

"APPROVED"

**Minutes of the Board of Directors
Insurance Company Basel JSC
Minutes No 09/25 dated June
01, 2026**

RULES

**VOLUNTARY INSURANCE
RAILWAY TRANSPORT
Insurance Company Basel JSC**

Almaty, 2026

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1. GENERAL PROVISIONS

- 1.1. These Rules of Railway Transport Insurance of Basel Insurance JSC (hereinafter referred to as the "Rules") have been developed in accordance with the Civil Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan dated December 18, 2000 No. 126-II "On Insurance Activities".
- 1.2. Under the terms and conditions of these Rules, Joint-Stock Company Insurance Company "Basel" (hereinafter referred to as the "Insurer") carries out voluntary insurance of railway transport in case of damage or loss (destruction) by entering into a railway transport insurance contract (hereinafter referred to as the "Insurance Agreement") with legal entities (regardless of the form of ownership) or capable individuals (regardless of citizenship) (hereinafter referred to as the "Insured").

- 1.3. The following terms are used in these Rules:

Beneficiary – a person who, in accordance with the Insurance Agreement, is the recipient of the insurance payment;

Insurer – a person carrying out insurance, i.e. obliged to make an insurance payment to the Insured or another person in whose favor the Insurance Agreement is concluded (Beneficiary) in the event of an insured event, within the amount (insurance amount) specified in the Insurance Agreement. An insurer can only be a legal entity registered as an insurance organization and licensed to carry out insurance activities;

Insurant – a person who has entered into an Insurance Agreement with the Insurer;

Insured – persons admitted to drive the insured railway transport on the basis of the written will of the Insured, expressed in the form provided for by the legislation of the Republic of Kazakhstan;

insured event - an event, upon the occurrence of which the Insurance Agreement provides for the insurance payment. An event considered as an insured event must have signs of probability and randomness of its occurrence;

Sum insured – the amount of money for which the object of insurance is insured and which is the maximum amount of liability of the Insurer in the event of an insured event;

insurance premium – the amount of money that the Insured is obliged to pay to the Insurer for the latter's assumption of obligations to make an insurance payment to the Insured (Beneficiary) in the amount determined by the Insurance Agreement;

insurance indemnity – the amount of money paid by the Insurer to the Insured (Beneficiary) within the insured amount upon the occurrence of an insured event;

Franchise is the Insurer's exemption from compensation for damage not exceeding a certain amount provided for by the terms of insurance. Franchise can be conditional (non-deductible) and unconditional (deductible) and is established either as a percentage of the insured amount or in absolute amount. In case of a conditional deductible, the Insurer is exempt from compensation for damage not exceeding the established amount of the franchise, but must compensate for the damage in full, if its amount exceeds this amount. Unconditional franchise, the damage in all cases is compensated minus the established amount.

- 1) **collapse** - separation and fall of masses of rocks down from the slopes of mountains under the influence of gravity;
- 2) **destruction of bridges, tunnels** - a process, as well as a consequence of the process of violation of the integrity of the material of the structure or its element;
- 3) **fire** - the occurrence of fire outside the places specially designed for its kindling and maintenance, or the spread beyond their boundaries and the ability to spread independently;
- 4) **explosion** is a fast-moving physical or physicochemical process that takes place with a significant release of energy in a small volume in a short period of time and leads to shock,

- vibration and thermal effects on the environment due to the high-speed expansion of explosion products;
- 5) **lightning strike** - a direct lightning strike on the insured property;
 - 6) **natural disaster**, namely: hurricane (caused by weather conditions movement of air masses with a wind force corresponding to 8 points on the Buford scale - wind speed more than 60 km/h) or storm, hail, flood, earthquake, landslide, mudflow;
 - 7) **illegal actions of third parties** - causing material damage resulting from illegal actions of third parties aimed at damage and (or) destruction of the insured property;
 - 8) **Theft** is a secret theft of someone else's property.
 - 9) **derailment, or derailment (both during travel and during shunting operations)** - an event that occurred during the movement of railway rolling stock and with its participation;
 - 10) **accident** - collision of railway rolling stock with other railway rolling stock, vehicle, derailment of railway rolling stock on a stretch or railway station, during train or shunting work, equipment or other movements, as well as as a result of collapse, destruction of bridges and tunnels, fire, explosion, lightning strike, natural disasters or illegal actions of third parties.
 - 11) **Database formation and maintenance organization** – a non-profit organization with state participation, which forms and maintains a database on compulsory voluntary types of civil liability insurance on the basis of the Law of the Republic of Kazakhstan "On Insurance Activities and Legislative Acts of the Republic of Kazakhstan on Compulsory Types of Insurance".

2. OBJECT OF INSURANCE

- 2.1. The object of insurance is the property interests of the Insured, which do not contradict the legislation of the Republic of Kazakhstan, related to the possession, use, disposal of railway transport, as a result of its damage or loss (destruction) during the validity period of the Insurance Agreement.
- 2.2. The subject of insurance is the following types of railway transport:
 - ✓ traction rolling stock (locomotives of all types, diesel trains, turbo trains, railcars, auto and motor railcars, motor locomotives);
 - ✓ wagons (passenger, baggage, postal, mail and baggage, restaurants, service, insulated, special wagons, covered, gondola cars, platforms, tanks, cement trucks, transporters, wagons for transporting livestock, live fish, bitumen, cars);
 - ✓ other types of railway transport.

3. INSURED EVENTS

- 3.1. In accordance with these Rules, insured events are recognized as damage or loss (destruction) of the insured railway transport as a result of:
 - 1) derailment, or derailment (both on trips and during shunting work);
 - 2) Accident;
 - 3) Collapse;
 - 4) destruction of bridges, tunnels;
 - 5) Fire;
 - 6) bang;
 - 7) Lightning;
 - 8) natural disasters;
 - 9) illegal actions of third parties;
 - 10) Theft.
- 3.2. The insurance contract may provide for a different list of insured events.

- 3.3. Proof of the occurrence of an insured event, as well as the amount of damage caused by it, lies with the Insured (Insured) and the Beneficiary in accordance with the Civil Code of the Republic of Kazakhstan.

4. EXCLUSIONS FROM INSURED EVENTS AND INSURANCE LIMITATIONS. GROUNDS FOR EXEMPTION OF THE INSURER FROM INSURANCE PAYMENT

- 4.1. Unless otherwise specified in the Insurance Agreement, the insurance cover does not apply to:
- 1) intent or gross negligence of the Insured, the Insured, the Beneficiary or their representatives;
 - 2) stay of the property outside the geographical limits established by the Insurance Agreement (outside the territory of insurance), unless it was caused by extreme necessity motivated by the need to preserve the property;
 - 3) combustion caused by the specifics of the technological process of production or the operating conditions of industrial installations and units, as well as the treatment of objects with fire, heat or other thermal (thermal) effects for the purpose of their processing, change of other qualitative characteristics, if there has been no spread of combustion;
 - 4) short circuit of electrical networks in electrical equipment in railway transport, which did not cause the spread of fire beyond the apparatus, unit, mechanism;
 - 5) damage to railway transport by transported cargo;
 - 6) accidental unauthorized occupation of railway transport by the railway for the transportation of goods of other shippers;
 - 7) errors/miscalculations in the project (design), specifications, production, materials;
 - 8) theft or embezzlement of property during or immediately after the insured event.
- 4.2. Unless otherwise specified in the Insurance Agreement, the following events are not covered by insurance:
- 1) occurred as a result of violation by the Insured, the Insured of the rules for the operation of railway transport, including the use of technically defective railway transport or in the presence of malfunctions in which its operation is prohibited, as well as violation of fire safety rules, rules for transportation and storage of flammable and explosive substances and items, safety requirements for the transportation of goods established by the legislation of the Republic of Kazakhstan, and violation of the requirements for the temperature regime of goods during their loading and transportation in railway transport;
 - 2) resulting from progressive causes, including, but not limited to, wear and tear, rust, corrosion, mold, mildew, wet or dry decay, gradual deterioration, latent defects, manufacturing defects, slow-onset deformation or distortion;
 - 3) occurred as a result of a leak of the roof or hatches (unless the roof or hatches are damaged as a result of an insured event).
- 4.3. The Insurer has the right to fully or partially refuse the Insured in insurance payment if the insured event occurred as a result of:
- 1) deliberate actions of the Insured/Insured and/or the Beneficiary aimed at the occurrence of an insured event or contributing to its occurrence, except for actions committed in a state of necessary defense or extreme necessity;
 - 2) actions of the Insured/Insured and/or the Beneficiary, recognized in accordance with the procedure established by legislative acts as intentional crimes or administrative offenses that are in a causal relationship with the insured event.
- 4.4. The insurer is exempt from making the insurance payment if the insured event occurred as a result of:
- 1) the effects of a nuclear explosion, radiation or radioactive contamination;

- 2) military actions, acts of terrorism;
 - 3) civil war, civil unrest of all kinds, riots or strikes.
- 4.5. The insurer shall be exempt from making insurance payment for losses incurred as a result of seizure, confiscation, requisition, arrest or destruction of the insured railway transport by order of state bodies.
- 4.6. Unless otherwise stipulated by the Insurance Agreement, the grounds for refusal of the Insurer to make the insurance payment may also be the following:
- 1) communication by the Insured/Insured to the Insurer of knowingly false information about the object of insurance, insurance risk, insured event and its consequences;
 - 2) deliberate failure of the Insured/Insured to take measures to reduce losses from the insured event;
 - 3) receipt by the Insured/Insured of the appropriate compensation for property insurance losses from the person guilty of causing the loss;
 - 4) obstruction by the Insured/Insured to the Insurer in the investigation of the circumstances of the occurrence of the insured event and in establishing the amount of the loss caused by him/her;
 - 5) failure to notify/untimely notify the Insurer of the occurrence of an insured event;
 - 6) refusal of the Insured/Insured from his/her right of claim to the person responsible for the occurrence of the insured event, as well as refusal to transfer to the Insurer the documents necessary for the transfer of the right of claim to the insurer. If the insurance payment has already been made, the Insurer has the right to demand its return in full or in part.
- 4.7. The insurance does not cover moral damage, damage caused by the dissemination of information discrediting the honor, dignity and business reputation (not related to the Insurer's obligation to observe the secrecy of insurance), losses of the Insured/Insured, Beneficiary (including fines, penalties, forfeits, legal costs, expenses for renting other railway transport, renting housing or staying in a hotel during the repair of railway transport, travel expenses, expenses for the maintenance of railway transport). parking and protection of railway transport, losses associated with production downtime, loss of commodity value/condition of railway transport, lost profits).
- 4.8. The list of grounds for exemption of the Insurer from insurance payment may be changed/reduced/supplemented by the insurance agreement.

5. PROCEDURE FOR DETERMINING THE INSURED AMOUNT. FRANCHISE

- 5.1. The amount of the insured amount is determined by the book or market value of railway transport at the time of conclusion of the Insurance Agreement on the basis of accounting documents, market conditions and is indicated in the Insurance Agreement.
- 5.2. By agreement between the Insurer and the Insured, the actual cost of railway transport may be determined on the basis of an independent expert assessment, if its determination is otherwise difficult and/or may lead to distortion of information about the insured railway transport.
- 5.3. If necessary, the insurer has the right to appoint an expert examination in order to establish the actual value of the insured object.
- 5.4. The parties may agree to insure the object for an amount equal to the replacement cost, while the Insurance Agreement specifically stipulates the method of valuation of the object of insurance.
- 5.5. The Parties may not dispute the value of the property specified in the Insurance Agreement, except for cases when the Insurer proves that it was intentionally misled by the Insured.

- 5.6. If the sum insured determined by the Insurance Agreement exceeds the insured value, the Insurance Agreement shall be invalid by virtue of law in that part of the sum insured which exceeds the actual value at the time of conclusion of the Insurance Agreement.
- 5.7. The Insurance Agreement may provide for a franchise (conditional or unconditional). The franchise is set either as a percentage of the insured amount or in absolute amount.
- 5.8. In the case of a conditional deductible, the Insurer is exempt from liability for damage not exceeding the established amount of the deductible, and must compensate for the damage in full if its amount is greater than the deductible. With an unconditional franchise, if the damage does not exceed the established amount of the franchise, then no payment is made, in case of excess, the damage is compensated minus the established franchise.
- 5.9. The type and amount of the franchise shall be established by agreement between the Insured and the Insurer and shall be specified in the Insurance Agreement.
- 5.10. A deductible can be established for one insured event or for each insured risk. If there were several insured events or risks, the amount of the franchise is taken into account when calculating the amount of damage for each of them.

6. PROCEDURE FOR DETERMINING THE INSURANCE PREMIUM

- 6.1. The amount of the insurance premium depends on the characteristics of the railway transport, the conditions and features of its operation, the list of selected risks, the insurance period, as well as other factors affecting the probability of the occurrence of an insured event and the amount of possible damage, and is calculated in accordance with the tariff policy of the Insurer.
- 6.2. Unless otherwise stipulated in the Agreement, the Insured shall pay the insurance premium (insurance premium) within 3 (three) business days after receiving from the Insurer a written confirmation of insurance and the corresponding invoice for payment of the insurance premium (insurance premium). The additional insurance premium shall be paid by the Insured within the terms specified in the relevant invoice of the Insurer, but no later than 3 (three) business days after receipt of this invoice, unless otherwise stipulated by the Agreement. Payment of the insurance premium is made in a lump sum or in installments in accordance with the terms of the Agreement.
- 6.3. If the insurance premium or the first insurance premium is not paid on time, the Insurer has the right to terminate the Agreement early from the date of non-payment of the insurance premium. In this case, a written notification of the Insurer to the Insured is not required.
- 6.4. If by the time of the insured event the insurance premium (first insurance installment) is still not paid, the Insurer:
 - is exempt from fulfilling its obligations under the Agreement and is not responsible for insured events that occurred during the specified period, or
 - has the right to set off the amount of unpaid insurance premium (insurance premium) when determining the amount of insurance payment.

7. PROCEDURE FOR CONCLUDING AN INSURANCE CONTRACT

- 7.1. The Insurance Agreement shall be concluded on the basis of the Insured's written/electronic application filled out in the form established by the Insurer, registration documents of railway transport, the act of acceptance for insurance of railway transport (if it is drawn up by the Insurer/its representative) and documents confirming the proprietary rights to railway transport. The application shall contain all the necessary information about railway transport. The Insured shall contain all the necessary information about railway transport is obliged to give answers to all questions posed to him by the Insurer in order to determine the degree of risk in relation to the insured railway transport. The Insured's application and the act of

acceptance for railway transport insurance (if it is drawn up by the Insurer/its representative) are an integral part of the Insurance Agreement. If the Insured indicates false information in the application, the Insurer shall have the right to refuse the Insurant in the insurance indemnity upon the occurrence of an insured event. When filling in the said application, the Insured shall inform the Insurer of all circumstances known to him/her that are essential for the assessment of insurance risk.

- 7.2. Upon conclusion of the Insurance Agreement, changes in the terms of insurance at the request of the Insurer, the Insured shall be obliged to present the railway transport for inspection. The Insurer shall not be liable for parts of railway transport (components, assemblies) that are damaged at the time of conclusion of the Insurance Agreement.
- 7.3. In order to conclude the Insurance Agreement, the Insurer may reduce the list of the above requirements/documents or request additional documents characterizing the degree of insurance risk.
- 7.4. The Insurer has the right to refuse to conclude the Insurance Agreement with the Insured without giving reasons.
- 7.5. The Insurance Agreement shall be concluded in writing/electronic form by drawing up the Insurance Agreement by the parties.

8. TERM AND PLACE OF VALIDITY OF THE INSURANCE CONTRACT

- 8.1. Unless otherwise stipulated by the Insurance Agreement, the Insurance Agreement shall be concluded for a period of 12 months and shall enter into force on the day following the day of payment of the insurance premium. The day of payment of the insurance premium is the day of receipt of money to the bank account or cash desk of the Insurer.
- 8.2. Unless otherwise specified in the Insurance Agreement, the period of validity of the insurance cover coincides with the term of the Insurance Agreement.
- 8.3. Unless otherwise stipulated by the Insurance Agreement, it shall be terminated at 24:00 of the day specified in the Insurance Agreement as the day of termination of the Insurance Agreement, or when the Insurer makes an insurance payment for the first insured event. If it is expressly stipulated by the Insurance Agreement, it shall be terminated when the Insurer makes an insurance payment (insurance payments) in the amount of the insurance amount under the Insurance Agreement or when the insurance payment is made for the risk of total loss of railway transport or for the risk of theft of railway transport.
- 8.4. Unless otherwise provided by the Insurance Agreement, the territory of insurance is the Republic of Kazakhstan.
- 8.5. Unless otherwise stipulated by the Insurance Agreement, the Insurance Agreement may be extended for the next term by agreement of the parties, provided that one of the parties notifies one of the parties thereof 30 (thirty) calendar days before the date of termination of the Insurance Agreement and payment of the insurance premium.

9. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 9.1. **The insurer has the right to:**
 - 1) check the information and documents provided by the Insured, as well as the Insurant's compliance with the requirements and terms of the Insurance Agreement;
 - 2) upon receipt of a notification of the circumstances entailing an increase in the insurance risk, to demand a change in the terms of the Insurance Agreement or payment of an additional insurance premium in proportion to the increase in risk;
 - 3) to demand termination of the Insurance Agreement if the Insurant fails to comply with the obligation to inform the Insurer about significant changes in the circumstances that

have become known to him, reported to the Insurer when concluding the Insurance Agreement, if these changes may significantly affect the increase in the insurance risk, or if the Insured objects to the change in the terms of the Insurance Agreement or additional payment of the insurance premium in proportion to the increase in the degree of risk;

- 4) independently find out the causes and circumstances of the event that has signs of an insured event, including requesting from the relevant state bodies and organizations, based on their competence, documents confirming the fact of occurrence of the insured event and the amount of damage caused;
- 5) to demand from the Insured the information necessary to establish the fact of the insured event, the circumstances of its occurrence;
- 6) refuse to make an insurance payment in full or in part on the grounds provided for by the Insurance Agreement;
- 7) suspend/refuse to carry out transactions with money and (or) other property under the Insurance Agreement in order to comply with the legislation on combating the legalization (laundering) of proceeds from crime and the financing of terrorism;
- 8) perform other actions that do not contradict the Insurance Agreement and the legislation of the Republic of Kazakhstan.

9.2. **Obligations of the Insurer:**

- 1) familiarize the Insured with these Rules and, at his request, submit (send) a copy of the Rules;
- 2) ensure the secrecy of insurance;
- 3) if the Insurant (Insured) or the victim (Beneficiary) or their representative fails to submit the documents provided for in paragraph 11 of these Rules, immediately, but no later than 10 (ten) business days, notify him/her in writing of the missing documents;
- 4) in the event of an insured event, make an insurance payment in the amount, procedure and terms established in the Insurance Agreement;
- 5) send a written reasoned refusal to make an insurance payment to the Insured and the Beneficiary in accordance with the terms of the Insurance Agreement;
- 6) reimburse the Insured (Beneficiary) for the expenses incurred by him to reduce losses in the event of an insured event;
- 7) perform other actions provided for by the Insurance Agreement and the current legislation of the Republic of Kazakhstan.

9.3. **The insured has the right to:**

- 1) require the Insurer to explain the terms and conditions of railway transport insurance, its rights and obligations under the Insurance Agreement;
- 2) to challenge in the manner established by the legislation of the Republic of Kazakhstan, the Insurer's refusal to make the insurance payment or to reduce its amount;
- 3) before the occurrence of the insured event, replace the Beneficiary named in the Insurance Agreement with another person who is not the insured, notifying the Insurer in writing. The Beneficiary may not be replaced by another person after he has fulfilled certain obligations under the Insurance Agreement arising from his agreement with the Insured, or has submitted a claim to the Insurer to make an insurance payment;
- 4) perform other actions that do not contradict the Insurance Agreement and the legislation of the Republic of Kazakhstan.

9.4. **Obligations of the Insured:**

- 1) pay the insurance premium in the amount, procedure and terms established by the Insurance Agreement;
- 2) at the conclusion and during the validity period of the Insurance Agreement, inform the Insurer about all current/concluded Insurance Contracts for similar risks in relation to this insured object;

- 3) inform the Insurer about the state of insurance risk;
- 4) immediately, but not later than 3 (three) business days, inform the Insurer about significant changes in the circumstances that have become known to him, reported to the Insurer when entering into the Insurance Agreement, if these changes may significantly affect the increase in insurance risk;
- 5) in case of an increase in the degree of risk, make changes to the Insurance Agreement and/or pay an additional insurance premium within 5 (five) business days from the date of receipt by the Insured of a notice of amendment of the Insurance Agreement and/or additional payment of the insurance premium;
- 6) provide all documents and information requested by the Insurer necessary to comply with the requirements of the legislation of the Republic of Kazakhstan;
- 7) perform other actions provided for by the Insurance Agreement and the legislation of the Republic of Kazakhstan.

9.5. **Obligations of the Insured/Insured in the event of an insured event:**

The Insured/Insured, after becoming aware of the occurrence of an insured event (an event that may lead to the occurrence of an insured event), is obliged to:

- 1) to take reasonable measures available in the circumstances to prevent or mitigate possible losses, including measures to save and preserve railway transport;
- 2) immediately inform the relevant bodies and organizations, based on their competence (fire service bodies, emergency services, emergency management agency), about the occurrence of the event;
- 3) ensure that the event is documented by authorized state and other competent bodies;
- 4) immediately, in any case, not later than 3 business days from the moment of the occurrence of the event having signs of an insured event, notify the Insurer in writing about it. At the same time, the Insured is obliged to inform the Insurer of all information known to him about the circumstances of the insured event, types and amounts of damage caused;
- 5) provide the Insurer's representative with the opportunity to inspect the damaged railway transport without hindrance;
- 6) assist the Insurer's representative in clarifying the causes and circumstances of the occurrence of the insured event, including providing the Insurer with all information and documentation available to him/her, allowing to judge the causes, course and consequences of the insured event, the nature and extent of the damage caused;
- 7) immediately notify the Insurer in writing of receipt of any compensation (compensation) for losses caused as a result of the insured event from third parties;
- 8) if the Insurer deems it necessary to appoint its representative to protect the interests of both the Insurer and the Insured, in connection with the occurrence of an insured event, to issue a power of attorney or other necessary documents to protect such interests to the persons specified by the Insurer. The Insurer has the right, but not the obligation, to represent the interests of the Insured in court or otherwise exercise legal protection of the Insured in connection with the occurrence of an insured event;
- 9) bear the burden of proof of the occurrence of the insured event, as well as the losses caused by it, including payment for the examination, visit of experts to the scene of the accident, involvement and consultations of specialists, collection of necessary documents, etc.;
- 10) transfer to the Insurer all documents and evidence and provide it with all the information necessary for the Insurer to exercise the right of claim transferred to it against the person responsible for the damage caused;
- 11) perform other actions provided for by the Insurance Agreement and the legislation of the Republic of Kazakhstan.

- 9.6. If the Insured fails to fulfill the obligations specified in clause 9.5. of this Article, the Insurer has the right to refuse to compensate for damage.
- 9.7. If the lost (stolen) property was not reported to the competent authorities or was not reported in a timely manner, the Insurer shall be released from the obligation to make the insurance payment only in the part relating to this property.
- 9.8. If the Insured is not the Insured, the obligation to notify the Insurer in a timely manner of the occurrence of an insured event and to take reasonable and available measures in the circumstances to prevent or reduce possible losses, including measures to save and preserve the insured property, lies with the Insured. Failure to notify the Insurer within the stipulated period of the occurrence of an insured event gives him the right to refuse the insurance payment.
- 9.9. **The beneficiary has the right to:**
- 1) require the Insurer to explain the terms and conditions of railway transport insurance, its rights and obligations under the Insurance Agreement;
 - 2) submit a claim for insurance payment to the Insurer;
 - 3) receive an insurance payment in the manner and on the terms provided for by the Insurance Agreement;
 - 4) to challenge in the manner established by the legislation of the Republic of Kazakhstan, the Insurer's refusal to make the insurance payment or to reduce its amount;
 - 5) perform other actions that do not contradict these Rules and the legislation of the Republic of Kazakhstan.
- 9.10. The rights and obligations of the parties provided for in this section are not exhaustive. The Parties shall have the rights and bear the obligations provided for by other clauses of these Rules, the terms of the Insurance Agreement and the legislation of the Republic of Kazakhstan.
- 9.11. The list of rights and obligations of the parties may be changed/reduced/supplemented by the Insurance Agreement.

10. CONSEQUENCES OF AN INCREASE IN INSURANCE RISK DURING THE TERM OF THE INSURANCE CONTRACT

- 10.1. The Insured shall immediately notify the Insurer of all significant changes in the insurance risk accepted for insurance known to him/her that occurred during the term of the Insurance Agreement, even if such a change in the insurance risk occurs not at the Insured's will.
- 10.2. Significant changes in the insurance risk are such changes in the insured object or related to the insured object, which are important for determining the probability of occurrence of an insured event and the amount of possible losses from its occurrence, and which could, if they existed at the time of the conclusion of the Insurance Agreement, affect the Insurer's decision to conclude the Insurance Agreement or the specific terms of the Insurance Agreement.
- 10.3. In cases where the Insured doubts whether the changes in the insurance risk are significant, he is obliged to notify the Insurer of these changes.
- 10.4. In general, changes in the information specified by the Insured when entering into the Insurance Agreement in his Insurance Application and in the Insurance Agreement are significant.
- 10.5. The Insurer, notified of the circumstances entailing an increase in the insurance risk, shall have the right to demand amendments to the terms of the current Insurance Agreement or payment of an additional insurance premium in proportion to the increase in the insurance risk.
- 10.6. If the Insured objects to making changes to the terms of the Insurance Agreement or payment of an additional insurance premium, the Insurer has the right to demand termination of the Insurance Agreement in accordance with the Rules provided for by the current legislation of the Republic of Kazakhstan.

- 10.7. If the Insured fails to fulfill the obligation provided for in clause 10.1. of this Article, the Insurer (before the occurrence of an insured event) has the right to demand termination of the Insurance Agreement and compensation for losses caused by termination of the Insurance Agreement.
- 10.8. The Insurer shall not be entitled to demand termination of the Insurance Agreement if the circumstances leading to an increase in the insurance risk have already disappeared.

11. DOCUMENTS REQUIRED FOR CONSIDERATION OF THE ISSUE FOR INSURANCE PAYMENT

- 11.1. In order for the Insurer to make a decision on insurance payment, the Insurant (Beneficiary) shall provide the Insurer with an application for insurance payment and the following documents:

- 1) application for an insured event;
- 2) a copy of the Insurance Agreement;
- 3) documents confirming the ownership of the insured railway transport (sale and purchase agreement, lease agreement, lease agreement, etc.);
- 4) documents confirming the occurrence of the incident as a result of which losses have occurred;
- 5) documents to determine the amount of losses caused to the insured railway transport;
- 6) to prove the existence of an insured event, depending on the risk, the Insured/Beneficiary must provide:

In case of derailment, accident, collision or derailment, landslides, destruction of bridges/tunnels:

- ✓ results of an official investigation of the authorized state body of the Republic of Kazakhstan for railway transport, acts and conclusions of the railway police bodies, services ensuring traffic safety on the railway, emergency technical and emergency rescue services, units of authorized state bodies for emergency situations, other documents confirming the fact and cause of the occurrence of an insured event.

In case of fire, explosion:

- ✓ the results of an official investigation of the authorized state body of the Republic of Kazakhstan for railway transport, acts of fire-fighting, law enforcement agencies, conclusions of fire and technical expertise, emergency service of the gas network, emergency service of energy supply, other documents confirming the fact and cause of the occurrence of the insured event.

In case of illegal actions of third parties:

- ✓ conclusions of law enforcement and investigative bodies, documents evidencing the presence and nature of security systems (contracts with private security departments, etc.), other documents confirming the fact and cause of the occurrence of an insured event.

In case of natural disasters:

- ✓ acts, conclusions of territorial divisions of the hydrometeorological service, state commissions, competent authorities, units of authorized state bodies for emergency situations, other documents confirming the fact and cause of the occurrence of the insured event.

To prove the amount of losses caused:

- ✓ a list of lost and/or damaged property drawn up by the Insured (Insured, Beneficiary) indicating the degree of damage;
- ✓ consignment notes and checks, acts of delivery and acceptance of work, calculations, estimates for repair and restoration work;
- ✓ opinions of independent expert (appraisal) organizations;
- ✓ other documents confirming the amount of damage caused.

- 11.2. The procedure and form of drawing up the submitted documents shall comply with the legislation of the Republic of Kazakhstan, if it is provided for them. Unless otherwise provided by the Rules/Insurance Agreement, the documents shall be submitted to the Insurer in the original or in the form of a copy notarized or certified by the original seal and signed by an authorized person of the competent organization.
- 11.3. The burden of collecting documents lies with the Insured.
- 11.4. The specific list of documents is determined by the Insurance Agreement.

12. PROCEDURE AND CONDITIONS FOR MAKING INSURANCE PAYMENTS

- 12.1. The insurance payment is made in the amount of real damage, but not higher than the insurance amount.
- 12.2. If the sum insured is less than the actual value of railway transport as of the date of conclusion of the Insurance Agreement, the insurance indemnity shall be made in proportion to the ratio of the sum insured to the actual value of railway transport as of the date of conclusion of the Insurance Agreement. If the sum insured exceeds the actual value of railway transport as of the date of conclusion of the Insurance Agreement, the insurance shall be invalid to the extent exceeding the actual value of railway transport as of the date of conclusion of the Insurance Agreement. The fact of discrepancy between the insured amount and the actual cost of railway transport may be established by the Insurer in the event of an insured event.
- 12.3. The amount of damage shall be determined by the Insurer on the basis of the documents submitted by the Insured (Beneficiary) and/or an independent appraiser recommended by the Insurer.
- 12.4. The amount of damage is determined based on the calculation of the cost of restoration of damaged railway transport minus the accrued depreciation (depreciation) of railway transport that occurred before the occurrence of the insured event.
- 12.5. The insurance payment is made minus the amounts received as compensation for this damage from third parties.
- 12.6. After the occurrence of an insured event, the Insured may assign to the Insurer, with the consent of the latter, his rights to the insured railway transport and receive an insurance payment in the amount of the insured amount.
- 12.7. The insurer may replace the insurance payment with compensation for damage in kind within the amount of the insurance payment.
- 12.8. The decision to make the insurance payment or to refuse to make the insurance payment shall be made by the Insurer no later than 20 (twenty) business days from the date of submission of the full list of documents confirming the occurrence of the insured event, the reason for its occurrence and the recipient's right to the insurance payment, unless otherwise expressly stipulated in the Insurance Agreement. At the same time, the period for making a decision may be suspended for 3 (three) months if it is necessary to obtain additional documents and/or information on the claimed insurance event; if it is necessary to apply to other organizations that have information about the circumstances of the claimed insured event; as well as for the purpose of complying with the legislation on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.
- 12.9. In case of making a decision to refuse to make an insurance payment, the Insurer shall inform the Insured in writing with a reasoned justification of the reasons for refusal within 20 (twenty) business days from the date of submission by the Insured of all necessary documents, unless otherwise specified in the Insurance Agreement.
- 12.10. The deadline for consideration of documents and making insurance payment under voluntary insurance contracts of Insurants - individuals, after submission of all necessary documents to the Insurer, is no more than 15 (fifteen) business days.

- 12.11. In the event that the decision to make the insurance payment cannot be made within the established time limits, additional information or data to the submitted documents is required, the Insurer shall notify the Insurant – individual (Insured, Beneficiary) with an explanation of the reasons for the need to extend the terms of insurance payment. At the same time, the period does not exceed 15 (fifteen) working days from the date of the deadline for consideration of documents for insurance payment, under voluntary insurance contracts of Insurants - individuals.
- 12.12. If the Insured and the Beneficiary are not the same person, the insurance indemnity may be made to the Insured after the Beneficiary's written refusal to receive the insurance indemnity.
- 12.13. The procedure and conditions for making an insurance payment may be changed (supplemented) by the Insurance Agreement.
- 12.14. The procedure for consideration of insured events is carried out in writing and in electronic form by exchanging electronic information resources between the Insurer, the Insured (Insured, Beneficiary) and the organization for the formation and maintenance of the database.
- 12.15. The procedure for the exchange of electronic information resources between the organization for the formation and maintenance of the database and the Insurer, the Insurer and the Insurant (Insured, Beneficiary) shall be determined by the regulatory legal act of the authorized body.

13. CONSIDERATION BY THE INSURER OF THE ISSUE OF INSURANCE PAYMENT

- 13.1. Based on the results of consideration of the documents submitted by the Insured (Insured, Beneficiary) to confirm the occurrence of the insured event and the amount of damage caused, the Insurer shall take one of the following actions:
 - 1) makes an insurance payment.
 - 2) refuses to make an insurance payment
 - 3) makes a decision on the impossibility to make or refuse to make an insurance payment.
- 13.2. The insurer shall make the insurance payment or refuse to make the insurance payment in the manner specified in these Rules.
- 13.3. The Insurer's decision on the impossibility to make or refuse to make the insurance payment shall be made if it is impossible to establish from the submitted documents the circumstances of the event that has occurred, the amount of damage caused as a result of the occurrence of such an event, the fulfillment by the Insurant (the Insured, the Beneficiary) of its obligations.
- 13.4. In turn, the impossibility of establishing the circumstances specified in the Insurer's decision does not allow the Insurer to make a decision on making or refusing to make an insurance payment, taking into account the provisions of the Insurance Rules, the terms of the Insurance Agreement/Appendices to these Rules.
- 13.5. In this case, the Insurer in its decision shall indicate which circumstances of the event and/or the amount of damage caused as a result of the occurrence of such an event, the facts of the Insured's (Insured, Beneficiary's) fulfillment of its obligations, cannot be established and what actions the Insured (Insured, Beneficiary) should take.
- 13.6. The Insurer's decision on the impossibility to make or refuse to make the insurance payment shall be made in writing within 5 (five) business days from the date of submission by the Insurant (Insured, Beneficiary) of the package of documents.

14. DOUBLE INSURANCE

- 14.1. Double (multiple) insurance is insurance of the same object with several Insurers under independent contracts with each.

- 14.2. The Insured shall inform the Insurer about all Insurance Agreements concluded with other insurance organizations in relation to the objects insured by the Insurer.
- 14.3. In case of double insurance, the Insurer shall be liable to the Insured within the limits of the Insurance Agreement concluded with him, however, the total amount of insurance payments received by the Insured from all Insurers may not exceed the actual damage.
- 14.4. The Insured has the right to receive an insurance payment from any Insurer in the amount of the insurance amount provided for by the Insurance Agreement. In the event that the received insurance payment does not cover the actual damage, the Insured has the right to receive the missing amount from another Insurer.
- 14.5. The Insurer, fully or partially exempted from making the insurance payment due to the fact that the damage caused has been compensated by other Insurers, shall be obliged to return to the Insured the relevant part of the insurance premiums, minus the expenses incurred.

15. SUBROGATION

- 15.1. The Insurer who made the insurance payment under the Insurance Agreement shall receive the right of claim that the Insured has against the person responsible for the damage caused within the amount paid. Upon receipt of the insurance indemnity, the Insurant shall be obliged to transfer to the Insurer all the documents and evidence available to him and inform him of all the information necessary for the Insurer to exercise the right of claim transferred to him.
- 15.2. In case of the Insured's waiver of claims against the specified person or of the rights ensuring the implementation of claims against him, as well as in case of refusal to transfer to the Insurer the documents necessary for the presentation of the right of claim, the Insurer shall be released from making the insurance payment in full or in the relevant part and shall have the right to demand the return of the overpaid amount.
- 15.3. The Insurant has the right, in accordance with the procedure established by the civil legislation, to assign to the Insurer the right of claim against the person responsible for the damage caused in excess of the amount of insurance payment.

16. AMENDMENTS AND ADDITIONS TO THE INSURANCE AGREEMENT

- 16.1. Amendments and additions to the Insurance Agreement are made by mutual consent of the parties, on the basis of a written application (notification) of one of the Parties.
- 16.2. Cases of amendments to the terms of the agreement:
 - change of the object of insurance;
 - change in the information provided at the conclusion of the insurance contract;
 - change in the validity period of insurance coverage
 - other cases in accordance with the legislation of the Republic of Kazakhstan.
- 16.3. From the moment of receipt of the application of one of the Parties until the moment of making a decision, the Insurance Agreement is valid on the same terms.
- 16.4. Amendments and additions to the Insurance Agreement concluded in accordance with these Rules shall be formalized by drawing up and signing an additional agreement to the Insurance Agreement.
- 16.5. All changes and additions to the Insurance Agreement are legally binding subject to their written execution and signing of an additional agreement by authorized representatives of both Parties.

17. TERMS OF TERMINATION OF THE INSURANCE CONTRACT

- 17.1. In addition to the general grounds for termination of obligations, as well as the grounds for early termination of the Insurance Agreement provided for by the legislation of the Republic of

Kazakhstan, unless otherwise stipulated by the Insurance Agreement/Appendix to these Rules, the Insurance Agreement shall be terminated early in the following cases:

- 1) the Insurer makes an insurance payment for the first insured event. If it is expressly stipulated by the Insurance Agreement, it shall cease to be valid when the Insurer makes an insurance payment (insurance payments) in the amount of the insurance amount under the Insurance Agreement or when the insurance payment is made for the risk of complete loss of railway transport or for the risk of theft of railway transport;
 - 2) non-payment by the Insured of the next insurance premium when paying the insurance premium in installments;
 - 3) failure of the Insured to inform the Insurer of significant changes in the circumstances reported to the Insurer at the conclusion of the Insurance Agreement, if these changes may significantly affect the increase in the insurance risk, or if the Insurant objects to the change in the terms of the Insurance Agreement or additional payment of the insurance premium in proportion to the increase in the degree of risk;
 - 4) termination of the Insurance Agreement at the initiative of the Insured;
 - 5) termination of the Insurance Agreement at the initiative of the Insurer;
 - 6) in cases established by the legislation of the Republic of Kazakhstan or the Insurance Agreement.
- 17.2. In case of termination of the Insurance Agreement on the grounds specified in subparagraphs 1) - 4) of paragraph 17.1. of these Rules, the insurance premiums paid to the Insurer shall not be refunded, unless otherwise provided for in the Insurance Agreement.
- 17.3. In case of termination of the Insurance Agreement on the grounds specified in subparagraphs 5) - 6) of paragraph 17.1. of these Rules, the insurance premiums paid to the Insurer shall be subject to refund of a part of the insurance premium for the unexpired insurance period from the date of submission to the Insurer of an application for early termination of the Insurance Agreement no later than 30 business days, unless otherwise provided by the legislation of the Republic of Kazakhstan.
- 17.4. In cases where early termination of the Insurance Agreement is caused by non-fulfillment/improper fulfillment of its terms and conditions through the fault of the Insurer, the latter shall be obliged to return to the Insured the insurance premium or insurance premiums paid by him in full.
- 17.5. In case of refusal of the insurant-individual from the insurance contract, within fourteen calendar days from the date of its conclusion, the Insurer is obliged to return to the insurant-individual the insurance premium (insurance premiums) received minus a part of the insurance premium (insurance premiums) in proportion to the time during which the insurance was in effect, and the costs associated with the termination of the insurance contract, not exceeding ten percent of the insurance (received) premiums (insurance contributions).
- 17.6. In case of refusal of the insurant – individual from the insurance contract related to the loan agreement within the period provided for in part two of this paragraph, the lender shall have the right to revise the terms and conditions under the loan agreement in terms of the interest rate under this agreement and (or) the commission related to it. The amount of the interest rate (commission amount) under the loan agreement based on the results of the review may not exceed the interest rate (commission) in effect on the date of conclusion of such loan agreement without the condition of concluding an insurance contract.
- 17.7. In case of refusal of an individual insurant from the insurance contract related to the loan agreement due to the fulfillment by him (the borrower) of obligations to the lender under the loan agreement, the insurer is obliged to return to the individual insurant within five working days from the date of receipt of the application for termination of the insurance contract from the individual insurant the received insurance premium (insurance premiums) minus part of the insurance premium (insurance premiums) proportionally the time during which the insurance

was in effect and the costs associated with the termination of the insurance contract, not exceeding ten percent of the insurance premium (insurance premiums) received.

- 17.8. Invalidation of the Insurance Agreement shall be carried out in accordance with the procedure established by law at the request of the interested party. In case of invalidity of the Insurance Agreement, each party shall be obliged to return to the other party everything received under it, excluding the costs associated with the conclusion and performance of the Insurance Agreement, if other consequences of invalidity Insurance contracts are not provided for by law. Recognition of the Insurance Agreement as invalid shall be carried out in accordance with the norms of the civil legislation of the Republic of Kazakhstan.
- 17.9. Unless otherwise provided by the legislation of the Republic of Kazakhstan and (or) the Insurance Agreement, the Insurance Agreement shall be deemed terminated from the date of signing by the parties of the agreement on termination of the Insurance Agreement (addendum), while the Insured shall submit to the Insurer a written application for early termination of the Agreement with the following documents attached:
- 1) the original of the Insurance Agreement (if the Insurance Agreement is concluded on paper);
 - 2) information and a copy of the document allowing to conduct a proper check of the client in accordance with the current legislation of the Republic of Kazakhstan and internal documents of the Insurer;
 - 3) bank details for crediting the amount of the bonus to be refunded.

18. LIABILITY OF THE PARTIES

- 18.1. In case of untimely implementation of insurance payment, the Insurer is obliged to pay a penalty to the Beneficiary in the manner and amount established by Article 353 of the Civil Code of the Republic of Kazakhstan.
- 18.2. The Party that has not fulfilled or improperly fulfilled its obligations under the Insurance Agreement shall not be liable for non-fulfillment/improper fulfillment of obligations if it proves that proper performance was impossible due to force majeure, that is, extraordinary and unavoidable circumstances under the given conditions.
- 18.3. Force majeure includes, but is not limited to: floods, fires, earthquakes and other natural disasters, wars or military actions of any nature, blockades, prohibitions of public authorities. A specific list of force majeure circumstances may be provided for in the Insurance Agreement.
- 18.4. The party experiencing force majeure is obliged to notify the other party of the occurrence of such circumstances within 3 (three) business days, unless otherwise provided for in the Insurance Agreement.
- 18.5. The effect of force majeure circumstances must be confirmed by the relevant documents of the competent authorities.
- 18.6. The liability of the parties provided for in this section may be changed (supplemented) in accordance with the terms of the Insurance Agreement.

19. DISPUTE RESOLUTION PROCEDURE

- 19.1. Any disputes and/or disagreements arising out of or in connection with the Agreement shall be resolved through negotiations.
- 19.2. In the event of disputes, the Parties are obliged to comply with the following pre-trial dispute settlement procedure:
- In the event of a dispute, the Party is obliged to file a written claim with the other Party and receive a response to the claim. If the Party refuses to satisfy the requirements set forth in the claim, or does not give a written response to the claim within 15 (fifteen) working

days from the date of receipt of the claim, or fails to take actions evidencing partial or full recognition of the claim, the Party shall apply to the insurance ombudsman to resolve the dispute. Resolution of the dispute, in fact, by the insurance ombudsman is a mandatory stage of compliance with the pre-trial stage of dispute settlement. At the same time, the execution of the decision of the insurance ombudsman for the Insured (Insured, Beneficiary) is not mandatory.

- In the event of a dispute regarding the contestation of the amount of insurance payment, the Insurant (Insured, Beneficiary) shall be obliged to receive the undisputed part of the insurance payment, after which he shall perform the actions specified in subparagraph 1) of this paragraph.

- 19.3. If an agreement is not reached and it is impossible to settle the dispute in a pre-trial manner, the Parties file a claim with the court of the Medeu district of Almaty (if one party to the dispute is an individual or) or the specialized inter-district economic court of Almaty (if the dispute is between legal entities or individual entrepreneurs), that is, contractual jurisdiction is established.
- 19.4. These Insurance Rules are drawn up in 2 (two) copies in the state and Russian languages. In case of discrepancy between the content of the text of these Rules drawn up in the state language and the content of the text of these Rules drawn up in Russian, the Parties shall be guided by the text of these Rules drawn up in Russian.

20. ADDITIONAL CONDITIONS

- 20.1. Everything that is not stipulated by these Rules is regulated in accordance with the legislation of the Republic of Kazakhstan. In case of contradictions between the Insurance Agreement and the Insurance Rules, the provisions of the Insurance Agreement shall apply.
- 20.2. By agreement of the Parties, special conditions (insurance clauses, definitions, exclusions, etc.) may be included in the concluded Insurance Agreement, if they do not contradict the legislation of the Republic of Kazakhstan.