual stages) shall be included in the relevant annual activity plans of the Company's structural units;

2) the risk owner shall objectively assess the time and administrative resources required for the

implementation of the risk management action plan proposed by him/her and reflect the obtained assessment in the relevant risk report;

3) employees of structural divisions shall be allocated the necessary time and administrative resources to fulfil the activities provided for in the Risk Management Action Plans;

4) employees of the Company's structural divisions shall submit a report on realised risks in accordance with the Regulations on Accounting and Analysis of Realised Risks;

5) initiators of issues submitted to the Management Board and the Board of Directors of the Company in their materials (explanatory notes) include paragraphs describing the risks associated with the adoption or non-adoption of the proposed decisions.

The interrelation of the risk management process with the **process of investment activities and credit activities** (when obtaining, granting credit, financial assistance and financial guarantees) includes the following (but may not be limited to the following):

1) initiators of investment projects in the process of consideration and development of investment projects should provide for the identification and analysis of risks that may affect the implementation of the investment project and achievement of the set goals of the investment project. A set of measures aimed at minimising the potential adverse effect of major risks associated with the implementation of the project should also be provided for;

2) initiators of the process of obtaining/granting a loan (attraction/granting of borrowed funds) shall include an analysis of risks to the financial stability of the Company in accordance with the Debt Management and Financial Stability Policy of Samruk-Kazyna JSC, including, but not limited to, analysis of the effect on compliance with the standards established by the Management Board of the Company, external creditors (if any);

3) initiators of the process of granting credit (loan) and financial guarantees to counterparties shall include credit risk analysis in accordance with the Rules for Setting Limits on Balance Sheet and Off-Balance Sheet Obligations to Counterparty Banks, Rules for Granting Guarantees of the National Welfare Fund Samruk-Kazyna JSC Group, Internal Credit Policy of the National Welfare Fund Samruk-Kazyna JSC Group.

In the event that the execution of Risk Management Action Plans requires the involvement of time or administrative resources of related functional divisions (cross-functional risks) of the Company, the Risk Owner, with the support of the Risk Management Department, shall coordinate the allocation of appropriate resources with the heads of these divisions.

Interrelation of the risk management process with the **budgeting process:**

1) before the approval of the Risk Management Action Plan by the Management Board of the Company, Risk Owners should provide for the necessary financial resources for the implementation of the proposed Risk Management Action Plan and work out this issue with the structural division responsible for budgeting;

2) filling in the table of factors and risks of Development Plans according to the Rules of development, coordination, approval, adjustment, execution and monitoring of execution of Development Plans of the Company shall be carried out on the basis of the approved risk register.

Interrelation of the risk management process with the **personnel motivation process** includes the following (but may not be limited to the following):

1) the responsibilities of the CRMS participants to fulfil all procedures provided for them by the system should be formally fixed, and the fulfilment or non-fulfilment of the relevant responsibilities during the reporting period should be monitored;

2) it is also recommended to provide incentive mechanisms to motivate managers and employees of the Company to act within the framework of the risk management system properly, in accordance with the established deadlines and targets.

4.4 The process of functioning of the CRMS: Risk appetite calculation

After defining strategic goals (strategic development directions), the Company identifies risks that may prevent the Company from achieving its goals. The Company also determines the risk appetite - the amount of risk that is acceptable for the Company in achieving its goals.

The Company determines the risk appetite for each of its strategic objectives (strategic business lines).

Risk appetite determines the upper limit of the level of critical risks that the Company is willing to accept. It also affects the allocation of resources, the organisation of processes and the creation of infrastructure within the organisation necessary for effective monitoring and response to risks.

The risk appetite (risk appetite statement) of the Company for the planned period is approved by the Board of Directors and has the following characteristics:

1) reflects the Company's strategy, including objectives, business plans, financial constraints and stakeholder expectations;

2) covers all key aspects (areas) of activity;

3) takes into account the willingness and ability to accept risk;

4) determines the Company's attitude to risk;

5) is periodically reviewed taking into account industry and market conditions;

6) requires effective monitoring of the risk itself;

7) includes both quantitative and qualitative indicators;

When calculating quantitative risk appetite, the Company adheres to the principle of conservatism in calculations and uses financial indicators for several past years to calculate weighted average indicators for the period, which allows minimising random fluctuations. The weighted averages are then multiplied by cap rates.

The calculation of quantitative risk appetite is performed by the CD&RD and submitted to the governing body for approval.

When calculating the quantitative risk appetite, the level of risk appetite that does not violate the principles of financial stability is determined. Thus, the higher the debt load, the lower the risk appetite. This approach provides a liquidity buffer to cover losses in case of risk losses.

Calculation of quantitative risk appetite of the Company is made on the basis of K2.1 coefficient (according to the Debt Management and Financial Stability Policy of Samruk-Kazyna JSC), the target value of which for the Company is approved by the Management Board of Samruk-Energy JSC, or on the basis of covenants set by creditors on borrowings. At that, the most strict indicator is used out of the established restrictions.

The higher the actual value of K2.1 coefficient, the lower the financial stability, the smaller the borrowing capacity, and the less risk the Company is ready to accept, and the lower the risk appetite.

All results and proposals on the Company's risk appetite should be coordinated with the structural units concerned, including those responsible for strategy, planning and corporate financing.

The resulting risk appetite indicator is taken as a basis for making further decisions on risk management.

The Company ensures risk appetite by accepting unbudgeted losses on its balance sheet (i.e. financing losses as they occur at the expense of current cash flows or equity).

The Company applies risk-tolerance in order to effectively monitor and prevent the risk appetite level from being exceeded. Risk-tolerance is measured in the same units as similar targets.

By resolution of the management body, tolerance levels for key risks are approved based on two main approaches:

1) Objective approach. It takes into account the requirements of laws, regulations of state supervisory authorities, and internal documents. In some cases, the levels of tolerance to key risks are established in accordance with regulatory documents, as well as regulatory documents of state supervisory authorities. If the requirements of supervisory authorities change, the relevant threshold level should be revised.

2) Subjective approach. Tolerance levels to key risks are determined by means of a survey or questionnaire among experts. In this approach, experts determine the threshold level, which is the level of tolerance to the key risk, based on their experience and knowledge.

Tolerance to Key Performance Indicators (hereinafter - KPIs), the maximum permissible deviation from KPIs, are specified by KPI owners in Development Plans (in the table of factors and risks in the column 'KPI threshold (risk tolerance)'.

Operating within key risk tolerance levels provides management with a higher degree of assurance that risk appetite will not be exceeded. This, in turn, gives the Company a higher degree of confidence in achieving its objectives.

After the approval of risk tolerance, the levels of risk tolerance are monitored. Risk tolerance levels are reviewed in case of occurrence/identification of new risks or when risky events occur. CD&RD monitors compliance with risk tolerance levels for key risks on a quarterly basis in accordance with the following procedure:

1) the actual results of deviation of risk tolerance levels from planned indicators are compared;

2) in case of deviation, CD&RD, together with interested structural units, determine the causes and take additional measures to reduce the impact, as a result of which the actual indicators of tolerance levels within the established planned corridor for each risk are leveled or revised.

4.5 Identification of risks

The Company identifies potential events in accordance with the Rules for Identifying and Assessing Risks that may Affect the Company's Activities, and determines whether they represent opportunities or risks. When identifying events, various internal and external factors that can cause risks and opportunities are considered across the organization.

Risk identification is the determination of the Company's exposure to the impact of events, the occurrence of which may negatively affect the ability to achieve planned goals and achieve set goals. The purpose of the risk identification procedure is to identify risks and include them in the Risk Register.

The identification of risks and the availability of a real objective view of the existing risks is one of the foundations of effective risk management, contributing to the achievement of the Company's goals.

Risk identification provides a tool for determining the direction and need to improve the risk management process.

Risk identification allows you to increase the level of confidence in achieving your goals by obtaining an overview of risks and their main characteristics, determining the relationship of risks with each other, ranking the level of risks of the Company, increasing awareness of risks and methods of their management, as well as focusing on the most critical risks.

Risk identification provides a tool for recording and declaring possible negative events that may negatively affect the achievement of the goals and objectives set for the Company and each of its employees, as well as determining the direction and need to improve the risk management process.

Each employee of the Company on an ongoing basis identifies and evaluates the risks affecting the achievement of the goals and objectives set for the Company and in particular for each employee of the Company.

The Company's KRMS 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.

In accordance with the main international risk management standards, the Company regularly conducts risk identification with the participation of employees of all structural divisions in order to identify the maximum range of risks, increase awareness of surrounding risks and stimulate the development of a risk culture in the Company.

To identify risks, a combination of various techniques and tools is used, such as risk identification based on set goals and objectives, industry and international comparisons, seminars and discussions,

interviews, databases of losses, etc. described in more detail in the Rules for Risk Identification and Assessment.

Identified events and risks are systematized in the form of a risk register. The Company's **Risk Register** is a list of risks that the Company faces in its activities, which also includes various scenarios of possible risk realization. For each risk, the owners of the risk are identified, i.e. the departments that deal with this risk by virtue of their functional responsibilities. The Risk Register is supplemented by the structural divisions of the Company on an ongoing basis as new risks are identified.

It is recommended that risk identification and approval of the Company's Risk Register be carried out **before the approval of Development Plans** in order to ensure early submission of applications for expenses related to the implementation of the risk management action plan.

The results of risk identification and assessment are provided to the Management Board and the Board of Directors of the Company, as well as to the relevant committees, in the form of a Risk Report, which includes information on critical risks and action plans for managing critical risks.

To classify risks in the Company, the grouping of risks into the following categories is used:

1) strategic risk (C) – the risk of losses due to changes or errors (shortcomings) in determining and implementing the strategy of activity and development, changes in the political environment, regional conjuncture, industry recession, and other external factors of a systemic nature;

2) financial risks (F) – include risks related to the capital structure and a decrease in financial profitability. Financial risks include market risks (fluctuations in interest and currency rates, fluctuations in prices for natural resources), liquidity risks, credit risks (for corporate counterparties, second-tier banks and requirements in other countries);

3) legal risks (P) - risks of losses due to non-compliance with the requirements of the legislation of the Republic of Kazakhstan, in relations with non-residents of the Republic of Kazakhstan - the laws of other states, as well as internal rules and procedures;

4) operational risk (O) - the risk of losses, accidents at work as a result of deficiencies or errors in the implementation of internal processes committed by employees (including personnel risks), the functioning of information systems and technologies (technological risks), industrial safety, as well as due to external events.

4.6 Risk assessment

Risk identification and assessment are aimed at providing a common vision of existing risks and their size by implementing a basic ranking to identify the most “weak” places. This process allows an assessment of the methods and procedures used to manage the main risks.

Assessment of the probability of realization and possible impact of risks allows you to develop an understanding of risks, provides the necessary informative basis for making decisions about the need to manage a certain risk, as well as the most appropriate and cost-effective strategies to reduce it.

The risk assessment process is carried out in order to identify the most significant (critical) risks that may negatively affect the Company's activities and the achievement of strategic goals and objectives. These risks should be submitted for consideration by the Board of Directors, which should make decisions on the management and control of these risks.

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

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

Initially, the risk assessment is carried out on a qualitative basis, then a quantitative assessment can be carried out for the most significant risks. Risks that cannot be quantified, there is no reliable statistical information for their modeling, or the construction of such models is not cost-effective, are assessed only on a qualitative basis. Quantitative assessment allows for more accurate analytical data, and is especially useful in developing risk financing methods.

All identified and assessed risks are reflected on the risk map. **Risk map** is a graphical and textual

description of a limited number of risks of the Company, located in a rectangular table, on one "axis" of which the impact or significance of the risk is indicated, and on the other the probability or frequency of its occurrence. On the map, probability or frequency is displayed on the horizontal axis, and the impact force or significance is displayed on the vertical axis. In this case, the probability of risk increases from left to right as you move along the horizontal axis, and the impact of risk increases from bottom to top along the vertical axis. The risk map allows you to assess the relative importance of each risk (compared to other risks), as well as identify risks that are critical and require the development of measures to manage them.

The risk appetite of the Company is used to determine the level of risk impact on the Company.

The Company evaluates individual risks using various quantitative methods such as VAR, GAP analysis, historical simulation method, stress testing, etc. The assessment procedure is regulated by the rules of interest rate, currency and liquidity risk management and other internal regulatory documents of the Company.

4.7. Risk management

The Company defines risk response methods and develops a critical risk management plan.

Risk management is the process of developing and implementing measures to reduce the negative effect and probability of losses or to receive financial compensation in the event of losses related to the risks of the Company's activities. To ensure the effectiveness of the process and reduce the costs of its implementation, the Company should focus on the risks that may have the most significant impact on its financial condition and the achievement of goals and objectives. The Company's critical risk management action plans are reviewed annually, approved by the Company's management body and are mandatory for all structural divisions.

The choice of risk response methods and the development of risk management action plans to ensure an acceptable level of residual risk includes the following response strategies:

1) risk reduction and control - exposure to risk through the use of preventive measures and planning of actions in case of risk realization, which includes changing the degree of probability of risk realization in the direction of reduction and changing the causes or consequences of risk realization in order to reduce the level of possible losses;

2) retention/ acceptance of risk, implying that its level is acceptable, and the possibility of its manifestation is accepted, it is also possible to accept residual risk after applying measures to minimize it;

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

4) withdrawal (evasion) risk aversion/risk avoidance by deciding against continuing or taking an action that is the source of the risk;

5) subsequent impact – a strategy providing for the impact on the consequences of the implementation of a risky event. This strategy is usually applied to risks characterized by a low level of manageability and/or a low probability of implementation. This type of strategy may include insurance, risk hedging, as well as the development of contingency plans, business continuity plans.

Proposals for risk management strategies, methods and plans are submitted by the Risk Owners and included in the risk management action plan.

The structural divisions of the Company, which are the owners of risks, submit quarterly reports on the implementation of approved action plans in accordance with the Rules of Risk Identification and Assessment in the prescribed form.

Risk reduction and control implies measures aimed at:

1) loss prevention – reduction of the probability of occurrence of a certain risk (loss);

2) loss control – reduction of the amount of loss in case of risk occurrence;

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

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

Methods of reducing and controlling the Company's financial risks include:

1) for credit risks - approval of limits for second-tier banks, compliance with limits on balance sheet and off-balance sheet obligations imposed on second-tier banks, credit risks are regulated by the Corporate Standard of Samruk-Kazyna JSC on Credit Risk Management, Regulations on Debt Management of Samruk-Energo JSC, Rules for Setting Limits on Balance sheet and off-balance sheet obligations on counterparty banks of JSC AlES.

2) for liquidity risks – approval of the main parameters of the treasury portfolio, control over key areas of treasury operations, liquidity risk is regulated by the Debt Management and Financial Stability Policy of Samruk-Kazyna JSC, the Unified Money Management Policy of Samruk-Kazyna JSC, the Rules for Planning, Approving and Making Payments of JSC AlES .

3) the risk of losses as a result of deficiencies or errors in the implementation of internal processes committed by employees (including personnel risks), the functioning of information systems and technologies (technological risks), as well as due to external events.

The methods of reducing and controlling the regulatory risks of the Company are monitoring changes in legislation by the authorized legal service of the Company, which, together with interested structural units, assesses the impact of changes on the Company's activities and develops measures necessary for their adoption. Any document that regulates the internal procedures of the Company or, in accordance with which the Company has obligations, must undergo mandatory examination in the Legal Department.

The reduction and control of the Company's strategic risk is carried out by monitoring the implementation of approved short- and long-term plans and strategies, as a result of which corrective measures are taken, including to reflect changes in the internal and external environment.

The reduction and control of operational risks in the Company is carried out by analyzing established business processes and developing appropriate action plans for their improvement, the introduction of an internal control system. For operational risks in production, risk reduction and control is carried out by observing the rules of occupational safety and health, rules for environmental safety, and rules of work in production.

If the methods used to reduce and control risks are associated with costs and these costs are significant, the following analysis is carried out:

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

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

Risk retention. During the identification and assessment of key risks, the risk appetite of the Company is calculated.

The Company's risk appetite is financed from the Company's current income and retained earnings of previous years and has no direct allocation to unplanned losses (i.e. losses due to the occurrence of risks directly reduce the Company's profit).

The distribution of the Company's risk appetite by risks is based on an analysis of the impact of each of the risks and the cost of risk transfer, i.e. the more expensive the cost of risk transfer, the higher the probability of risk retention at the expense of the Company's own funds.

Financing (transfer) of risks includes the following tools:

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

2) hedging (for “speculative” risks – risks, the realization of which can lead to both losses and income);

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

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

5) other alternative methods of financing risks.

The main distinguishing feature of these instruments is the presence of a "fee" for risk, which, accordingly, requires the optimal use of this tool in order to reduce the costs of the Company.

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

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

The application of appropriate risk response measures and methods is described in the critical risk management action plan. This plan includes a list of necessary actions and responsible performers.

4.8 Control actions

After determining the list of key risks and risk management measures, the main business processes exposed to these risks are determined. A step-by-step analysis of business processes is carried out to determine the need and expediency of including appropriate control actions. In addition, an analysis of planned risk management measures is carried out and control actions and (or) indicators necessary to ensure the effective implementation of such measures are determined (often control actions themselves are a method of risk management).

Control actions are policies and procedures that help ensure that risk management measures are implemented. Control actions are included in business processes at all levels of Society. Control actions include a wide range of measures such as approval, authorization, verification, approval, analysis of transactions, asset security and allocation of responsibilities.

The responsibility for conducting an analysis of business processes and determining the need and expediency of additional control actions is borne by the risk owners - the heads of the relevant structural divisions of the Company.

The main results and conclusions of the risk management process in the Company are displayed in the form of regular reporting on risks and measures to respond to them.

On the basis of regular risk reporting, the Company monitors current risks and the implementation of risk response measures.

Employees and officials of the Company have the right to inform the Board of Directors of the Company confidentially about violations or incorrect execution of risk management or internal control procedures, or other policies, as well as cases of fraud, violations of legislation.

4.9 Information exchange and monitoring

The risk management structure in the Company ensures an adequate flow of information – vertically and horizontally. At the same time, the information coming from the bottom up provides the Board of Directors and the Management Board of the Company with information: on current activities; on risks assumed in the course of activities, their assessment, control, response methods and the level of their management. Top-down information ensures that goals, strategies and objectives are achieved through the approval of internal documents, regulations and instructions. The horizontal transmission of information implies the interaction of structural units within the Company.

The objectives of the process of regular exchange of information on risks within the Company are to:

1) to assign personal responsibility for the management of certain significant risks to the relevant managers (Risk owners);

2) promptly inform the Board of Directors of the Company about all risks that need to be managed at the appropriate level of the Company;

3) promptly inform the executors of risk management measures about their personal responsibility for the implementation of relevant measures (including the expected result, deadlines, resources, etc.);

4) to ensure effective exchange of information in the course of cross-functional risk management of

the Company.

In the process of implementing each component of the risk management system, information is exchanged between the structural divisions of the Company. All materials and documents prepared within the framework of the risk management system are coordinated with interested departments, which make their comments and suggestions. Proposals on the Company's risk appetite, a risk register, a risk map and a risk management action plan are submitted to the Board of Directors at least once a year.

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

The Company's divisions constantly monitor and inform CD&RD about the losses that have occurred, in accordance with the Regulations on Accounting and Analysis of Realized Risks. For each realized risk, an analysis of the causes of losses is carried out, and measures are taken to prevent similar incidents in the future.

The Company provides information on risks to Samruk-Energo JSC in order to consolidate and inform the Management Board and the Board of Directors in accordance with approved regulatory documents.

The Company provides information on risk management to partners, creditors, external auditors, rating agencies and other interested parties (including as part of the annual report), while ensuring that the degree of detail of the disclosed information corresponds to the nature and scope of the Company's activities.

The Company monitors the effectiveness of the risk management system (including existing management methods and risk controls) and, if necessary, its modification and improvement. Monitoring is carried out on a regular basis at least once a year.

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

Key risk indicators (hereinafter referred to as KPIs) are one of the main tools for monitoring risks and risk factors. KPIs are indicators that provide organizations with early signals of changes in risk factors in various fields of activity. KPIs allow you to detect potential risks and take early measures to avoid the occurrence of risky events or minimize their impact on the organization's activities.

The development of the KP should be carried out at least for risks with an inherent impact assessment of "four" or more, which will allow managing all critical risks.

In order to increase the effectiveness of risk monitoring in the Company, KPIs are used using two approaches:

1) definition of KP based on risk factors - risk factors are determined for each key risk. Risk factors can be both external and internal to the Company. Risk factors are analyzed for measurability. For each risk factor, the corresponding units of measurement and the frequency of measurement of the indicator are determined, which can be expressed in the form of coefficients, percentages, numbers, etc.;

2) definition of KP based on preventive risk management measures – CD&RD, together with the involved structural divisions of the Company, determine the unit of measurement of the level of performance for each preventive risk management measure, the frequency of measurement of the indicator and the source of information for calculation. The KP, developed on the basis of preventive measures, can be expressed in percentage terms or in the actual execution of preventive measures.

The determination of the threshold levels of the KPI is carried out using objective and subjective approaches:

1) an objective approach – based on the existing laws of the Republic of Kazakhstan, regulatory legal acts of state supervisory authorities and internal requirements of the Company;

2) a subjective approach – based on a survey or questionnaire of industry directorates or other key employees of the Company who are experts in the relevant field. Experts, based on their experience and knowledge, determine the threshold level in relation to the KPI.

The developed KPIs are displayed in the risk register and approved simultaneously with the issuance of the risk register, risk map and risk appetite for the next year. The information on the KPI should include:

1) the name of the KPI;
2) the calculation formula;
3) sources of information;
4) unit and frequency of measurements;
5) the direction of the KPI, signaling the possible realization of the risk;
6) the threshold level.

Monitoring of the corporate risk management system is an important part of the entire business process and evaluates both the availability of such a system and the implementation of its components. Monitoring is carried out by constantly monitoring the implementation of policies, procedures and activities of the risk management system and targeted audits. The scale and frequency of targeted inspections depend on risk assessment and the effectiveness of ongoing monitoring. The shortcomings of the risk management system should be brought to the attention of the Board of Directors and the Management Board of the Company.

After approval by the Board of Directors of the Company of action plans for critical risk management, CD&RD monitors the implementation of measures in accordance with the deadlines for the implementation of each event.

The minimum requirements for the content of the risk report are presented in Appendix 1 of this Policy. The deadlines for submitting risk reports to the Management Board of the Company and the Board of Directors of the Company are presented in Appendix 2 of this Policy.

The content and timing of the provision of information on risks are given in Appendix 1 and Appendix 2.

The work of the Management Board and structural divisions of the Company is checked by the IAS of Samruk-Energo JSC.

The internal audit of the risk management system and the verification of the execution of plans to eliminate deficiencies in the risk management and internal control system is carried out in accordance with the Internal Audit Plan approved by the Board of Directors of Samruk-Energo JSC. The internal audit is conducted in accordance with the regulatory documents governing the internal audit process.

4.10 Requirements for confidentiality of risk information

The decision to allow certain officials of the Company to access detailed information about the description, assessment or Plans of Measures to manage certain risks is made by the Risk Owner.

Members of the Board of Directors of the Company, members of the Management Board of the Company and CD&RD have unlimited access to any information about the Company's risks.

External persons who receive access to information about risks and Plans of Measures to manage them can be granted access only after signing an agreement on non-disclosure of confidential information.

The Risk Management Policy, Rules for Risk Identification and Assessment, as well as Regulations for Accounting and Analysis of Realized Risks are open documents and are available for review and use by a wide range of people.

Rules on certain types of risks, including rules on certain types of financial risks (Liquidity risk, Currency Risk Management Rules, Interest Rate Risk Management Rules) as well as reports on them (including the financial stability report), are distributed exclusively in the "For official use" mode (hereinafter referred to as the DSP).

4.11 Criteria for the effectiveness of KRMS

The effectiveness of KRMS can be assessed based on the following quantitative and qualitative criteria:

1) risk management is carried out on an ongoing basis, the risk management process is linked to the processes of strategic and operational planning, budgeting, and staff motivation;

2) the information generated by KRMS is actively used and taken into account in the process of making managerial decisions, including those related to prioritization of tasks and effective allocation of resources;

3) in the long term, KRMS acts not as a subject of resource consumption, but as a tool for their more economical use;

4) the effectiveness of the Company's KRMS is confirmed by the results of independent audits conducted by internal and/or external auditors or independent experts, recognized by members of the Company's Board of Directors, Chairman of the Management Board and heads of structural divisions, rating agencies, investors, creditors, Company personnel, government agencies, and the media.

The assessment of the Company's KRMS is carried out in accordance with the Methodology for evaluating the effectiveness of KRMS recommended by the IAS of Samruk-Energo JSC.

Appendix 1
(required)

Structure and requirements for the minimum content of the risk report

1. Risk map and register:

1) risk map for the forecast year, changes in the risk map for the reporting quarter, with detailed information on changes in the dynamics of key risks;

2) a separate allocation of critical risks, indicating the causes of occurrence, an action plan to reduce the likelihood /impact, and a qualitative/quantitative assessment of the impact;

3) the risk register for the forecast year, the risk register with adjustments made quarterly, if necessary;

4) a risk management action plan once a year, changes to the risk management plan quarterly, if necessary;

5) execution of the risk management action plan on a quarterly basis with an assessment of the effectiveness of the measures taken during the reporting period;

6) new identified risks (threats), indicating the causes of occurrence, an action plan to reduce the likelihood / impact, and a qualitative/quantitative assessment of the impact.

2. Risk appetite for the forecast year (once a year), adjusted risk appetite quarterly if necessary.

3. KPIs on key risks and their dynamics, including KPIs that can have a significant impact on the risk portfolio.

4. Financial Risk Report:

1) financial risks in accordance with the Rules for Managing certain types of financial risks (currency, interest rate, country, credit risk for corporate counterparties, credit risk for counterparty banks);

2) information on compliance/non-compliance with risk limits, including limits on counterparty banks;

3) a financial stability report, including information on the debt burden and fulfillment of covenant obligations in accordance with the Debt Management and Financial Stability Policy of Samruk-Kazyna JSC.

5. A report on critical operational risks with the result of their qualitative/quantitative assessment.

6. Report on the risks of investment projects, including realized risks of investment projects.

7. Information on realized risks (quarterly) with mandatory indication of damage (in quantitative, if possible, calculation, and qualitative assessment) and actions taken to respond to these risks with an assessment of the effectiveness of the measures taken. Comparative analysis of losses from realized risks for the period (quarterly) with the approved risk appetite. This section should also include information on accidents and catastrophes and accidents at work (including information on the number of victims, including the number of deaths).

8. Information on significant deviations from established risk management processes, if necessary.

9. Measures taken to improve risk management systems in accordance with the recommendations of the IAS (if any).

10. Information on compliance with regulatory requirements in the field of risk management;

11. Insurance report according to the Policy on the organization of insurance protection in Samruk-Kazyna JSC and national development institutions, national companies and other legal entities, more than fifty percent of the voting shares (participation interests) of which directly or indirectly belong to Samruk-Kazyna JSC.

12. Statement of the executive body confirming the effectiveness/inefficiency of the risk management system

Appendix 2
(required)

Deadlines for submitting risk reports

Mandatory risk management reports are:

 reporting forms for each risk (provided in accordance with the approved package of management reporting forms);

 Financial Stability report (provided in accordance with the Debt Management and Financial Stability Policy of Samruk-Kazyna JSC (included in the Financial risk report);

Risk report approved by the Board of Directors.

Deadlines for submitting risk reporting forms (according to the established forms) and a risk report:

Name of the document	Document Users	Terms of provision
Reporting form of Development system of organization (including), risk reporting forms	Risk Management and Internal Control Department of Samruk-Energo JSC	For the 1st and 3rd quarters, the reporting date is + 35 calendar days, for the 2nd and 4th quarters, the reporting date is + 45 calendar days
Risk Report, including Financial Risk Report	The Board of Directors	according to the work plan of the Board of Directors.