APPROVED
by the resolution of the Board of Directors of
“Halyk” Insurance Company” JSC,
Minutes No.49 dated February 18, 2019

RULES
of voluntary property insurance

"Halyk" Insurance Company" JSC

1. GENERAL PROVISIONS

1. These Rules for voluntary property insurance with “Halyk” Insurance Company” JSC (hereinafter referred to as the Rules) have been developed in accordance with the legislation of the Republic of Kazakhstan, internal regulatory documents of “Halyk” Insurance Company” JSC and regulate the conditions of insurance, the procedure for concluding, maintaining and executing the voluntary property insurance agreement, the agreement of voluntary collateralized property insurance (hereinafter collectively or separately referred to as the Insurance agreement).

2. The concepts used in these Rules:

1) **accident** - violation of the technological process, damage to mechanisms, equipment and structures;

2) **Beneficiary** - a person who, in accordance with the Insurance agreement, is the recipient of the insurance benefit;

3) **actual value of property** - the real (market) value of the property as of the date of the conclusion of the Insurance agreement;

4) **Loan (credit) agreement** - Agreement, according to which one party (lender) transfers, and in cases stipulated by legislation or the Agreement, undertakes to transfer ownership (economic management, operational management) to the other party (borrower) money or things defined by generic characteristics, and the borrower undertakes to return to the lender the same amount of money or an equal amount of things of the same kind and quality;

5) **Pledge agreement** - an agreement concluded in writing between the pledger (borrower) and the pledgee (lender), in which the subject of pledge, its essence, the obligations secured by the pledge, and the time limits for their execution;

6) **lender -** in the context of these Insurance rules, the lender is a bank or other financial institution that accepts as collateral the property subject to insurance to secure the obligations of the Assured (the Insured) under the loan agreement; or a leasing organization with which the Assured (Insured) has a lease agreement for the purchase of property subject to insurance;

7) **pledge** - the method of securing the fulfillment of the obligation, by virtue of which the pledgee (lender) has the right, in the event of failure of the pledger (borrower) to fulfill the obligation secured by the pledge, to receive satisfaction from the value of the pledged property primarily to other creditors of the person to whom it belongs (the pledger), with the exceptions established by the legislation of the Republic Kazakhstan;

8) **mortgaged property** - property transferred by the pledger (borrower) as a pledge to the pledgee (lender) as security for its obligations under the loan (credit) agreement;

9) **pledger** - a person providing property as a pledge, which can be either the very borrower or a third party - the owner of the property;

10) **Insured** - the person in respect of whom the insurance is carried out. In accordance with these Rules, the Insured is the person who owns the property on the basis of ownership or other legal grounds;

11) **property** - values owned by someone;

12) **Assured** - a capable natural or legal person who has entered into an Insurance agreement with the Insurer. When concluding the Insurance agreement, the Assured must have an interest in preserving the property. Unless otherwise provided by the Insurance agreement, the Assured is simultaneously the Insured;

13) **Insurable interest** - property interest of the Assured (the Insured, the Beneficiary) in preventing risks and preventing the occurrence of an insured event;

14) **Insurance case** - an event with the occurrence of which the Insurance agreement provides for the payment of the insurance benefit.

An event considered as an insured event must have all of the following features (with the exception of events that may be provided for under the accumulative insurance agreement):

- the likelihood and randomness of the occurrence of the event;
- unpredictability regarding a specific time or place of the occurrence of an event, as well as the amount of losses as a result of the occurrence of an event;
- lack of danger that the event is inevitable and objectively bound to occur within the validity of the Agreement, about which the parties or, at least, the Assured knew or were aware in advance;
- the occurrence of an event has negative, unfavorable economic consequences for the property interest of the Assured (Insured, Beneficiary);
- the occurrence of an event is not related to the will and (or) intent of the Assured (the Insured, the Beneficiary) and does not provide for the purpose of deriving benefits and (or) obtaining a win (speculative risk);

15) Insurer - Joint-Stock Company "Subsidiary of Halyk Bank of Kazakhstan "Halyk" Insurance Company" which has a license for the right to carry out voluntary insurance of property, and is obliged, upon the occurrence of an insured event, to pay an insurance benefit to the Insured or another person in whose favor the Insurance agreement (the Beneficiary) is concluded within the limits of the amount (sum insured) established by the Insurance agreement.

3. Under the Insurance agreement concluded on the basis of these Insurance Rules, the following may be insured:

3.1. movable and immovable property, including pledged property or property in operating or financial leasing;

3.2. additional expenses of the Assured (the Insured) as a result of the occurrence of an insured event provided for by the Insurance agreement in accordance with these Rules.

4. Unless otherwise provided by the Insurance agreement, under the Agreement concluded in accordance with these Rules, the following may be insured:

- buildings: industrial, administrative, social and cultural or public use, etc.;
- structures: towers, masts, units, other production and technological installations;
- support structures: garages, sheds, covered areas, fences, etc.;
- premises: workshops, offices, laboratories, etc.;
- pipeline main transport, tanks (containers) and/or gas, gas-air mixtures or liquids pumped through pipelines and/or stored in tanks (containers);
- interior decoration (when insuring real estate);
- engineering and production-technological equipment and mechanisms - communications, systems, apparatus, electronic computers, machine tools, transfer machines, power machines, other mechanisms and devices;
- inventory, technological equipment;
- interior items, furniture, furnishings;
- finished products, goods, raw materials, materials and other movable and immovable property located in the premises either on equipped sites, or within the boundaries of a certain territory specified in the Insurance Agreement.

5. Insurance is carried out on the basis of the Insurance Agreement concluded between the Insurer and the Assured in accordance with the current legislation of the Republic of Kazakhstan.

6. Under the collateral property insurance agreement, the Beneficiary is the lender, unless otherwise provided by agreement with the lender. After the full fulfillment of obligations under the Loan Agreement or leasing agreement or their early termination, the Insured becomes the Beneficiary,

for individuals in case of death - the legal heirs, unless otherwise provided by the Insurance agreement. Replacement of the Beneficiary under the Insurance agreement during the validity period of the Loan Agreement or the Lease Agreement may be conducted by the Insurer only with the written consent of the lender.

7. When concluding the Insurance Agreement, the parties may amend (exclude) certain provisions of these Insurance Rules and / or add the Insurance Agreement with other provisions that do not contradict the current legislation of the Republic of Kazakhstan.

2. OBJECT OF INSURANCE

8. The object of insurance is the property interests of the Assured (the Insured, the Beneficiary) related to the ownership, use and disposal of property, including property pledged by the lender as security for obligations under the Loan Agreement, property under operating or financial lease, as well as compensation damage caused to property as a result of its loss (destruction), damage as a result of the occurrence of insurance risks named in the Insurance agreement.

9. Information about the property accepted for insurance is indicated in the application for insurance and in the Insurance agreement.

10. Unless otherwise provided by the Insurance agreement, buildings and structures vacated for major repairs or for other reasons for a long period by persons using them for their intended purpose are not accepted for insurance. The Assured is obliged to immediately notify the Insurer of the release of the insured buildings and structures for major repairs or for other reasons for a period of more than 60 calendar days.

11. The interior decoration of a room means the following elements: door and window blocks, floors (excluding ceilings), light internal partitions, a layer of finishing materials applied or attached to the surface of the floor, ceiling or walls, internal electrical wiring, plumbing equipment, unless otherwise provided by the Insurance agreement..

12. The Insurance agreement must contain all the information that makes it possible to accurately determine (individualize) the insured property:

- information about the location of real estate objects or their parts on the relevant site (address, etc.) or as part of other real estate (floor, room number, etc.);
- description of equipment, machines (type, manufacturer, serial number, etc.), etc.

13. Unless otherwise specified in the Insurance agreement and / or insurance programs, insurance does not apply to:

1) cash in any currency;
2) precious metals, precious and semi-precious stones, in the form of reserves, ingots, finished products;
3) items of fine and decorative and applied arts;
4) rare books, manuscripts, other documents of historical and cultural value;
5) vending machines served with coins, tokens, cash;
6) stocks, bonds, certificates, checkbooks and other securities, bank cards;
7) manuscripts, plans, diagrams, drawings, reports and other documents, negative and positive films, photo negatives, card files, accounting and business books, other documents;
8) models, layouts, visual aids, samples, forms, prototypes and exhibits, etc.;

9) collections of stamps, coins, banknotes and bonds, drawings, paintings, sculptures or other collections and works of art;

10) identity documents;

11) documents of title;

12) information on media of any kind, technical media of computer and similar systems;

13) electronic databases, software;

14) perfumery (products used to flavor something (perfume, eau de toilette, etc.);

15) explosives and ammunition;

16) vehicles in service;

17) harvest;

18) construction in progress;

19) property located in the insured premises, but which the Insured does not dispose of on the basis of ownership (possession, use, disposal), trust management, rent, leasing, pledge, storage, commission, sale, as well as on other legal grounds; personal property of employees of the enterprise;

20) buildings and structures, structural elements and engineering systems of which are in an emergency condition, as well as the property containing in them;

21) frame-reed, wooden buildings, baths (saunas), as well as buildings finished with wood or combustible materials, buildings over 50 years old;

22) buildings that are cultural or historical heritage (monuments of history and culture);

23) property in the process of transportation;

24) property located in an area threatened by landslides, landslides, floods or other natural disasters, as well as in a war zone from the time such a threat was announced in the prescribed manner, if such an announcement was made before the conclusion of the Insurance agreement;

25) markets, bazaars, fairs;

26) other property withdrawn from circulation or limited in circulation in accordance with the civil legislation of the Republic of Kazakhstan.

13. Additionally, the following can be insured:

1) window panes, shop windows and other similar structures;

2) losses incurred as a result of an interruption (downtime) in the economic activity of the Assured resulting from material damage caused to the insured property of the Assured, as a result of an event specified in the Insurance agreement as an insured event;

3) clearing the territory - the costs that must be incurred after the insured event specified in the Insurance agreement to bring the territory into a condition suitable for carrying out restoration work.

14. The unlawful interests of the Assured (the Beneficiary) are not subject to insurance.

3. INSURED EVENT

15. An insured event according to these Insurance Rules may be damage, destruction or loss of the insured property as a result of the following events (in aggregate or any combination of them):

1) **Fire, lightning strike:**

Under this event, damage is indemnified as a result of:

• impact of flame, combustion products, hot gases, high temperatures on the insured property in the event of a fire;

- impact of accidentally released incandescent melts on the insured property (except for the vessels themselves or containers containing these melts);
- impact of a lightning electric discharge (lightning strike) on the insured property;
- impact of fire extinguishing equipment on the insured property used to prevent and extinguish a fire.

A fire is understood as uncontrolled combustion that has arisen outside of specially designated places for making and maintaining a fire or escaping from these places, capable of spreading on its own and causing material damage.

A lightning strike is understood as a thunderstorm electric discharge, whereby the discharge current flows through the insured property and has a thermal, mechanical or electrical effect on the insured property.

Unless otherwise stipulated by the Insurance agreement, this event is not subject to compensation for damage resulting from:

- processing of the insured property with fire or heat for the purpose of processing it in accordance with the technological process (for example: for drying, cooking, ironing, smoking, frying, melting, roasting, heat treatment, etc.);
- destruction, damage or loss of the insured property as a result of exposure to high temperatures (overheating, scorching, etc.), unless such exposure was caused by the occurrence of events (insured risks) specified in the Insurance Agreement;
- impact of electric short-circuit current, increase in voltage or current in the power grid, overload in the power grid on the insured electronic equipment (or other equipment connected to the power grid).

2) **Explosion:**

According to this event, damage caused by an explosion is compensated for:

- steam boilers, tanks, gas storages, gas pipelines, pipelines, machines, apparatus and other similar devices;
- gas, dust and gas mixture.

An explosion is a rapidly occurring process of releasing a large amount of energy in a limited volume in a short period of time.

An explosion of a tank (steam boiler, gas storage, gas pipeline, pipeline) is considered only such an explosion when the walls of this tank are torn to such an extent that it becomes impossible to equalize the pressure inside and outside the tank. If an explosion occurs inside such a tank caused by the rapid course of chemical reactions, then the damage caused to the tank is covered by insurance even if its walls are not broken.

An explosion of a dust-gas mixture is such an explosion when the initial initiating impulse contributes to the disturbance of dust (gas) which leads to an explosion.

Explosives are chemical compounds or mixtures of substances capable of a rapid chemical reaction, accompanied by the release of a large amount of heat, gases and specially designed for explosions in one form or another.

Unless otherwise provided by the Insurance agreement, damage caused to the following devices is not subject to compensation:

- internal combustion engines or similar machines and assemblies due to explosions in combustion chambers;
- electrical switching devices due to the gas pressure inside them.

Unless otherwise provided by the Insurance agreement, damage from explosions of dynamite or other explosives is not subject to compensation.

3) **Exposure to water:**

According to this event, damage is indemnified if it results from the impact of water on the insured property as a result of an accident in water supply, heating, sewerage systems, fire extinguishing systems, as well as

penetration from neighboring rooms.

Unless otherwise provided by the Insurance agreement, no compensation is provided under this event for the following damage:

- damage caused by penetration of liquids into the insured premises, including rain, snow, hail or dirt through unclosed windows, doors, as well as holes made intentionally or caused by dilapidation;
- damage incurred as a result of repair, reconstruction, redevelopment of the insured building or premises;
- damage caused by prolonged exposure to moisture inside premises (mold, mildew, etc.);
- damage caused by frost, rust or due to natural wear and tear of plumbing, heating, sewerage, fire-fighting systems;
- damage resulting from the operation by the Insured of emergency and dilapidated water supply, heating, sewerage, fire-fighting systems, violation or non-compliance by the Insured with the standard terms of operation of these systems;
- expenses for the repair or replacement of systems and devices connected to pipelines, including, but not limited to, taps, valves, tanks, baths, radiators, heating boilers, etc.;
- expenses for the repair, replacement or defrosting of pipelines located outside the insured buildings and premises.

4) **Mechanical impact:**

According to this event, damage is indemnified as a result of:

- collision of vehicles;
- collisions of animals with insured property;
- falling trees, snow, ice or other objects;
- falling of manned flying objects and their parts on the insured property.

Collision of vehicles means any collision of buses, minibuses, cars and trucks, trolleybuses, self-propelled specialized equipment with the insured property, regardless of whether these vehicles were driven by people at the time of collision or not.

A fall of manned flying objects and their parts on the insured property means a fall of aircraft, helicopters, spacecraft, balloons, airships and other aircraft, their parts, wreckage or their cargo (items from them) on the insured property, if these aircraft were piloted by people or there were people in them, at least at one of the stages of the flight.

In case of mechanical impact, insurance coverage, in addition to damage caused to property as a result of its destruction (damage), also applies to damage caused by the action of a shock wave, explosion of fuel tanks as a result of a catastrophe (accident), as well as a fire that has arisen in connection with this.

Unless otherwise provided by the Insurance agreement, this event is not subject to compensation for damage caused to the insured property as a result of temperature changes, interruptions in the supply of electricity, heat or air conditioning caused by mechanical stress.

5) **Natural disasters:**

According to this event, damage is indemnified as a result of:

- earthquakes;
- floods;
- movement of air masses caused by natural processes in the atmosphere with wind speed in gusts of more than 17.2 m / s;

- landslide, avalanche, mudflow;
- hail.

An earthquake is the result of natural processes occurring in the bowels of the earth accompanied by tremors and vibrations of the earth's surface.

Flooding is the release of a water mass from the normal boundaries of a reservoir caused by intense snow melting, a large amount of precipitation, wind surges, ice jams, the breakthrough of dams, a collapse into the bed of rocks that impede the normal flow of water.

Landslide is a sliding downward displacement of soil masses along a slope under the influence of its own gravity.

Avalanche is a mass of snow falling or sliding off the slopes of the mountains.

Mudflow is mud or mud-stone flows that suddenly appear in the beds of mountain rivers due to flooding caused by heavy rainfall or heavy snowmelt.

Hail is a type of precipitation that falls in the form of ice formations of various sizes.

Damage from an earthquake, landslide is subject to compensation only if the seismic and geological conditions of the area in which these buildings and structures are located were properly taken into account in the design, construction and operation of the insured buildings and structures. Damage caused by an earthquake is covered by insurance only if the earthquake is registered in the insurance territory by competent seismographic services and the earthquake is five (5) on the Richter scale or higher.

Flood damage is reimbursed only if the level of water or snow cover exceeds the standard level established for a given area by regional executive authorities, specialized subdivisions of the hydrometeorological service of the Republic of Kazakhstan.

Damage from the movement of air masses caused by natural processes in the atmosphere with a wind speed with gusts of more than 17.2 m/s is confirmed by a certificate from specialized units of the hydrometeorological service of the Republic of Kazakhstan.

Only if specifically stipulated in the Insurance agreement, the Insurer shall indemnify for damage or loss of shop windows, stained glass walls, window and door glasses with a size of more than 1.5 sq. meters each, as well as window and door frames or other frames in which such glasses are fixed;

Unless otherwise stipulated by the Insurance agreement, this event is not subject to compensation for damage resulting from:

- collapse, rockfall, landslide or subsidence of soil caused by blasting, excavation, filling of voids, soil compaction, excavation or construction and installation works, mining or development of mineral deposits in the insurance territory or in its immediate vicinity;
- penetration of rain, snow, hail or dirt into the insured premises through uncovered openings in buildings, if these openings did not arise due to the movement of air masses caused by natural processes in the atmosphere with a wind speed of 18 m/s or more;
- exposure to water, including damage to property by rain, melt, ground water, due to an increase in the level of groundwater, roof leaks, etc.
- dilapidation of insured buildings and structures, as well as buildings and structures in which the insured property is located.

If more than one natural disaster of a certain type occurs within seventy two (72) consecutive hours during the validity period of the Insurance agreement, such events will be considered one insured event.

6) **Illegal actions of third parties:**

Regarding this event, damage is compensated if it is caused as a result of:

- burglary;
- robbery;
- intentional destruction or damage to property;
- destruction or damage to property by negligence;
- hooliganism.

A burglary means secret theft of the insured property solely by:

- breaking doors or windows using picklocks, fake keys or other technical means. Keys made on behalf of or with the knowledge of persons who have no right to dispose of the original keys are considered counterfeit. The fact of the disappearance of property from the territory of insurance is not enough to prove the use of fake keys. Confirmation of the use of picklocks, counterfeit keys and other technical means is the official conclusion of the state bodies of the Republic of Kazakhstan;
- burglary within the insured premises of items used as storage facilities, or opening them with picklocks, counterfeit keys or other tools.
- causing damage to structural elements of the building (walls, floor, ceiling or roof, windows and shop windows);
- confiscation of items from closed premises, where the attacker had previously penetrated in the usual way, in which he secretly continued to be until they were closed and, when leaving the premises, he used picklocks, fake keys or other technical means.

A robbery means open theft of the insured property committed by:

- application of violence not dangerous to life or health to the Assured or persons working for the Assured to suppress their resistance to the seizure of the insured property (hereinafter - the persons working for the Assured be treated as the family members of the latter who were temporarily entrusted with taking care of the insured property);
- threats to the life and health of the Assured or persons working for the Assured, or employees of a security organization guarding the object insured. If the territory of insurance is several insured buildings, then robbery is considered to be the seizure of property within the insured building in which there is a threat to the health or life of the Assured or the Assured’s employees;
- seizure from the Insured or persons working for the Assured during the period when these persons are in a helpless state.

Only if specifically stipulated in the Insurance agreement, the Insurer will indemnify for the costs of replacing locks or keys to the premises, the keys to which have been lost with the exception of keys to cash safes and armored rooms.

The Insurer also indemnifies the costs of repairing damage caused to the insured structural elements of the building (walls, floor, ceiling, roof, etc.) resulting from burglary of the insured property.

Unless otherwise stipulated by the Insurance agreement, this event is not subject to compensation for damage resulting from:

- burglary, robbery committed by persons working for the Assured (the Insured);
- illegal actions of third parties in relation to the insured property transferred by the Assured (the Insured) to these persons for rent, leasing, rental;
- shortage, unexplained disappearance, loss, theft without illegal entry;
- burglary, robbery of valuable property (cash, stocks, bonds, other securities, precious metals and precious stones) which at the time of theft, burglary or robbery was outside the special storage facilities

specified in the Insurance agreement;

• burglary that occurs when the security alarm system of the insured object is disabled or faulty, if the Insurance agreement provides for the installation and use of a security alarm at the insured object;

• actions (inaction) of the Assured (the Insured), persons working for the Assured, or other persons who are entrusted with the safety of the insured property.

7) **Broken glass, mirrors, shop windows:**

According to this event, compensation is paid for damage resulting from the breakage of glass elements of buildings and structures.

The following glass elements of buildings and structures listed in the Insurance agreement, inserted into frames (framing) or mounted at their attachment points, may be insured for this risk:

a) window and door glass;

b) shop windows;

c) stained-glass windows;

d) mirrors;

e) cladding of facades and walls made of glass;

f) glass domes;

g) advertisement panels made of glass or glass-like materials.

By agreement of the parties, if the insurance conditions and the indemnity limit are specified in the Insurance agreement, the Insurer will indemnify the costs:

a) on temporary replacement of broken glass in case of impossibility of urgent replacement with glass completely similar to the broken one;

b) for the installation and dismantling of items that prevent the replacement of broken glass (blinds, grates, etc.);

c) for the rental and installation of scaffolding, if they are necessary to replace glass on high floors;

d) for the restoration of advertising design of shop windows destroyed during glass breakage (painting, engraving).

The Assured is obliged:

a) prevent thawing or defrosting of the insured glass using heating devices (blowtorches, burners, quartz lamps, etc.) and hot water;

b) place heating devices, stoves or advertising light installations at a distance of at least 30 centimeters from the insured glasses;

c) inform the tenant about the need to comply with the above obligations, in case of transfer of premises to a third party for temporary possession, use and disposal.

Unless otherwise stipulated in the Agreement, *broken glass*, *mirrors*, *shop windows* are not an insured event, an insured risk and the damage is not caused as a result of:

a) cracks from improper installation or insertion that appeared during work with insured glass elements, as well as cracks that appeared during installation, dismantling, repair, transportation of insured glass elements;

b) scratches on polished surfaces or glass mirror coatings;

c) accidental or deliberate coloring of the insured glasses.

8) **Risk of business interruption**

According to this event, the risk of losses from an interruption in production or commercial activity caused by the impact of one or more of the insurance risks specified in clause 3.2 of these Rules is covered. The class of insurance for this risk is “insurance against other financial losses”.

Only the Assured can act as the Beneficiary according to this risk.

The object of insurance according to this risk is the property interests of the Assured associated with loss of income / reduction in income (incurred expenses) as a result of stoppage (interruption) of production or reduction in production.

The loss from an interruption in production consists of (in the Insurance agreement the list can be selected in aggregate or separately):

a) current expenses of the Assured for the continuation of economic activities during a break in production;

b) loss of profit from the Assured's economic activity as a result of a break in production.

Current expenses of the Assured for the continuation of economic activities- these are expenses that the Assured inevitably continues to bear during the period of interruption in production, so that after the restoration of property damaged or destroyed, as soon as possible to resume the interrupted economic activity in the amount that existed immediately before the damage was caused that caused the interruption in production. These costs may include:

a) that part of the wages of workers and employees of the insured which does not depend on the volume of products, goods or services sold;

b) payments deducted to social insurance bodies, other similar payments paid regardless of the results of the production and commercial activities of the Assured;

c) payment for the lease of premises, equipment and other property leased by the Assured for economic activities, if the lease payments are payable by the Assured regardless of the fact of destruction (loss), damage, loss of the leased property;

d) taxes and fees paid regardless of the results of the Assured's economic activity;

e) depreciation deductions in accordance with the established rates for intact fixed assets or for their remaining intact parts;

f) interest on loans or other borrowed funds, if these funds were used to invest in the economic activity of the Assured which was interrupted as a result of material damage.

In the Insurance agreement, the list of expenses can be selected in aggregate or in any combination, as well as added by additional types of expenses.

Loss of profit from business activities of the Assured applies only to the profit that they would have received during the period of interruption in production if their economic activity had not been interrupted by material damage:

a) for industrial and agricultural enterprises - through the production and sale of products;

b) for enterprises and organizations in the service sector - through the provision of services;

c) for trade and supply enterprises - from the sale of goods.

16. "Damage" risk includes damage to the insured property in the event of an insured event, as a result of which, the restoration of the insured property is possible and economically feasible.

17. "Loss" risk includes:

1) theft of the insured property committed by third parties not specified in the Insurance agreement by burglary or robbery;

2) destruction of the insured property - damage to the insured property in the event of an insured event, as a result of which the restoration of property is economically inexpedient.

In this case, the destruction of the insured property within the framework of these Insurance Rules means damage in which the costs of restoration repairs as of the date of the insured event will exceed 80 (eighty) percent of the sum insured in accordance with the reports of assessments (expert evaluations) of authorized

bodies, organizations or experts with an appropriate license.

18. The list of insured events is established by the Insurance agreement.

19. Proof of the occurrence of the insured event, as well as the losses caused by it, lies with the Assured (the Insured, the Beneficiary).

20. The event is recognized as an insured event if the loss (destruction) or damage to the insured property occurred (in the aggregate):

1) during the term of the Insurance Agreement (insurance coverage);

2) in the territory of insurance;

3) due to the occurrence of one or more of the insured risks specified in the Insurance agreement.

4. EXCLUSIONS FROM INSURED EVENTS AND LIMITATION OF INSURANCE

21. In addition to the restrictions on compensation for damage specified in clause 3 of these Rules, a compensation for damage resulting from the following risks is not an insured event:

1) seizure, confiscation, requisition, arrest or destruction by order of state bodies;

2) violation by the Assured (Insured) of instructions on storage, operation and maintenance of the insured property, as well as the use of this property for purposes other than those for which it is intended;

3) violation by the Assured (Insured) of fire safety rules, rules for storing flammable and explosive substances and items, safety of work and other similar requirements;

4) carrying out construction and installation, repair and finishing and commissioning works;

5) progressive causes, including, but not limited to, wear and tear, rust, corrosion, mold, fungus, wet or dry decay, gradual deterioration, latent defects, slowly developing deformation or distortion, insect waste, the actions of parasites (microbes) of any kind, rodents;

6) collapse of buildings or part of them, if the collapse is not caused by an insured event;

7) theft of property during or immediately after the insured event;

8) intent of the Assured, the Insured, the Beneficiary or their representatives, as well as persons acting on their own behalf, but with the knowledge and in the interests of the Assured, the Insured and / or the Beneficiary, as well as deliberate violation by any of these persons of the established rules for handling the insured property; ;

9) deliberate commission or admission actions leading to damage by the Assured (the Insured, the Beneficiary), or by the person who was entrusted with the safety of the insured property;

10) commission of an offense by the Assured (Insured, Beneficiary), or a person who was entrusted with the safety of the insured property that is in direct causal connection with the insured event;

11) use of the insured property for rent, educational, research or sports purposes by the Assured (the Insured, the Beneficiary), or by a person who was entrusted with the safety of the insured property without the knowledge of the Insurer;

12) actions of persons in a state of alcoholic, drug or other kind of intoxication, if at the time of occurrence of an event that has signs of an insured event, these persons were with the Assured and / or the Beneficiary in labor or civil law relations;

13) impact of electric short-circuit current, increase in voltage or current in the power grid, overload in the power grid on the insured electronic equipment (or other equipment connected to the power grid);

14) use and storage by the Assured (the Insured) of flammable, poisonous, explosive and corrosive materials, storage or disposal of waste;

15) leakage or release of asbestos;

16) events (causes of damage, risks) not specified in the Insurance agreement as an insured event.

22. Unless otherwise provided by the Insurance agreement, any loss (destruction), damage to property due to the following risks are not an insured event:

1) exposure to a nuclear explosion, radiation or radioactive contamination;

2) military action;

3) civil war, civil unrest of all kinds, riots or strikes, usurpation of power, lockouts and their consequences;

4) terrorist acts, unlawful actions for political reasons;

5) transfer of the insured property to the possession (use) of a third party without written approval from the Insurer;

6) non-return of the insured property transferred for rent or leasing.

23. Unless otherwise provided by the Insurance agreement, the Insurer does not cover (including those caused by an insured event):

1) expenses for managing cases related to the insured event and with its proof, in any authorized bodies (photocopying, notarization, examination; services of a lawyer, representative, translator, etc.);

2) expenses for rent, hotel accommodation; the cost of parking, security, etc.;

3) travel expenses;

4) loss of marketable condition;

5) expenses for compensation for harm caused to third parties;

6) moral damage;

7) administrative penalties, government duties, fees, etc.

8) financial losses associated with interruption of production, loss of profits, exchange rate differences, forfeits (fines, penalties) for late performance of an obligation, etc.;

24. Any damage or expense directly or indirectly caused, arising from, or related to the illegal use of pathogenic or toxic biological or chemical substances, regardless of any other event occurring at the same time or afterwards, is also excluded.

25. Any damage resulting from contamination and / or pollution is excluded, unless the damage and / or destruction of the insured property was caused by:

1) pollution and / or contamination that arose as a result of the occurrence of an insured event;

2) an insured event that occurred due to infection and / or pollution.

The Insurer is not responsible for losses:

1) exceeding the amount of the insured amount (the limit of the Insurer's liability);

2) not specified in the Insurance agreement.

26. The Insurer is exempt from payment of insurance benefits in part of those losses that have arisen as a result of deliberate failure by the Assured (Insured) to take reasonable and accessible measures to reduce losses, save and preserve the insured property.

27. The Insurer has the right to fully or partially deny Insurance benefit to the Assured if the insured event occurred as a result of:

1) intentional actions of the Assured, the Insured and (or) the Beneficiary, aimed at the occurrence of an insured event or contributing to its occurrence, with the exception of actions committed in a state of necessary defense and extreme necessity;

2) actions of the Assured, the Insured and (or) the Beneficiary recognized in the manner prescribed by the legislative acts of the Republic of Kazakhstan as intentional criminal or administrative offenses that are causally related to the insured event;

3) the Assured (the Insured) failure to comply with the obligations specified in subparagraphs 5) - 9) paragraph 51 article 7 of these Rules.

29. The grounds for the Insurer's refusal to pay insurance benefit may also be the following:

1) where the Assured provides the Insurer with knowingly false information about the insurance object, insurance risk, insured event and its consequences;

2) non-fulfillment by the Assured (the Insured) of the obligations and conditions established by the Insurance agreement;

3) non-notification or untimely notification of the Insurer about the occurrence of an event classified as an insured event, and (or) the consequence of which may cause an insured event, in the manner and within time limits established by the Insurance agreement. Exceptions may be found in situations when the Assured (Insured, Beneficiary) was unable to notify the Insurer for a good reason and confirmed this by documentary evidence;

4) prevention of the Insurer by the Insured (the Beneficiary) from the investigation of the circumstances of the occurrence of the insured event and in establishing the amount of the loss caused;

5) deliberate failure by the Insured to take measures to reduce losses from the insured event;

6) the occurrence of an insured event outside the insurance territory or outside the period of validity of insurance coverage;

7) if the corresponding indemnity is received by the Assured from the person guilty of causing damage;

8) if at the time of the occurrence of the insured event, the Insurance agreement has not entered into force;

9) if the Insured fails to provide documents confirming the fact of the occurrence of an insured event specified in article 10 of these Rules;

10) waiver of the Assured from their right to claim against 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.

30. The release of the Insurer from insurance liability to the Assured due to illegal actions, at the same time releases the Insurer from payment of insurance benefits to the Insured or the Beneficiary.

31. The Insurer's refusal to pay insurance benefit may be appealed in the manner prescribed by the legislation of the Republic of Kazakhstan.

32. The Assured (the Insured, the Beneficiary) is obliged to return to the Insurer the received insurance benefit (the corresponding part thereof), if:

- the damage is compensated to the Assured by the person responsible for causing the damage;
- during the limitation period, it will be discovered a circumstance which, by virtue of law or in accordance with these Rules, fully or partially deprives the Assured or the Beneficiary of the right to insurance benefit.

33. The Insurance agreement may establish other exclusions from insured events and (or) restrictions on insurance.

5. SUM INSURED. DEDUCTIBLE

34. Sum insured is the amount of money for which the insurance object is insured and which is the maximum amount of the Insurer's liability in case of occurrence of an insured event.

35. Unless otherwise provided by the Insurance agreement, the sum insured for property insurance is established:

1) for buildings, structures - the cost of buildings, structures, based on market prices in a given area, city district, building, taking into account wear and tear and operational and technical condition;

2) for machinery, equipment, inventory and household property - based on the amount required to purchase a similar item, minus wear and tear;

3) for inventory items (including raw materials, semi-finished products) purchased by the Assured (Insured) - based on their value at the time of the conclusion of the Agreement;

4) for inventory items manufactured by the Assured (the Insured) - based on the actual costs of their production at the time of the conclusion of the Insurance agreement;

5) for interior decoration - in the amount of the documented cost of the purchase of materials, equipment and spare parts for the repair or replacement of finishing elements and (or) engineering equipment, minus the wear of materials, repair work and delivery of materials to the place of repair, and in the absence of documentary evidence in the amount of the cost of purchasing similar materials, equipment and spare parts for the repair of finishing elements and (or) engineering equipment, minus the wear of materials, repair work and delivery of materials to the place of repair;

6) for property used by the Assured on the basis of contractual relations with third parties - in the amount of the Assured's property liability, but not higher than the value of the property determined in accordance with these Rules.

36. The sum insured is established in the Insurance agreement by agreement of the parties and cannot exceed the actual value of the property on the day of the Insurance agreement conclusion.

37. If the sum insured determined by the Insurance agreement exceeds the actual value of the property, the Insurance agreement may be recognized by the court as invalid in that part of the sum insured that exceeds the actual value at the time of the conclusion of the Agreement.

38. By agreement of the parties, when concluding the Insurance agreement, the limits of the Insurer's liability may be established, including with respect to:

1) certain types of property;

2) individual insurance risks;

3) certain types of expenses reimbursed upon the occurrence of an insured event.

39. Unless otherwise provided by the Insurance agreement, the sum insured (the limit of the Insurer's liability) is reduced by the amount of the insurance benefit paid.

40. After the insurance benefit is paid, the Assured has the right to increase the sum insured under the Insurance agreement, up to the corresponding amount of the insured value, and (or) the limit of the Insurer's liability to the original amount, subject to the payment of an additional insurance premium.

41. Deductible is the release of the Insurer from compensation for damage not exceeding a certain amount provided for by the insurance conditions.

In case of a conditional deductible, the Insurer is exempt from compensation for damage that does not exceed the established amount of the deductible, but must compensate for the damage in full if its amount exceeds this amount.

In the case of an unconditional deductible, damage in all cases is reimbursed after deducting the established amount.

42. The type and amount of the applicable deductible is established by the Insurance agreement.

6. INSURANCE PREMIUM. PAYMENT PROCEDURE AND TERMS

43. Insurance premium - the amount of money that the Assured is obliged to pay to the Insurer for the latter's acceptance of the obligation to pay insurance benefits to the Beneficiary in the amount determined by the Insurance agreement.

44. The amount of the insurance premium is calculated on the basis of the insurance rate established by the Insurer depending on the type and characteristics of property, conditions and characteristics of its storage (operation), type of production, fire safety conditions, safety of property, insurance period, as well as other factors affecting the probability of occurrence insured event and the amount of possible damage.

45. The insurance premium is paid by the Assured in the currency of the Republic of Kazakhstan.

46. In cases stipulated by the current legislation of the Republic of Kazakhstan, the insurance premium can be paid in foreign currency (currency equivalent).

47. The insurance premium is paid as a lump sum or in installments, by bank transfer or in cash (in compliance with the requirements of the legislation of the Republic of Kazakhstan).

The procedure and terms for payment of the insurance premium are established by the Insurance agreement.

48. Unless otherwise provided by the Insurance agreement (in the absence of a written agreement of the parties on a different condition), in the event of late payment by the Assured of the insurance premium (installment premium) within the period specified in the Insurance agreement, the Insurer has the right:

1) To terminate the Insurance agreement unilaterally from the date of non-payment of the insurance premium (installment premium);

2) to refuse to make an Insurance benefit if an event classified as an insured event occurred before the payment of the insurance premium (installment premium) which is overdue;

3) when determining the amount of insurance benefit to set off the amount of overdue insurance premium (installment premium), if an event classified an insured event occurred before payment of the insurance premium (installment premium) which is overdue.

49. When concluding an Insurance agreement for a period of less than one year, the insurance premium is calculated for the actual number of days of the Insurance agreement (pro-rata).

7. RIGHTS AND OBLIGATIONS OF THE PARTIES

50. **The Assured has the right:**

1) when concluding the Insurance agreement to familiarize with the annual financial statements of the Insurer, if they are not confidential information;

2) to get acquainted with the Rules, require the Insurer to clarify the conditions of insurance, their rights and obligations under the Insurance agreement, receive a copy of the Rules;

3) to receive a duplicate of the Insurance agreement prepared in paper form, in case of its loss, or re-receive the electronic Insurance agreement to the e-mail address of the Assured specified at the time of concluding the Insurance agreement;

4) to use the services of an independent expert to assess the amount of damage caused to property;

5) to get acquainted with the progress of the Insurer's investigation of the insured event;

6) upon the occurrence of an insured event to receive an insurance benefit in the amount, in the manner and within time limits established by the Insurance agreement;

7) to terminate the Insurance agreement early in the manner prescribed by these Rules (the Agreement);

8) to contest, in the manner prescribed by the legislation of the Republic of Kazakhstan, the decision of the Insurer to refuse to pay an insurance benefit or reduce its amount.

51. **The Assured is obliged**:

1) when concluding the Insurance agreement, to inform the Insurer of all circumstances known to the Assured that are essential for determining the probability of an insured event and the amount of possible losses from its occurrence;

2) to notify the Insurer of all Insurance agreements already concluded and negotiated in relation to the insurance object with other insurance companies;

3) to pay the insurance premium in the amount, in the manner and within time limits established by the Insurance agreement;

4) to inform the Insurer about the state of the insurance risk;

5) to ensure the proper operation of water supply, sewerage, heating systems, fire extinguishing systems in the insurance territory, their timely maintenance and repair;

6) to place the insured property in warehouses at a distance of at least 20 centimeters from the ground (floor);

7) to disconnect and ensure timely release from water and steam of water supply, sewer, heating systems, fire extinguishing systems in the insurance territory in the event that the insured buildings (structures) are vacated for major repairs or for other purposes for a period of more than 60 calendar days;

8) to comply with the rules for the protection of property and storage of valuables provided for by the current legislation of the Republic of Kazakhstan, regulatory acts or the Insurance Agreement;

9) during non-working hours to ensure the locking of the insured premises and storage facilities, and in places where valuables are stored to take all measures to ensure the degree of security provided for by the Insurance agreement or regulatory documents for these places;

10) to comply with the terms of the Rules (Insurance Agreement);

11) to familiarize the Insured with the insurance terms and conditions. Violation of the terms of the Insurance agreement by the Insured is regarded as a violation by the very Assured;

12) upon the occurrence of an event classified as an insured event and (or) the consequence of which may cause an insured event, to notify the Insurer of this and take the necessary actions in the manner and within time limits established by these Rules (the Insurance Agreement);

13) for making a decision on insurance indemnity, to provide all the documents necessary and required by the Insurer in accordance with article 10 hereof (conditions of the Insurance agreement);

14) immediately, but no later than five banking days from the date of receipt of any reimbursement (compensation) for losses caused as a result of an insured event from third parties, to notify the Insurer of this in writing and return the corresponding part of the received insurance benefit;

15) to ensure the transfer to the Insurer of the right of claim against the person responsible for the occurrence of the insured event, including the provision of documents necessary for the exercise of such a right;

16) to maintain confidentiality about the terms of the Insurance agreement and the amount of insurance premiums and benefits;

15) to take measures to reduce losses from an insured event;

16) to inform the Insurer immediately of significant changes that have become known to the assured in the circumstances communicated to the Insurer when concluding the Insurance agreement if these changes may significantly affect the increase in the insured risk during the validity of the Insurance agreement.

52. **The Insurer has the right:**

1) to inspect the property subject to insurance before concluding the Insurance agreement;

2) during the validity period of the insurance to check the state of the insurance risk, its compliance with the information provided by the Assured when concluding the Insurance agreement;

3) to participate in measures to save the insured property and to reduce the amount of losses. At the same time, the participation of the Insurer in these events is not a confirmation of the recognition of the event as an insured event;

4) to find out independently the reasons and circumstances of an event classified as an insured event, including inspection of the insured property and actions to determine the amount of damage caused, and, if necessary, appoint an assessment (expert evaluation) in order to determine the amount of damage;

5) to request from the relevant state bodies and organizations (police, fire service bodies, emergency services, internal affairs bodies, services of the Ministry of Emergency Situations, etc.) documents confirming the fact of the occurrence of an insured event and the amount of damage caused;

6) to demand from the Assured (the Insured) the documents necessary to establish the fact of the insured event, the reasons and circumstances of its occurrence, the amount of damage caused, specified in article 10 hereof;

7) to postpone the decision to pay the insurance benefit until all the circumstances are clarified on the basis of the data and documents of the competent authorities with the sending of a written notification to the Assured no later than five working days from the date of the decision on the postponement;

8) to refuse to pay the insurance benefit or reduce its amount on the grounds provided for by these Rules (Insurance Agreement) and the current legislation of the Republic of Kazakhstan, or not recognize an event as an insured event notifying the Assured (the Insured, the Beneficiary) in writing;

9) to assert the right of recourse against the person responsible for the damage;

10) for early termination of the Insurance agreement in case of violation by the Assured (the Insured) of the terms of the Insurance agreement.

53. **The Insurer is obliged:**

1) to familiarize the Assured with the terms of insurance (these Rules), submit (send) a copy of these Rules, if the Insurance agreement is concluded by attaching to these Rules with the issuance of an insurance policy to the Assured;

2) to register a message about an insured event within one business day from the date of receipt of such a message;

3) upon the occurrence of an insured event to pay an insurance benefit in the amount, in the manner and within time limits established by the Rules (the Insurance Agreement);

4) to reimburse the Assured (the Insured) for reasonable expenses incurred to reduce losses in the event of an insured event;

5) in cases of non-submission by the Assured (the Insured) or the injured person (the Beneficiary) or their representative of all the documents necessary for the Insurance benefit, to notify them of the missing documents within the time period established by the Insurance agreement;

6) to ensure the secrecy of insurance;

7) in case of loss of the Insurance agreement prepared in paper form, on the basis of the Assured's application, to issue the Assured a duplicate of the Insurance agreement or, at the request of the Assured, re-send the electronic Insurance agreement to the Assured's e-mail address specified when concluding the Insurance agreement.

54. **The Beneficiary has the right:**

1) To receive information about insurance conditions from the Assured and the Insurer;

2) To inform the Insurer about the occurrence of an insured event;

3) to participate in the investigation of the insured event;

4) to receive insurance benefit in the manner and under the conditions established by the Insurance agreement.

55. The Insurer, the Assured (the Insured, the Beneficiary) have other rights and obligations established by the legislation of the Republic of Kazakhstan, these Rules, and the Insurance Agreement.

8. CONSEQUENCES OF INCREASING INSURANCE RISK DURING THE PERIOD OF VALIDITY OF THE INSURANCE AGREEMENT

56. During the validity period of the Insurance agreement, the Assured (the Insured) is obliged to immediately, but not later than within three working days from the day when he became aware, to notify the Insurer in writing about significant changes in the circumstances notified to the Insurer when concluding the Insurance agreement, unless another period is established Insurance agreement.

57. In any case the following changes are recognized as significant:

1) changes in the characteristics of the insurance object;
2) use of property outside the insurance territory;
3) change by the Assured (the Insured) of the place of residence;
4) transfer of ownership of property to another person;
5) transfer of property into property lease (rent), leasing, rental, pledge and other encumbrances;
6) issuing a power of attorney or granting rights to dispose of property;
7) termination of production or significant change in its nature;
8) termination of economic activity by the Assured (the Insured) for a long period (over 60 calendar days);
9) changing the purposes of using the property specified in the insurance application;
10) demolition, reconstruction or re-equipment of buildings, structures, as well as repair of directly adjacent buildings and premises, or the installation of scaffolding or lifts on such buildings;
11) significant damage or destruction of property, regardless of the occurrence of an insured event;
12) release for a long period (over 60 calendar days) of premises directly (from above, below or from the side) adjacent to buildings or premises in which the insured property is located;
13) non-taking of measures by the Assured (the Insured) to immediately replace locks in the insured premises and storage facilities with equivalent ones if the keys to such locks were previously lost;
14) elimination or replacement of the storage facility provided for valuable property, or change in the degree of security of storage places;
15) the presence of double insurance;
16) changes in the information specified in the application for insurance and in the Insurance agreement.

58. The Insurer notified of the circumstances entailing an increase in the insured risk has the right to demand changes in the terms of the Insurance agreement and the payment of an additional insurance premium in proportion to the increase in the insured risk.

If the Assured or the Insured objects to a change in the terms of the Insurance agreement or the additional payment of the insurance premium, the Insurer has the right to demand termination of the Insurance agreement in accordance with the norms provided for by the legislation of the Republic of Kazakhstan.

59. If the Assured (the Insured) fails to fulfill the obligation provided for in paragraph 56 of this chapter, the Insurer has the right to demand termination of the Insurance agreement and compensation for losses caused by its termination.

60. The Insurer does not have the right to demand termination of the Insurance agreement if the circumstances resulting in an increase in the insured risk have already disappeared.

9. ACTIONS OF THE ASSURED UPON THE OCCURRENCE OF AN INSURED EVENT

61. Upon the occurrence of an event classified as an insured event and (or) the consequence of which may cause an insured event, the Assured (the Insured) is obliged:

1) to take all reasonable and available measures in the current circumstances to prevent or reduce possible losses, including measures to rescue and preserve damaged property, as well as follow the relevant instructions of the Insurer (if any). At the same time, such instructions cannot be considered as recognition of the obligation of the Insurer to pay insurance benefit);

2) to provide documentary registration of the event by authorized state and other competent authorities;

3) as soon as possible, but in any case no later than 3 (three) days with the exception of holidays and weekends (unless otherwise provided by the Insurance agreement) from the time when the Assured have learned or should have learned about the event, to notify the Insurer about it or their authorized representative, inform the Insurer of all known information about the circumstances of the event, the types and estimated amounts of damage caused and agree with the Insurer on further actions, as well as submit a written application in the form established by the Insurer.

4) to preserve the damaged property in the form in which it appeared as a result of the occurrence of the insured event, until it is inspected by the Insurer. The Assured has the right to change the picture of the damage caused only if it is dictated by security reasons, to reduce the amount of damage, or if the Insurer's consent is obtained for this;

5) to provide the Insurer with all documents and information necessary for the Insurance benefit;

6) to provide the Insurer with the opportunity to inspect and inspect the place of the insured event (incident) and damaged property, conduct an investigation into the causes of the incident, establish the amount of damage, and also participate in measures to reduce losses and rescue the insured property;

7) to ensure the right of claim against the person responsible for the losses, including the provision of the necessary documents;

8) to provide the Insurer with an inventory of the damaged or lost property in the possession, use and / or disposal of the Assured (the Insured).

62. The Beneficiary has the right to notify the Insurer of the occurrence of an insured event in all circumstances, regardless of the notification by the Assured or the Insured.

63. Failure to notify the Insurer of the occurrence of an insured event gives the Insurer a right to refuse insurance benefit if it is not proven that the Insurer learned about the occurrence of an insured event in time or the lack of information from the Insurer about this could not affect their obligation to pay the insurance benefit.

10. LIST OF DOCUMENTS CONFIRMING THE OCCURRENCE OF AN INSURED EVENT AND AMOUNT OF LOSSES

64. The claim for insurance benefit is filed to the Insurer by the Assured (the Insured, the Beneficiary) in writing with the attachment of documents substantiating this claim.

65. Unless otherwise provided by the Insurance agreement, the following documents must be attached to the application for Insurance benefit:

1) a copy of the Insurance agreement (its duplicate);

2) originals of documents confirming the right to own, use and / or dispose of the insured property or their notarized copies;

3) originals or duly certified copies of documents of the competent authorities (internal affairs, fire service, emergency services, emergency services, etc.) carrying out the investigation, classification and recording of events considered as insured events, or confirming the fact of the occurrence of an insured event, including:

a) reports, conclusions and other documents of territorial subdivisions of the hydrometeorological service, firefighting and law enforcement agencies, emergency services, state commissions, etc. determining the causes and consequences of the insured event;

c) a certificate from the internal affairs bodies on the initiation of a criminal case (on the fact of unlawful actions of third parties);

d) other official documents confirming the occurrence of the insured event, the reasons and the amount of damage caused;

4) a copy of the identity card of the Assured and a copy of the Certificate of state registration as an individual entrepreneur (if the Assured is an individual entrepreneur);

5) an inventory of the damaged or lost property in the possession, use and / or disposal of the Assured (Insured) specifying the market value of the damaged property on the day of the occurrence of the insured event;

6) power of attorney for the right to conduct business in an insurance company and receive insurance benefit (for a legal entity or in the case of representing the interests of the Beneficiary);

7) property appraisal report (if any), as well as other documents determining the amount of damage

8) the bank details of the Beneficiary for transferring the Insurance benefit.

66. Unless otherwise provided by the Insurance agreement, the following must additionally be attached to the application for insurance benefit under the Agreement of pledged property insurance:

1) copy of the Loan Agreement;

2) a copy of the Pledge Agreement which is a security under the Loan Agreement;

3) property appraisal report prepared by an independent appraiser at the initiative of the lender before issuing a loan;

4) certificate of the amount of debt under the Loan Agreement.

67. The Assured (the Insured, the Beneficiary) has the right to provide other evidence of the occurrence of the insured event and the amount of losses caused.

68. In order to investigate the insured event, the Insurer has the right to request information and documents from the competent authorities (internal affairs bodies, fire supervision, emergency services, emergency services, etc.), enterprises, institutions and organizations that have information about the circumstances of the insured event, as well as find out the reasons and circumstances of its occurrence independently.

69. The Insurer has the right to assess (expertise) the damaged property independently and calculate the cost of refurbishment.

70. The Insurer has the right to reduce independently the list of documents required to make a decision on the status of the insured event, and restrict themselves to documents sufficient, in the opinion of the Insurer, to make this decision.

71. In some cases, the Insurer has the right to demand the submission of other documents not specified in this article of the Rules necessary to establish the fact of the occurrence of an insured event and determine the amount of damage, including if additional information about the insured event is required.

72. Reimbursement of expenses incurred by the Assured (the Insured) in order to prevent or reduce possible losses, including for saving and preserving of the insured property is made by the Insurer on the basis of

documents confirming such expenses.

73. Documents provided to the Insurer in a foreign language must be translated into Kazakh or Russian with a notarial certification of the translation correctness.

74. The Insurer that accepted the documents is obliged to issue a certificate to the applicant indicating a complete list of the documents provided and the date of their acceptance. One copy of the certificate is issued to the applicant, the second copy with the applicant's mark in its receipt remains with the Insurer. If the Assured (the Beneficiary) sends a claim for insurance benefit in electronic form, the Insurer may submit this certificate to the Assured in electronic form.

75. If the Assured, the Insured or another person who is the Beneficiary fails to provide all the documents necessary for considering the issue of payment of insurance benefit, the Insurer is obliged to notify the applicant of the missing documents within the time limits established by the Insurance agreement.

11. DETERMINING THE AMOUNT OF LOSSES

76. An insurance benefit is paid within the limits of real damage caused to the Assured (Insured, Beneficiary) as a result of the occurrence of an insured event, but not more than the sum insured (limit of the Insurer's liability) established by the Insurance agreement taking into account the deductible, as well as the conditions on the proportion (if any). Only direct property damage caused as a result of the occurrence of an insured event is subject to compensation unless otherwise provided by the Insurance agreement.

77. In cases where the amount of the Insurance benefit under the collateral insurance agreement exceeds the balance of the debt under the Loan agreement, the payment is made to the lender in the amount of the Insured's debt as of the date of provision of a certificate of the amount of debt under the Loan agreement, and the remaining amount is paid to the Assured or his/her heirs unless otherwise provided by the Insurance agreement.

78. In accordance with these Rules, the amount of real damage is determined:

1) in case of complete loss (destruction) of the insured property - within the sum insured (limit of the Insurer's liability), but not more than the market value of the property on the day of the insured event.

In case of destruction of property, the Insurer shall pay insurance benefit minus the cost of the balances fit for use and sale;

2) in the event of partial loss of property - in the amount of its value as of the date of the insured event, taking into account depreciation unless otherwise provided by the Insurance agreement;

3) in case of damage - in the amount of the cost of restoration (repair) of damaged property, calculated on the basis of market prices in force on the day of the insured event, and / or on the basis of an assessment / calculation made by the Insurer or an expert (appraiser) appointed by Insurer minus depreciation, unless otherwise provided by the Insurance agreement. If the property will not be restored (repaired), the Insurance benefit is paid in the amount of the estimated cost of its restoration as of the date of the insured event taking into account depreciation, unless otherwise provided by the Insurance agreement. Repair and restoration costs include the cost of materials for repairs, the cost of paying for repair work and other expenses necessary to restore the insured property to the state in which it was immediately before the occurrence of the insured event. If the damaged parts are replaced, despite the fact that it was possible to repair them without endangering the safety of the insured property, the Insurer shall reimburse the Assured (the Insured, the Beneficiary) for the cost of repairing these parts, but not more than the cost of their replacement. Deductions are made from the amount of

repair and restoration costs for the wear of parts replaced during the repair process.

79. The Insurance agreement may provide for the payment of the Insurance benefit without deducting the existing balances suitable for use and sale. In this case, the Assured (the Insured, the Beneficiary) is obliged to transfer of the available balances, suitable for use and sale to the Insurer’s ownership.

80. When paying an insurance benefit, the Insurer has the right to offset the insurance premiums due or insurance premiums not paid by the Assured.

81. In the event of a dispute between the parties about the causes and amount of damage, each of the parties has the right to request an independent expert valuation. The expert valuation is carried out at the expense of the party that requested it.

If the results of the expert valuation establish that the refusal of the Insurer in terms of the Insurance benefit was unreasonable, the Insurer shall reimburse the costs of paying for the expert valuation.

The Assured bears the costs of conducting the expert valuation independently, if, based on its results, the case cannot be recognized as insured.

82. In case of disagreement of one of the parties with the results of the conducted expert valuation, the Insurer has the right to pay the uncontested part of the damage in the manner and within time limits stipulated by these Rules or the Insurance Agreement.

83. When calculating the amount of Insurance benefit, the degree of depreciation (amortization) of property as of the date of the insured event is taken into account, unless otherwise provided by the Insurance agreement.

84. If the sum insured at the time of the conclusion of the Insurance agreement is set lower than the actual (market) value of the insured property, then the Insurance benefit is paid in proportion to the ratio of the sum insured to the actual (market) value of the insured property as of the date of concluding the Insurance agreement minus the amount of deductible established by the Insurance agreement. In this case, the amount of insurance benefit (IB), in this case, is determined by the formula:

IB = (DxS/PV) - F,

where:

D - the amount of damage caused;

S - sum insured;

PV - actual value of the property;

F - franchise.

85. If the sum insured specified in the Insurance agreement exceeds the actual (market) value of the property, the amount of the Insurance benefit is calculated based on its actual value.

86. The Insured's expenses incurred in order to prevent or reduce possible losses, including for the salvage and preservation of the insured property, are reimbursed in actual amounts, however, so that the total amount of the Insurance benefit and compensation for expenses does not exceed the maximum amount of the Insurer's liability in relation to the insured property, provided by the Insurance agreement.

87. The expenses incurred as a result of the Assured's execution of the Insurer's instructions are reimbursed in full, regardless of the sum insured.

88. In cases where the damage caused as a result of an insured event is compensated to the Insured (the Beneficiary) by third parties, the Insurer shall indemnify only the difference between the amount to be reimbursed under the Insurance agreement and the amount received by the Insured from a third party.

89. Not included in the amount of damage:

1) expenses for technical and warranty maintenance of the insured property;

2) work related to the reconstruction and re-equipment of the insured property, repair or replacement of the individual parts, components and assemblies thereof due to their deterioration, technical defects and for other reasons not related to the insured event;

3) the cost of missing parts (components, assemblies, etc.) the absence of which is not directly related to the insured event in question;

4) replacement of units, assemblies of the insured property, as well as carrying out repair work not agreed with the Insurer;

5) costs associated with the use of excess tariffs, rates and coefficients;

6) other expenses resulting in an increase in the value of the insured property.

12. PROCEDURE AND CONDFITIONS FOR PAYMENT OF THE INSURANCE BENEFIT

90. The Insurer considers an application for an insurance benefit within ten (10) business days after receiving all documents, regulated by article 10 of the Rules unless another term is established by the Insurance agreement.

91. If an insured event is recognized as an insured event, the Insurer shall pay the insurance benefit to the Beneficiary within five (5) business days after the decision on the insurance benefit has been made, unless a different period is established by the Insurance agreement.

92. In case of refusal to pay insurance benefit, the Insurer within five (5) business days from the date of making the decision notifies the Assured (the Beneficiary) in writing with a reasoned justification of the reasons for the refusal, unless another period is established by the Insurance agreement.

93. The Insurer has the right to suspend the period for making a decision on insurance benefit with a written notification of the applicant about this, if the relevant competent authorities have initiated a criminal case or initiated an administrative investigation of the circumstances that resulted in the occurrence of the insured event before entering into force of the resolutive document of the competent authority and submitting it to the Insurer.

94. The Insurers have the right to extend the period for making a decision on the insurance benefit if they have reasonable doubts about the authenticity of the documents confirming the insured event or the amount of losses, until the authenticity of such documents is confirmed by the competent authorities, but for a period not more than three months.

95. The Assured (the Insured, the Beneficiary) upon receipt of the Insurance benefit in the event of theft of property is obliged to provide the Insurer with a written obligation of the owner that in case of discovery of the stolen property he/she/it undertakes to exercise the transfer of ownership title to this property in favor of the Insurer. In this case, the costs associated with the registration of the transfer of ownership in favor of the Insurer shall be borne by the Assured.

96. In case of failure to provide the Insurer with the obligation of the owner of the insured property specified in paragraph 96 of this article, the Assured (the Insured, the Beneficiary) is obliged, within ten working days from the date of discovery of the property, to return the amount of the received insurance benefit and reimburse the Insurer for expenses related to the maintenance of this property prior to transfer to the owner.

13. PROCEDURE FOR CONCLUSION OF INSURANCE AGREEMENT

97. The Insurance agreement is concluded on the basis of the application of the Assured.

98. The application form for concluding a voluntary property insurance agreement, a voluntary collateralized property insurance agreement (hereinafter referred collectively or separately as the Application) is established by the Insurer.

99. For Insurance agreements concluded in paper form, the Application signed by the Assured is an integral part of the Insurer's copy of the Insurance agreement.

For Insurance agreements concluded in electronic form, the application is a list of information provided by the Assured when concluding the insurance agreement; in this case the application is signed in the manner determined by the Insurer.

100. The insurance agreement is concluded after the Insurer has assessed the insurance risk and reached an agreement between the parties on all essential terms of the insurance agreement, in paper or electronic form by preparing the insurance agreement or attaching the Assured to these Rules and issuing an insurance policy to the Assured.

101. The Insurer has the right to inspect the property subject to insurance before concluding the Insurance agreement, including with the involvement of independent experts.

102. When concluding the Insurance agreement, the Assured is obliged to inform the Insurer of all known circumstances that are essential for determining the probability of an insured event and the amount of possible losses from its occurrence if these circumstances are not known and should not be known to the Insurer.

103. To conclude the insurance agreement, the Insurer may require additional documents (information) from the Assured characterizing the insured risk.

104. Amendments and alterations to the insurance agreement are made on the basis of the Assured's application corresponding to the form of the insurance agreement by way of preparing by the Insurer of an addendum to the insurance agreement. If insurance is issued by issuing an insurance policy, then when making amendments and alterations the insurance policy is subject to early termination and preparation a new one.

105. If, after the conclusion of the Insurance agreement, it is established that the Assured, in order to conclude the Agreement, has informed the Insurer of knowingly false information about the circumstances that are essential for assessing the insurance risk and the Insurer's decision to conclude the Insurance agreement, the Insurer has the right to demand that the insurance agreement be declared as invalid.

106. If the Insurance agreement contains conditions that worsen the position of the Insured in comparison with those provided for by the legislative acts of the Republic of Kazakhstan, the rules established by these legislative acts shall apply.

107. The Insurer is liable for incompleteness of the conditions to be specified in the insurance agreement. In the event of a dispute under the Insurance agreement due to the incompleteness of its individual conditions, the dispute shall be settled in favor of the Assured.

108. In case of loss of the insurance agreement prepared in paper form, the Insurer, on the basis of a written application from the Assured, issues a duplicate of the insurance agreement. At the request of the Assured, the insurance agreement executed in electronic form may be re-sent to the Assured to the Assured's e-mail address specified at the time of conclusion of the insurance agreement.

The Insurer has the right to recover from the Assured the costs of making a duplicate of the insurance agreement, in this case the total amount of reimbursable costs is determined by the insurance agreement.

14. TERRITORIAL LIMITS AND DURATION OF THE INSURANCE AGREEMENT

109. The territorial limits of insurance are the territorial limits specified in the Insurance agreement.

110. The insurance agreement can be concluded both for one year, and by agreement of the parties for another period declared by the Assured.

111. The insurance agreement comes into force and becomes binding on the parties from the date specified in the Agreement. The period of insurance coverage coincides with the validity period of the insurance agreement unless otherwise provided by the insurance agreement.

112. The insurance agreement is terminated in the following cases:

a. expiration of the validity of the Insurance agreement;

b. paying the insurance benefit by the Insurer in the amount of the sum insured (limit of the Insurer's liability);

c. early termination of the insurance agreement

113. In addition to the general grounds for the termination of obligations provided for by the legislation of the Republic of Kazakhstan, the insurance agreement is terminated early in the following cases:

1) when the insurance object ceased to exist;

2) death of the Insured who is not the Assured when his/her replacement has not occurred;

3) alienation of the insurance object by the Assured if the Insurer objects to the replacement of the Assured;

4) when the possibility of the occurrence of the insured event has disappeared, and the existence of the insured risk has ceased due to circumstances other than the insured event;

5) entry into force of a court decision on the compulsory liquidation of the Insurer;

6) changes in the conditions and information included in the insurance policy, if the insurance agreement was concluded by issuing an insurance policy to the Assured;

7) in cases stipulated by the law of the Republic of Kazakhstan "On insurance activities".

In these cases, the insurance agreement is considered terminated from the time of occurrence of the circumstance provided as the basis for termination of the Agreement about which the interested party must immediately notify the other party.

114. The insurance agreement may be terminated ahead of schedule on the initiative or by agreement of the Parties. The party initiating the early termination of the Insurance agreement notifies the other party no later than fifteen (15) calendar days before the date of the planned termination, unless otherwise provided by the insurance agreement or the Agreement of the Parties. Conditions for early termination on the initiative or agreement of the Parties are determined by the insurance agreement.

115. In case of early termination of the insurance agreement due to the circumstances provided for in clause 114 of this article, the Insurer is entitled to a part of the insurance premium in proportion to the time during which the insurance was valid.

116. The Assured has the right to withdraw from the insurance agreement at any time.

117. In case of early termination of the insurance agreement on the initiative of the Assured (the Assured’s refusal from the Insurance agreement), the Insurer has the right:

not to refund the paid insurance premium or insurance contributions;

to return a part of the insurance premium in proportion to the unexpired term of the insurance agreement minus 25% of the amount to be returned.

The conditions for early termination of the Insurance agreement on the initiative of the Assured are determined by the insurance agreement.

118. If the terms of the Insurance agreement provide for its early termination in the event that the Insurer pays the insurance benefit for the first insured event that has occurred, then the insurance premium paid by the Insured is not refundable.

119. In cases where the early termination of the insurance agreement is caused by non-fulfillment of its conditions through the fault of the Assured, the insurance premium (its part) is non-refundable.

120. In cases where the early termination of the Insurance Agreement is caused by non-fulfillment of its conditions through the fault of the Insurer, the latter is obliged to return to the Assured the insurance premium or insurance contributions paid by Assured in full.

121. The insurance agreement, in addition to the general grounds provided for by the legislation of the Republic of Kazakhstan, is recognized as invalid if the Assured, when concluding the insurance agreement, deliberately pursued the goal of deriving an unlawful benefit, including its conclusion after the occurrence of an insured event.

15. DOUBLE INSURANCE

122. Double (multiple) insurance is the insurance of the same object with several insurers under separate agreements with each.

123. In case of double property insurance, each insurer is liable to the Assured within the scope of the insurance agreement concluded with the Assured; however, the total amount of insurance benefits received by the Assured from all insurers cannot exceed the actual damage.

In this case, the Assured has the right to receive an insurance benefit from any insurer in the amount of the sum insured provided for by the insurance agreement concluded with the Assured. If the received insurance benefit does not cover the actual damage, the Assured has the right to receive the missing amount from another Insurer.

124. The Insurer who is fully or partially exempted from the insurance benefit due to the fact that the damage caused has been compensated by other insurers is obliged to return the corresponding part of the insurance premiums to the Assured, minus the costs incurred.

125. In case of double insurance, after the occurrence of an insured event, the Assured is obliged to provide the Insurer with all information regarding the settlement of the issue of insurance benefit from other insurers, including information on the amount of insurance benefit received from other insurers.

126. In case of double insurance, the Insurer has the right to find out the reasons and circumstances of an event classified as an insured event, to determine the amount of losses caused as a result of an insured event, together with other insurers.

16. SUBROGATION

127. The right of claim, which the Assured (the Insured) has against the person responsible for the losses reimbursed as a result of the insurance is passed to the Insurer paid the insurance benefit within the limits of the amount paid.

128. The Assured (the Insured) is obliged, upon receipt of the insurance benefit, to transfer to the Insurer all documents and evidence available and provide with all the information necessary for the Insurer to exercise the right of claim transferred.

129. If the Assured (the Insured) has waived the right of claim against the person responsible for the losses reimbursed by the Insurer, or the exercise of this right has become impossible due to the fault of the Assured (Insured), the Insurer is released from making the insurance benefit in full or in the relevant part, and has the right to demand a return of overpaid amount.

17. CIRCUMSTANCES OF INSUPERABLE FORCE

130. The parties are exempted from liability if they prove that the proper performance of their obligations was impossible due to force circumstances of insuperable force (force majeure), that is, extraordinary and unavoidable circumstances due to which it became impossible for the party to fulfill its obligations under the insurance agreement.

131. In the event of the occurrence of the impossibility of full or partial fulfillment of any of the parties to the obligations under the insurance agreement, the period for their fulfillment is prolonged in proportion to the time during which such circumstances last.

132. If force majeure circumstances continue for more than three months, then each of the parties has the right to refuse further performance of obligations under the insurance agreement. In this case, neither party has the right to demand from the other party compensation for losses caused by termination of the insurance agreement.

133. The party which cannot fulfill its obligations under the insurance agreement due to force majeure must notify the other party within twenty days of the occurrence or termination of circumstances that prevent the fulfillment of obligations.

18. DISPUTE SETTLEMENT PROCEDURE

134. All disputes arising between the subjects of insurance on the execution of the insurance agreement are settled in accordance with the legislation of the Republic of Kazakhstan, unless otherwise provided by the insurance agreement.

19. ADDITIONAL TERMS AND CONDITIONS

135. The insurance agreement may provide for other conditions that do not contradict the legislation of the Republic of Kazakhstan.

136. Based on these Rules, the Insurer has the right to develop insurance programs with a different set of insurance risks and other insurance conditions that do not contradict the legislation of the Republic of Kazakhstan.

137. In case of inconsistency of the content of the insurance agreement with these Rules, the conditions of the insurance agreement apply, if this is expressly stipulated in the insurance agreement.

138. Any matters not regulated by these Rules are regulated by the current legislation of the Republic of Kazakhstan.