

Agreed upon with

decision of the Management Board
of QazExpoCongress NC JSC

No. ___ __ __ as of _____ __ 2020

Approved by

decision of the Board of Directors
of QazExpoCongress NC JSC

as of _____ __ 2020

Minutes No. _____

**Internal control system
policy
of QazExpoCongress NC JSC**

Nur-Sultan, 2020

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1. General provisions

1. This Policy of the internal control system of QazExpoCongress NC JSC (hereinafter - the Policy) defines the goals and objectives of the internal control system (hereinafter-the ICS), the principles of its functioning, key areas and main components, competencies and responsibilities of the subjects, and also describes the organization of the internal control system in the implementation of the activities of QazExpoCongress National Company Joint - Stock Company (hereinafter-the Company).

2. This Policy applies to all types of activities of the Company and is intended for use by all officials and employees of all levels of management and activities of the Company, structural divisions, subsidiaries and affiliates (hereinafter-SAs) of the Company, as well as other internal control participants and stakeholders.

3. This Policy is an internal regulatory document (hereinafter referred to as the IRDs) of the Company and is not subject to submission to other parties, except for public administration bodies, experts/auditors when conducting audits.

4. This Policy has been developed in accordance with the Corporate Governance Code, the Charter and other internal documents of the Company, as well as the legislative acts of the Republic of Kazakhstan and international standards in the field of internal control, taking into account the provisions of the international methodology of COSO: "Internal Control – Integrated Model".

5. The heads of the Company's structural divisions and subsidiaries and affiliates are responsible for meeting the requirements of this Policy.

6. In this Policy, the following concepts, terms and definitions apply:

Business process	A set of consecutive interrelated activities, procedures, or tasks that regulate the process "from entry to exit" and lead to the expected result
Flowchart	Graphical description of the current control procedures (actions) of the process, indicating the order of interrelated control procedures (actions) from the input (start of the process) before the exit (the end or result of the process), as well as the performers of control procedures (actions)
Business Process Owner	A structural unit that has at its disposal personnel, infrastructure, software and hardware, manages the progress of the business process and is responsible for its results and efficiency
Business Process Group	A set of business processes related to each other on the principle of uniformity and aimed at achieving the strategic goal of the Company
Design of the current control procedure	The procedure for performing the current control procedure, the analysis of which allows evaluating the effectiveness of the current control procedure to minimize process risks
The performer of the control procedure (action)	Structural divisions, consulting and advisory bodies, executive body and / or management body of the Company, which are responsible for the implementation of actions or measures aimed at minimizing the occurrence of risks
Risk Map	A tool that contains a graphical description of all identified

	risks of the Company, ordered by the degree of their impact and probability of occurrence
Business Process category	A set of interrelated groups of business processes aimed at making management decisions/creating a specific product or service for consumers/maintaining the supply of resources for the Company's activities
Business Process Classifier	A document that reflects the structure of business processes carried out by the Company by categories and groups
Key risks	Risks that fall into the red zone of the Risk Map
Control procedure	A set of policies and procedures that allow for the implementation of management orders, ensuring the adoption of necessary measures to manage risks and affect the achievement of the Company's goals
Risk and control matrix	A report document containing a list of risks and control procedures, as well as their associated attributes in the context of each process of the Company
Process	Parts of the business process that are characterized by repeatability, utility, a certain end product/service and contribute to the achievement of the goals of the business process
Process risk	Risk inherent in the process that may have a negative impact on the achievement of the process objectives
Risk Register	List of risks inherent in the Company's activities
Risk factor	The reason that contributes to the realization of the risk
Internal control system	A set of organizational structures, procedures and actions aimed at ensuring that the Company achieves its goals and minimizes process risks in the course of its activities
Subjects of the internal control system	The Board of Directors, the Management Board, advisory bodies, structural divisions and employees of the Company responsible for the organization, operation and evaluation of the effectiveness of the ICS
The "Three Lines of Defense" model	An approach to the organization of RMS, based on the fact that for effective risk management under the leadership of the Company's Board of Directors, it is necessary to divide the roles and responsibilities between three separate groups-lines of defense: business functions (each structural unit), risk monitoring function (CGRMS) and the function of independent assessment of the effectiveness of risk management (IAS)

7. The terms and definitions used, but not defined in this Policy, are used in the sense in which they are used in the legislation of the Republic of Kazakhstan, the Charter of the Company and other internal regulatory documents of the Company.

8. The following abbreviations apply in the Policy:

IRDs	Internal regulatory document
CCP	Current control procedure
CGRMS	The structural unit responsible for the organization of

	processes within the framework of the ICS is the Corporate Governance and Risk Management Service
IAS	Internal Audit Service.
Instructions for creating and using risk and control matrices	Instructions for the preparation and use of risk and control matrices of QazExpoCongress NC JSC
HR policy of the Company	HR policy of QazExpoCongress NC JSC
Corporate Governance Code	Corporate Governance Code of QazExpoCongress NC JSC
Code of Business Ethics	Code of Business Ethics of QazExpoCongress NC JSC
KPI	Key performance indicators
The Company's Development Strategy	Development strategy of QazExpoCongress NC JSC for the period 2015-2024.
COSO	Committee of Sponsors of the Treadway Commission

2. Goals and objectives of the internal control system

9. This Policy defines internal control as a process carried out by the participants of the Internal Control System in order to achieve the objectives set for the Company in three key areas:

- 1) operational activities;
- 2) preparation of financial statements;
- 3) compliance with regulatory and legal requirements.

10. Internal control is aimed at providing a reasonable guarantee to the management and the Board of Directors of the Company in achieving the Company's strategic and operational goals and is implemented by organizing an ICS in the Company, the main tasks of which are:

- improving operational efficiency;
- ensuring the safety of assets and efficient use of resources;
- ensuring the completeness, and reliability of financial and management reports;
- compliance with the requirements of the legislation of the Republic of Kazakhstan and the Company's IRDs;
- reducing the likelihood of risks and the amount of possible losses (including losses, etc.);
- control over the effective functioning of management, core and supporting business processes;
- exclusion of "zones of irresponsibility";
- identification and elimination of duplicate and / or redundant operations;
- prevent errors from occurring and / or detect errors after they occur;
- identify areas for improvement;
- further improvement of the ICS.

11. The Company's ICS is an integral part of the corporate governance system, which covers all levels of management, all internal processes and operations of the Company.

12. The organization of the ICS provides for the construction of a management system in the Company that can quickly respond to risks, exercise control over the management, main and supporting business processes, daily operations of the Company, as well as immediately inform the management of the appropriate level of any significant shortcomings and areas for improvement.

13. The reliable and effective functioning of the ICS requires the involvement and constant interaction of officials and employees at all levels of the Company within the framework of internal control.

3. Components of the internal control system

The Company's ICS is built in accordance with the COSO model: "Internal Control-Integrated Model" and consists of five interdependent components:

14. **Component One, "Control Environment"**, is an internal control component that ensures discipline and structure. The Board of Directors together with the Management Board of the Company ensure the creation of such a control environment that expresses and demonstrates to all employees of the Company the materiality, importance and necessity of internal control and compliance with ethical standards at all levels of activity. The control environment is the basis for all components of the internal control system and ensures that there is a clear structure and discipline among the officials and participants of the internal control system.

The control environment is affected by the following factors:

Organizational structure: shall comply with the Company's strategic goals and objectives, international standards in the field of quality management system, and must also be regulated in the IRDs, which discloses the goals, objectives, functions, duties, rights, competencies and powers of the Company's bodies, officials, structural divisions and employees;

Integrity and ethical standards: competence, honesty, transparency and awareness of social responsibility are the key values and the foundation of the Company's business ethics. The Company has a Code of Business Ethics that defines and reflects the vision and understanding of the principles of corporate business ethics by the participants of the ICS;

Philosophy and management style: the Company's corporate values are its highest values, which reflect the mission and vision of the Company and establish the philosophy and principles of relations both within the Company and with partners and the state. The main corporate principle of the Company is democratic decision-making, which means making decisions based on the opinion of each employee who has the right to express their point of view;

HR policy: aimed at selecting, providing and retaining highly qualified and motivated employees;

Employee competence: reflects the knowledge and skills required to perform the assigned tasks and is the basis for the successful implementation of the Company's strategic goals. As a result, the existence of effective and reliable procedures for hiring and training employees is an important area of the Company's activities and is based on the provisions of the Company's HR Policy.

15. **The second component, "Risk Assessment"**, is a dynamic and continuous process of identifying, identifying, analyzing and evaluating risks that hinder the achievement of the Company's goals.

15.1. Identification of process risks and their subsequent expert assessment is carried out on the basis of flowcharts by the owners of business processes together with the involved process participants.

15.2. CGRMS provides methodological support in the process of identifying and documenting process risks and monitors the quality of the information provided.

15.3. The IAS monitors the assessment of process risks and the CCP developed for them by testing business processes in accordance with the annual IAS audit plan.

16. Component Three "Control procedures" are measures built into the Company's daily activities aimed at reducing identified and assessed risks that affect the achievement of the Company's goals to an acceptable level.

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

16.2. Control procedures are carried out at all hierarchical levels of the Company and are aimed at:

- reducing the likelihood of possible risks;
- prevent errors from occurring and / or detect errors after they occur;
- identify and eliminate duplicate and redundant operations;
- identify weaknesses and areas for improvement;
- ensuring compliance with the legislation of the Republic of Kazakhstan and internal documents of the Company;
- further improvement of the internal control system.

16.3. Control procedures should answer the following questions: who, for what purpose, when/how often and what they do, what document regulates control, what evidence or documents confirming the implementation of control.

16.4. The procedure for performing the control procedure is characterized by the mandatory presence of:

- the performer of the control procedure;
- the order of actions performed within the control procedure;
- frequency of the control procedure;
- control tools (technical tools, IT systems, documents and reports);
- the result of the control procedure.

16.5. Process owners and Process Participants provide interaction with the CGRMS, which provides them with methodological support. As part of this interaction, the Process Owners, together with the Process Participants, develop/update process flowcharts for the processes they supervise, indicating the process-level risks and control procedures, risk matrices and process controls, maintain effective internal control procedures, and form, if necessary, an action plan for further improvement of the ICS.

17. The fourth component "Information and communication" is an established system of continuous process of collection, identification, exchange, documentation and timely communication to the management of the information necessary to achieve the Company's goals.

17.1. Information support and information exchange systems include four main stages:

- 1) organization of a system for collecting, processing and transmitting information, including the formation of reports and messages containing information on all significant aspects of the Company's activities;
- 2) organization of effective channels and means of communication that ensure vertical and horizontal communication links within the Company, as well as with subsidiaries and affiliates and third parties;
- 3) ensuring access and security of information obtained from internal and external sources in accordance with the established procedure;
- 4) informing employees of the current documents used in the Company.

17.2. The information support system of the Company within the framework of the ICS is represented by the following tools, to which the CGRMS provides continuous access to all employees of the Company:

- these Rules;
- methods and instructions for certain aspects of the ICS;
- flowcharts of processes;
- risk matrices and process controls;
- reports on the evaluation of the internal control system;
- plans for improving the ICS (if necessary).

18. Component five "Monitoring" is a continuous assessment of the effectiveness of the functioning of the ICS components over time, built into the daily activities of the Company.

18.1. ICS monitoring in the Company is carried out in the form of continuous monitoring and one-time assessments for all three lines of defense, namely:

- 1) Management (Management Board, Deputy Chairmen of the Management Board and Managing Directors), managers and employees of structural divisions on a permanent basis;
- 2) CGRMS of the Company through testing of measures and / or control procedures in the processes;
- 3) IAS of the Company through audits in accordance with the annual audit plan or in the form of a separate assessment.

18.2. Participants of all three lines of defense of the ICS, in case of detection of deficiencies related to the Company's internal documents that do not ensure the effectiveness of internal control procedures, must initiate and ensure timely introduction of appropriate changes to them.

18.3. Deficiencies in internal control identified at all levels of the lines of defense should be promptly reported to the heads of structural divisions and promptly eliminated. If significant deficiencies of the Internal Control System are identified, the information is communicated to the Management Board and the Board of Directors of the Company.

4. Principles of the internal control system

19. The five components of the ICS system are interconnected by the seventeen principles recommended by COSO:

Component	Principles
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Control environment	The Company's Board of Directors, Management Board, and management demonstrate by their own example their commitment to integrity and ethical values.
	The Board of Directors demonstrates independence from the Company's Management Board and oversees the development and effectiveness of the internal control system.
	The Management Board of the Company develops the organizational structure, lines of accountability, and adequately distributes the relevant powers and responsibilities to achieve the Company's goals.
	The Company demonstrates a commitment to attract, develop and retain qualified personnel in accordance with the Company's objectives.
	The Management Board of the Company officially distributes responsibility for the functioning of the internal control system among all interested parties.
Risk assessment	The Company sets clear goals with sufficient clarity to be able to identify and assess the risks that hinder the achievement of the set goals.
	The Company identifies risks that hinder the achievement of goals for all significant processes/projects of the Company, analyzes and develops methods for managing identified risks.
	When analyzing the risks, the Company identifies the possibility of fraud.
	When analyzing risks, the Company takes into account the latest internal and external changes that affect the achievement of goals.
Control measures/ procedures	The Company develops (designs) control measures / procedures aimed at reducing risks to an acceptable level.
	The Company develops (designs) general information technology/information security controls that ensure the achievement of the Company's goals.
	The Company implements control measures / procedures through regulatory internal documents, organizational and administrative documents.
Information and communications	The Company generates and uses reliable, high-quality information for the functioning of the internal control system.
	The Company carries out effective internal communication, including communication about the goals and responsibilities for internal controls.
	The Company carries out external communication necessary for the functioning of the internal control system.
Monitoring	The Company performs a continuous or separate assessment of the existence and functioning of all components of the internal control system.
	The Company evaluates and promptly informs the stakeholders responsible for the development of corrective measures, including

	the Management Board and the Board of Directors of the Company, about the shortcomings of internal controls.
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5. The "Three Lines of Defense" model

20. The Board of Directors and the Management Board of the Company, when performing their functions, rely on the "Three Lines of Defense" model, which are recommended by the COSO standards.

The first line of defense (business functions) is presented to the structural divisions in the person of each employee within their competence. Employees of the Company (risk owners), when performing their official duties, directly manage risks and perform control procedures within their competence, identifying and evaluating risks, measures to respond to risks, to comply with Risk appetite, and promptly provide the necessary information about the risks of the CGRMS.

The second line of defense (monitoring functions) is represented by the CGRMS and its supervising head, who are responsible for improving, implementing and monitoring the implementation by structural divisions of effective management practices for all risk groups of the Company, as well as compliance with the legislation and internal regulatory documents of the Company.

The third line of defense (independent guarantee) is provided by the IAS, which conducts an independent assessment of the effectiveness and contributes to the improvement of the RMS and the ICS, supports the Audit Committee and the Board of Directors of the Company, and provides them with an independent assessment of the effectiveness of the risk management system.

6. Responsibilities and powers of ICS participants

21. For the creation and proper functioning of the ICS, the Company distributes the responsibilities and powers of all participants according to three lines of defense, namely:

Responsibility	Powers:
Board of Directors (accountable to the Sole Shareholder)	
<ul style="list-style-type: none"> • Creating a control environment that expresses and demonstrates to the Company's employees the materiality, importance and necessity of internal control, as well as compliance with ethical standards at all levels of management and activities of the Company; • The presence of an independent and objective IAS; • Analysis of the IAS reports on the assessment of the Company's ICS. 	<ul style="list-style-type: none"> • Approval of this Policy; • Approval of Instructions for the preparation and use of risk and control matrices; • Approval of the optimal staffing level, taking into account the necessary number of employees for the effective performance of tasks, as well as the continuous growth and development of the Company; • Approval of the Company's HR Policy; • Monitoring the effectiveness of the ICS.

Internal Audit Committee (reports to the Board of Directors)	
<ul style="list-style-type: none"> • Ensuring the reliability and effectiveness of the internal control system and making recommendations for its further improvement. 	<p>Analysis of the IAS reports on the assessment of the Company's ICS.</p>
<ul style="list-style-type: none"> • Management (Management Board, Deputy Chairmen of the Management Board and Managing Directors (accountable to the Board of Directors)) 	
<ul style="list-style-type: none"> • Development and implementation of the policy (regulations, rules) approved by the Board of Directors) about the internal control system; • Reliable and efficient operation of the ICS; • Improving internal control processes and procedures and ensuring its monitoring. • Development and implementation of mechanisms that determine the procedure for conducting employee training in order to increase the individual level of understanding of internal control and the transfer of information between the subjects of the ICS; • Development and approval of job descriptions according to the Company's staffing level, as well as their subsequent updating/optimization; • Development and implementation of the Company's HR Policy; • Develop optimal staffing levels and ensure the availability and compliance with approved standards and procedures for hiring, evaluating performance, paying employees, training staff, rotating key employees, and other procedures related to personnel management, as well as ensuring monitoring of these procedures; 	<ul style="list-style-type: none"> • Review and approval of the developed classifier of the Company's business processes; • Review and approval of the developed flowcharts, as well as risk and control matrices; • Approval of the Action Plan for the improvement of the Internal Control System, which contains specific measures, deadlines for their implementation and responsibilities of the subjects of the ICS; • Development, approval, formalization and documentation of the CCP.
First line of defense	
Process owners (accountable to the Management/supervising manager)	
<ul style="list-style-type: none"> • Identification and assessment of risks inherent in processes/projects, development (design) of internal controls to reduce identified risks, taking into account the assessment. • Continuous monitoring of the execution of controls by their employees. • High-quality performance of the controls assigned to their duties through job descriptions or internal regulatory documents. • Exchange of information with units of the second line of defense. • Sending information/documents about the 	<ul style="list-style-type: none"> • Compliance with the requirements of this Policy; • Organization of business processes and processes of structural divisions, as well as identification of process risks; • Formation and updating of flowcharts, as well as risk and control matrices.

<p>need for the development and/or updating of ICS documents;</p> <ul style="list-style-type: none"> • Organizing effective CCP design; • Development, documentation, implementation, monitoring and improvement of CCP; • Monitoring the implementation of job descriptions of the Company's employees 	
Employees (report to the direct manager)	
<ul style="list-style-type: none"> • High-quality performance of the controls assigned to their duties through job descriptions or internal regulatory documents. • Exchange of information with units of the second line of defense. 	<ul style="list-style-type: none"> • Compliance with the requirements of this Policy; • Maintaining the effective functioning of the ICS in accordance with their job descriptions.
Second line of defense	
CGRMS (reports to the Management/supervising manager)	
<ul style="list-style-type: none"> • Development of a unified methodology for assessing all types of risks (quantitative, qualitative), recommendations for responding to all types of risks, methods for determining the acceptable level of risks (quantitative, qualitative). • Collecting and consolidating the results of risk assessments. • Critical analysis of the results of risk assessments is the first line of defense. • Exchange of information with the third line of defense unit. • Development of a unified methodology for internal control. • Testing the effectiveness of the design or operational effectiveness of measures/ control procedures. • Recommendations for improving measures/ control procedures. • Monitoring of the ICS and informing the management. • Training of the Company's employees. • Development of a classifier of the Company's business processes; • Preparation of a calendar plan-schedule of work on the development and / or updating of flowcharts, as well as risk matrices and controls for the upcoming year; 	<ul style="list-style-type: none"> • Provision of flowcharts formed and approved by the Company's Management Board, as well as risk and control matrices in the IAS; • Formation of an Action Plan for the improvement of the ICS, based on the action plans provided by the structural divisions, taking into account the recommendations issued by the IAS; • Assessment of the materiality of business processes and selection of business processes for which it is necessary to form flowcharts, as well as risk and control matrices; • Control over the compliance of the block diagrams developed by the Company's structural divisions, as well as the risk and control matrices, with the requirements set out in the Instructions for the Preparation and Use of risk and control matrices.

<ul style="list-style-type: none"> • Providing methodological support to business process owners in terms of identifying and documenting process risks, determining the CCP for management, main and supporting business processes in flowcharts, as well as risk and control matrices; 	
Third line of defense	
IAS (accountable to the Board of Directors)	
<ul style="list-style-type: none"> • Performing an independent assessment of the internal control system using the results of audits or in the form of a separate assessment of the effectiveness of the internal control system. • Exchange of information on risks/controls with CGRMS 	<ul style="list-style-type: none"> • Testing the operational effectiveness of the CCP and documenting the results of the audit; • Formation of recommendations for further improvement of the ICS; • Provision of relevant reports to the Audit Committee and the Board of Directors of the Company.

7. The basis of the effectiveness and limitations of the ICS

22. With an effective ICS, the Board of Directors, the Management Board and other stakeholders can be reasonably confident that the Company will achieve its objectives.

23. Effective internal control is ensured by creating an appropriate control environment. The internal control system is effective when:

- 1) all five components and their associated principles exist and function.
- 2) all five components are interrelated, complementary and function to reduce the risks that hinder the achievement of the Company's goals.

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

- erroneous professional judgment;
- wrong decisions made;
- external negative factors that are not under the control of the Company;
- setting initially unattainable goals;
- the human factor;
- the ability of the Company's personnel to bypass the implementation of controls;
- the ability of the Company's management to exceed its authority;
- possibility of staff collusion.

25. The presence of restrictions of the ICS means that the ICS does not provide an absolute guarantee of achieving the Company's goals, while the Company takes into account the existing restrictions when developing the design of internal controls.

8. Procedure for carrying out work on the internal control system

26. Formation of the classifier of the Company's business processes

26.1. The initial stage of planning work on the ICS is the formation of a classifier of the Company's business processes.

26.2. CGRMS defines the Company's business processes and their boundaries in accordance with the analysis of the Company's IRDs the Company's daily activities and interviews with the subjects of the ICS.

26.3. The Company classifies its activities into three categories of business processes:

1) **Management business processes:** cover the entire range of management functions, which include business processes of strategic, operational and ongoing planning, as well as contributing to the formation and adoption of management decisions;

2) **Main business processes:** are a set of interrelated activities or tasks aimed at creating a specific product or service for consumers, and contributing to the achievement of the goals of the Company's Development Strategy.

3) **Supporting business processes:** are a set of interrelated activities or tasks aimed at creating a specific product or service for consumers, and supporting the supply of resources to the Company's activities and ensuring the functioning of the main business processes.

26.4. Within each category of business processes, it is necessary to combine business processes into groups.

26.5. For each business process, a list of processes and their boundaries is determined by analyzing the Company's IRDs and conducting interviews with the owner (s) of the business process.

27. Assessment of the materiality of business processes

27.1. In accordance with the generated classifier of business processes, it is necessary to assess the materiality of business processes.

27.2. The materiality assessment is carried out on an annual basis, until January 31 of the planned year.

27.3. Assessment of the materiality of business processes is carried out in two ways:

1) on the basis of the existing Risk Register of the Company, the procedures are carried out in the following order:

- based on the qualitative and quantitative assessment, the key risks are identified;

- internal risk factors (causes) of these key risks are determined.

As a result, the business processes that manage the internal risk factors of the Company's key risks are the most material (significant).

First of all, it is necessary to create flowcharts, as well as risk matrices and controls for business processes, within which internal risk factors of the Company's key risks are managed.

As the formation of flowcharts, as well as risk matrices and business process controls, which are the risk factors of key risks, is completed, it is necessary to begin the formation of flowcharts, as well as risk matrices and business process controls, which are less material (significant) in the following sequence:

- risks of the orange zone of the Risk Map;

- risks of the yellow zone of the Risk Map;
- risks of the green zone of the Risk Map.

2) based on the results of previous IAS inspections, it is necessary to select the business processes in which the greatest number of inconsistencies were identified.

27.4. In accordance with the approved business process classifier, CGRMS prepares a calendar schedule for the development and/or updating of flowcharts, as well as risk and control matrices for the upcoming year and submits it for approval and approval by the Company's Management Board by February 28 (29) of the planned year.

27.5. CGRMS sends the approved work schedule to the relevant business process owners for review within two working days from the date of approval by the Management Board.

28. Documenting business processes

28.1. Business processes are documented through the following procedures:

- 1) creating a flowchart;
- 2) formation of a matrix of risks and controls.

28.2. The flowchart allows you to define the interrelated control procedures (actions) of the process from the input (the beginning of the process) before the exit (the end or result of the process), the sequence of actions, as well as the performers of control procedures (actions).

28.3. Based on the results of identifying process risks and determining the CCP, the matrix of risks and controls is filled in. The risk and control matrix contains a textual description of the following:

- name of the business process;
- name of the process;
- process risk code;
- process risk;
- CCP code;
- CCP;
- CCP performers;
- CCP frequency;
- CCP type;
- CCP form;
- evaluation of the effectiveness of the CCP design;
- the basis for evaluating the effectiveness of the CCP design.

28.4. In the flowchart, in accordance with the information contained in the matrix of risks and controls, display links to process risks and CCP.

28.5. The risk and control matrix allows you to identify the existing risks and weaknesses of the CCP, as well as to evaluate their effectiveness. The matrix of risks and controls also allows you to identify process risks for which there are no CCP.

29. Development and / or updating of flowcharts and risk and control matrices by material (essential) business processes of the Company

29.1. CGRMS coordinates the development and / or updating of flowcharts and risk and control matrices on the basis of the approved calendar schedule, in case of changes in the Company's activities.

29.2. Business process owners develop and / or update flowcharts and risk and control matrices in accordance with the deadlines specified in the approved calendar schedule, as well as in accordance with the Instructions for Drawing up and Using risk and control matrices, but no later than May 31 of the planned year.

29.3. Business process owners, after developing and/or updating the flowcharts and risk and control matrices, submit the flowcharts and risk and control matrices to the CGRMS for review.

29.4. CGRMS checks the flowcharts and risk matrices and controls provided by the business process owners before June 30 of the planning year, and conducts a preliminary assessment of the effectiveness of the design of the CCP.

29.5. In order to conduct a preliminary assessment of the effectiveness of the design of the CCP, CGRMS analyzes the information specified in the risk and control matrices. Next, fill in the column "Basis for evaluating the effectiveness of the CCP design" in accordance with the Instructions for the preparation and use of risk matrices and controls. After the analysis, the column "Basis for evaluating the effectiveness of the CCP design" is subject to adjustment or remains unchanged.

29.6. After checking the flowcharts and risk and control matrices, preliminary assessment of the effectiveness of the design of the CCP, as well as eliminating comments by the owners of business processes, CGRMS submits the developed and/or updated flowcharts and risk and control matrices for approval by the Company's Management Board, but no later than July 31 of the planned year.

29.7. CGRMS sends the flowcharts approved by the Company's Management Board, as well as risk and control matrices, to the IAS within 5 working days.

30. Testing the operational effectiveness of control procedures

30.1. The IAS, in accordance with the approved Annual Audit Plan, prepares plans for testing the operational effectiveness of the CCP based on the approved risk matrices and controls of the Company.

30.2. Testing of the operational effectiveness of CCP should only be carried out for those CCP whose design is recognized as effective.

30.3. The IAS, in accordance with the approved Annual Audit Plan, conducts testing of the operational effectiveness of the CCP in the Company. If necessary, the IAS requests additional information from the business process owners to confirm or refute the information reflected in the risk and control matrices.

30.4. The IAS, after testing the operational effectiveness of the CCP, forms a report on the assessment of the effectiveness of the IAS and sends this document to the Audit Committee and the Board of Directors of the Company for consideration in accordance with the approved Annual Audit Plan.

30.5. The report on the assessment of the effectiveness of the ICS should contain a list of areas for improvement, which is a current description of the CCP with a brief analysis of the detected inconsistencies, as well as recommendations for improving the ICS.

30.6. The Board of Directors of the Company, based on the report on the assessment of the effectiveness of the ICS, formed by the IAS, makes a decision on the effectiveness of the ICS.

30.7. The subjects of the ICS provide direct assistance to the IAS in assessing the effectiveness of the ICS.

30.8. Issues in the field of internal control of the Company (formation of control procedures, construction of risk and control matrices, monitoring, etc.) that are not reflected in this Policy should be specified in other internal regulatory documents of the Company on the organization and implementation of internal control.

9. Final provisions

31. Issues not regulated by this Policy are regulated by the Legislation of the Republic of Kazakhstan, the Company's Corporate Governance Code and other IRDs of the Company. If the legislation or regulations of the Republic of Kazakhstan are changed and certain articles of this Policy come into conflict with them, these articles will become invalid. Until the relevant changes are made to the Policy, it is necessary to be guided by the norms of the legislation of the Republic of Kazakhstan.