AgriRegistrar Ltd.

Risk Management Policy

1. Introduction, Purpose and Scope

This Risk Management Policy forms part of AgriRegistrar Ltd. (the "Company") governance and control arrangements. Risk is inherent in all business activities. Managing risk well is the responsibility of every employee. Sound risk management enables the Company to serve customers, clients and helping make the Company a great place to work. If not managed well, risks can result in financial loss, regulatory sanctions, and penalties, and damage the Company's reputation, each of which may adversely impact the Company's ability to execute its business strategies. It is critical that every employee embraces sound risk management principles as a core component of their role and responsibilities.

The Purpose of the Risk Management Policy (the "Policy") is to constitute the minimum risk management requirements for the Company. This Policy is based on the global risk standards, world-class industry practices and Acting law of the AIFC.
This Policy apply to the Company and all of its employees.

2. Definition

2.1. The terms and abbreviations used in the Policy are defined below. The list below is not exhaustive – certain definitions are detailed in relevant sections throughout the Policy.

Acting Law of the AIFC has the meaning given by article 4 of the Constitutional Statute.

AIFC means the Astana International Financial Centre.

Board of Directors (BoD) means the current Director(s) of the Company and includes any person occupying the position of director, by whatever name is called.

Chief Executive Officer (CEO) means the chief executive officer of the Company, who is a natural person and a resident of the Republic of Kazakhstan, appointed by the Shareholders or Board of Directors.

Constitutional Statute means the Constitutional Statute of the Republic of Kazakhstan dated 7 December 2015 entitled "On Astana International Financial Centre".

Employee means an individual who works or will work in the service of another person under an express or implied contract of hire under which the other person has the right to control the details of work performance. The other person is the Employee's Employer.

Regulator means the Astana Financial Services Authority.

Risk Appetite means Risk appetite is the amount and type of risk that the Company is willing to take in order to meet strategic objectives.

2.2. Clause, Schedule, and paragraph headings shall not affect the interpretation of the Policy.
2.3. Capitalized terms, not otherwise defined herein shall have the meaning assigned to them in accordance with the Acting Law of the AIFC, including the AIFC Regulations and AIFC Rules.
2.4. Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

3. Risk Management at the Company

The following principles underpin risk management at the Company:

- Risk exposure should be appropriate within the context of the agreed risk management framework;
- Risks taken need to adequately aligned with strategic and capital plans;
- Risks should be continuously monitored and managed;
- All reasonable efforts should be taken to identify, escalate, and report adverse scenarios.

4. Risk Management Culture

A strong risk management culture is fundamental to the Company's core values and operating principles. The management of risk is the responsibility of all Employees. The Company expects Employees to exhibit behaviours that maintain a strong risk culture and assesses these behaviours as part of the overall performance and compensation process.

These behaviours include being rigorous, in the assessment of risk inviting, providing and respecting challenges, troubleshooting and collectively placing the Company and its reputation at the heart of all decisions.

The following form the foundation of the Company's risk culture:

- Managing risk well protects the Company and its reputation enabling it to deliver on the Company's strategy.

- The Company treats customers fairly and acts with integrity to support the long term interests of its Employees, customers, clients and shareholders.
- All Employees are responsible for proactively managing risk as part of their day-to-day activities through prompt identification, escalation and debate of risks.
- The Company ensures a culture of senior management risk management and accountability by linking performance objectives, measured performance metrics, and reward packages.
- All benefit from a strong risk culture.

5. Risk Management Framework

Risk and capital are managed with a framework of principles, organisational structure, measurement and monitoring processes that are closely aligned with the activities of structural units of the Company.

Risk management is based on the following building blocks:

- Risk Governance and Strategy;
- Risk Management;
- Risk Identification;
- Risk Infrastructure.

6. Risk Governance and Strategy

Risk strategy is defined and executed within a clear governance structure. The key principles include:

- Risk strategy is designed to ensure full alignment of risk, capital, and performance targets.
- All major risk classes are managed in a coordinated manner via risk management processes, including:
  - credit risk (including counterparty risk),
  - market risk,
  - operational/IT risk,
  - liquidity risk,
  - business risk,
  - reputational risk and
  - compliance/legal risk.
- Appropriate monitoring and escalation processes are in place against key capital and liquidity thresholds and metrics. Qualitative risk appetite

statements for non-quantifiable risk types, e.g. reputational risk are in place to ensure full coverage of all material risks by the Company.
- Effective systems, processes and procedures are critical components of the Company's risk management capability.

7. Risk Management

The Company ensures clear accountability and coverage across the organisation for all material risk categories. Key features of risk governance include:

- Core risk management responsibilities are embedded in the Board of Directors and are appropriately delegated to the Risk Officer ("RO") to ensure execution and oversight;
- Risk Officer ensures full oversight of day-to-day risk management including:
  - Appropriate monitoring and escalation of issues that could materially impact the risk profile of the Company.
  - Identifying issues that could result in the requirement to invoke recovery processes.

7.1. Senior Management Roles and Responsibilities

Senior Executive Manager ("SEO") is responsible for ensuring that, insofar as it is necessary for them to perform their duties, employees are:

- Made aware of and understand the strategies, policies, systems and controls established and maintained by the Company.
- Provided with information concerning the Company and its business.

RO monitors the Company's risk and capital profile regularly. RO reports to the BoD on credit, market, liquidity, operational, strategic, compliance / legal, and reputational risks. RO also reports questions of capital resources, leverage and matters of special importance due to the risks they entail. Risk Officer deliberates with the BoD on issues of the aggregate risk disposition and the risk strategy.

The BoD provides overall risk and capital management supervision for the Company and is responsible for day-to-day management of the Company with the objective of creating sustainable value in the interest of its shareholder, employees and other stakeholders. The BoD is responsible for defining and implementing comprehensive aligned business and risk strategies, in addition to ensuring well-defined risk management functions and operating processes are in place to ensure the Company's overall performance is aligned to its business and risk strategy. The risk management strategy and policies are reviewed by the BoD on an annual basis.

The BoD has mandated that:

- RO identifies, controls and manages all risks including risk concentration. RO is responsible for maintaining the Policy, the organisation and governance of risk management as well as ensuring the oversight of the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk and capital strategy approved by the BoD.
- RO may delegate some responsibilities to its designated functions.

7.2. Risk Strategy

The Company maintains clearly defined strategy and policies for the effective management of all significant risks that it is, or to which it may be, exposed.

7.3. Risk Appetite

The entire framework of embedding risk appetite across the Company includes:

- Clearly articulating a consistent risk appetite to ensure understanding and application of risk appetite as well as to integrate risk appetite into decision making at all levels.
- Communicating risk appetite by relating high-level principles to quantifiable limits at the required level of granularity.

In conjunction with risk appetite, the Company aims to:

- Ensure stable funding and strategic liquidity allowing for business planning within the liquidity risk appetite and regulatory requirements.
- Avoid excess concentration within portfolios considering multiple dimensions
- Comply with regulatory requirements and place the Company and its reputation at the heart of all decisions.

Monitoring of risk profiles using key risk appetite metrics is established using a framework, in which the thresholds are calibrated as below:

- Green:
  Performances are in line with the Company's readiness to accept risk to achieve its business objectives and risk management is considered to be operating in a normal environment. As part of normal risk management,

measures are actively taken to ensure that the risk profile remains within the Company's risk appetite.

- Orange:
  Issues that may position threats to the Company's business model, deviate from its desired risk appetite and undermine stakeholder expectations. Heightened risk management or even recovery measures may be applied in reference to the escalation matrix, in ensuring timely intervention and avoiding the most costly recovery measures.
- Red:
  Once the risk capacity is crossed, recovery is invoked if not already triggered in the amber range. Targeted recovery measures are executed to ensure the Company moves out of this range.

7.4. Monitoring

The Company uses common tools and measures, on an ongoing basis, to collectively challenge the delivery against the annual plan, including the balance of risk and return.

In addition to the strategic plan, monthly forecasts are performed to obtain the latest estimate of performance in the respective year in order to formulate potential mitigation measures.

7.5. Capital Adequacy Assessment

The Company aims to achieve the following capital management objectives:

- Ensuring adequate capitalisation of the Company for economic purposes on a forward-looking basis.
- Promoting the efficient use of capital.

7.6. Risk Management

Risk and capital management take place at all relevant levels within the Company and is aligned with the activities of the Company.

8. Risk Identification & Assessment

The risk identification and assessment processes at the Company leverage intelligence across organisational levels and utilise existing information wherever possible.

RO has responsibility for identifying the risks inherent in a set class of new products and identifying potential impact of changing market dynamics on existing products.

The ongoing risk identification process comprises three key responsibilities:

- Ensuring that all risks are considered;
- Development and enhancement of methodologies to quantify risks ongoing measurement; and
- Monitoring and assessment of risks.

8.1.1. Risk Inventory Management

The Company has a set of governance and risk standards for each major risk category in order to maintain a consistent management approach, including monitoring concentration both within, and across material risk categories.

8.1.1.1. Credit Risk

Credit risk is created when the Company commits to, or enters into an agreement with counterparty. Credit risk is the potential loss to the Company due to a counterparty's future inability or failure to repay their contractual obligations; it can have a significant impact on the Company's earnings.

The Company manages credit risk to counterparty based on its risk profile, which includes assessing repayment sources, and the expected impact of the current and forward looking economic environment on counterparties.

8.1.1.2. Monitoring and Management of Limits

Credit limits set forth the maximum credit exposures the Company is willing to assume over specified periods against specific customers.

The Company applies different measures to mitigate credit risk, such as:

- Limit setting on transactions;
- Limit setting on client.

RO reports to the Regulator on agreed basis or by demand of the Regulator.

8.1.1.3. Market Risk and Market Risk Mitigation Techniques

Market risk refers to potential losses arising from fluctuations in the market value of trading and non-trading positions of the Company's portfolios resulting from changes in interest rates, credit spreads, and equity and commodity prices.

It is the responsibility of each structural unit to manage their risk exposures, adhere to the approved exposure limits and hence to mitigate market risks appropriately. Market risk concentration refers to concentration in asset classes, single name, issuer, currencies, and balance sheet items.

8.1.1.4. Operational / IT Risk and Operational Risk Mitigation Techniques

Operational risk refers to potential losses resulting from inadequate or failed internal processes and systems, human error, sub-optimal execution of decisions, inadequate funding, or external factors including, but not limited to, fraud, theft, unauthorised activities, and breach of security.

Operational Risk Managment ensures operational risk is identified, captured, assessed, managed, monitored and communicated in an appropriate way throughout the Company. This includes limit management, monitoring and management of concentration, as well as the application of adequate risk mitigation techniques.

Operational risk is managed based on a set of processes that enable the Company to determine the operational risk profile in comparison to the risk appetite and systematically identify operational risk themes and to define appropriate risk mitigation measures and priorities.

The Company applies techniques to efficiently manage and monitor operational risk as below:

- Collect and review losses arising from operational risk events. This includes identification, timely notification and comprehensive reporting of events.
- Capture and monitor key operational risk indicators in designated tools.
- Regularly perform a top risk analysis in which the results of the aforementioned activities are considered.

The Company optimises the management of operational risk based on a designated organisational set-up, governance and systems in place to identify and manage operational risk, in addition to the support of infrastructure functions responsible for specific risk types (e.g. Compliance, Corporate Security and Business Continuity).

In order to manage the residual risk appropriately, all identified operational risks rated critical, significant or important after mitigation must be accepted with regard to the level of mitigation, the duration of implementation of the mitigation strategy, and the residual operational risk after mitigating actions.

8.1.1.5. Liquidity Risk and Liquidity Risk Mitigation Techniques

Liquidity and funding risk refer to potential losses arising from inadequacy of financial resources to meet contractual obligations as they come due. Such risk may arise from external factors including disruptions in Kazakhstan financial market, changes in key funding sources, credit spreads, and political and

economic conditions in Kazakhstan and elsewhere. CFO manages the liquidity profile of the Company and execution of all measures required to keep the Company liquidity risk profile within the risk tolerance defined.
The principal objective of liquidity management is to ensure the Company's ability at all times to meet payments obligations when they come due.

8.1.1.6. Business Risk and Business Risk Mitigation Techniques
Business risk is the risk that is assumed due to potential changes in general business conditions, such as the market environment, client behaviour and technological progress. It consists of strategic risk. CFO ensures that strategic risks are identified, managed, monitored, and communicated in an appropriate way throughout the Company. This includes an application of adequate risk mitigation techniques. Strategic risk is the risk of suffering unexpected operating losses, i.e., negative earnings due to decreases in operating revenues which cannot be compensated by cost reductions. All revenue or cost fluctuations which are attributable to position taking (market risk), credit losses (credit risk) or operational events (operational risk) are not considered as strategic risk to avoid double-counting.
Strategic risk is limited through business targets established by the strategic plan for the Company.
Strategic risk at the Company is mitigated through the following measures:

- Diversification of the portfolio to reduce dependency on certain markets or products.
- Monitoring of regulatory developments.
- Ensuring flexibility of the cost base, e.g. through outsourcing.

8.1.1.7. Reputational Risk and Reputational Risk Mitigation Techniques
Reputational risk management ensures that reputational risk is identified, managed, monitored and communicated in an appropriate way throughout the Company. Primary responsibility for the identification, escalation and resolution of reputational risk issues resides with structural unit. Each Employee is under an obligation, within the scope of their activities, to analyse and assess any imminent or intended transaction in terms of possible risk factors in order to minimise reputational risks. If a potential reputational risk is identified, it must be referred for further consideration to the CEO.
Reputational risk is mitigated through the following measures:

- New client approval process.

- Regular review process for existing clients.
- Outsourcing Policy.

8.1.1.8. Compliance Risk and Compliance Risk Mitigation Techniques

Legal and Compliance risk refers to potential losses arising from overlooking legislations, codes, rules, and standards of market and regulatory practices, resulting in penalties and fines. Compliance risk management principles, roles, responsibilities and processes are described in the Company's Compliance policy. Compliance Officer acts as a coordinator within the Company to avoid gaps in the identification and coverage of new or updated as well as existing material laws, rules and regulations and corresponding control environments in order to manage compliance risk.

Compliance Officer is responsible for:

- Identifying new or updated AIFC rules and regulations.
- Monitoring coverage of new or updated material rules and regulations.
- Assessing coverage of all existing material rules and regulations and corresponding control environments.
- Reporting on certain enumerated points to the BoD on at least an annual basis.

The primary responsibility for identifying and implementing as well as ensuring and monitoring the fulfilment of the Company's legal and regulatory obligations in the conduct of its business lies ultimately with structural units.

9. Risk Infrastructure

9.1. IT System Infrastructures

The Company has appropriate systems related to risk management in general, and specifically to ensure capital adequacy.

9.2. Documentation and Policies

All structural units are responsible for documenting all relevant aspects of their business activities in line with policies.

9.3. RO reports to SEO and BoD on credit, market, liquidity, operational, strategic, compliance / legal, and reputational risks, reports questions of capital resources, leverage and matters of special importance due to the risks they entail. RO communicates with Regulator on matters related to this Policy and reports to the Regulator where appropriate on agreed basis or by demand of the Regulator.