

Approved  
by the Resolution  
of the Board of Directors  
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CODE OF ETHICS OF THE JOINT STOCK COMPANY  
BATYS TRANSIT

Almaty, 2009

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## **Mission of the Code of Ethics**

The Code of Ethics shall be a management tool for the development of JSC Batys Transit and effective communication with the shareholders on the basis of adherence to the ethical standards and the laws of the Republic of Kazakhstan.

The core integral part of the Code shall be to commit to enhancing its creditworthy business standing - trust building and creating a unified strategy.

For these purposes, JSC Batys Transit shall pursue the policy of retaining and engaging highly skilled and responsible employees who wish to work in JSC Batys Transit and contribute to its success; employees who share and understand the basic principles of corporate rules and spirit of the JSC Batys Transit and are able to create an atmosphere of contributing to corporate values, traditions, style of the established relationships. Among other, mandatory business style in communication and appearance of employees shall contribute to the image and high reputation JSC Batys Transit.

### **Our vision**

Code of Ethics of JSC Batys Transit shall be a set of standards of business conduct and customs that have been established and are common to all participants of corporate relations, following which contributes to the creation of adequate environment for the operation and implementation of strategic tasks and objectives of JSC Batys Transit.

Code of Ethics of JSC Batys Transit shall enhance the effectiveness of corporate governance and contribute to a successful collaboration with the concerned parties.

### **Introduction**

1. This Code of Ethics (“Code”) has been developed in accordance with the applicable laws of the Republic of Kazakhstan, the Corporate Governance Code of JSC Batys Transit, and establishes the fundamental values and principles of business ethics and ethical business standards.

2. The purpose of this Code shall be to ensure a high level of corporate governance, professional and business ethics required to meet the strategic tasks and objectives defined by the Charter and other internal documents of JSC Batys Transit.

3. The following terms and definitions shall be used in the Code:

3.1 **Business ethics** shall mean the set of ethical principles and standards of business communication, by which all participants of corporate relations of JSC Batys Transit are guided in their activities;

3.2 **Officials** shall mean the Members of the Board of Directors, the Members of the Management Board of JSC Batys Transit;

3.3 **Shareholder(s)** shall mean the Shareholders of JSC Batys Transit;

3.4 **Concerned party** shall mean a person, execution of whose rights is stipulated by the law and the Charter and related to the activity of JSC Batys Transit;

3.5 **Code** shall mean the Code of Ethics;

3.6 **Conflict of interests** shall mean the situation in which the personal interest of the participants of corporate relations of JSC Batys Transit affects or could affect the impartial performance of duties;

3.7 **Corporate culture** shall mean values, principles, standards of conduct and relationships that are specific to JSC Batys Transit;

3.8 **Corporate Secretary** shall mean the Corporate Secretary of JSC Batys Transit;

3.9 **JSC Batys Transit** shall mean the Joint Stock Company Batys Transit.

3.10 **Employee** shall mean a person who is employed by JSC Batys Transit and directly performs its duties under an employment contract;

3.11 **Charter** shall mean the Charter of JSC Batys Transit;

3.12 **Participant of corporate relationships** shall mean the officials, employees of JSC Batys Transit, the concerned parties.

4. JSC Batys Transit shall agree and follow the provisions of this Code in its relations with the officials, employees and the concerned parties to guide both strategic and day-to-day decision making in the situations the officers and employees may face.

5. The provisions set forth in this Code shall be observed by all employees of Batys Transit, officials and Members of the bodies of JSC Batys Transit.

### **Section 1. Values and principles of business ethics**

1. Fundamental corporate values, which the activities of JSC Batys Transit is based on shall be honesty, reliability and professionalism of its employees, the effectiveness of their work, mutual help and respect to each other, to the concerned parties and to the JSC Batys Transit in general.

Ensuring positive results for a long time may be possible if each employee will behave in compliance with high standards and universal values.

2. JSC Batys Transit shall be guided by the following principles of business ethics:

- integrity;
- mutual respect;
- confidence;

- fairness;
- fidelity;
- transparency;
- responsibility.

3. JSC Batys Transit shall expect that all participants of corporate relationships will abide by the principles of business ethics.

4. In the performance of its duties JSC Batys Transit shall:

1) comply with regulations of the Republic of Kazakhstan, the resolutions of the General Meeting of Shareholders and other documents relating to the activities of JSC Batys Transit;

2) ensure observance of and respect for human rights;

3) act fairly and in good faith, reject bribes and similar corrupt business practices, as well as the practice of giving and receiving gifts;

4) treat to officers and employees fairly, respectfully and ethically;

5) seek to ensure that all of its relationships with shareholders have been mutually beneficial;

6) take care of the environment.

5. Ethical standards of JSC Batys Transit shall regulate the following major areas of business relationships: the relationship between the participants of corporate relations of JSC Batys Transit and the Shareholders, state agencies, officials, employees.

6. Effective organization of work shall be based on mutual obligations between JSC Batys Transit and all concerned parties. Observance of mutual obligations shall be a necessary condition for constructive work.

## **Section 2. Ethical standards in business practice**

### **2.1. Officials and employees**

1. Officials and employees shall assume the obligations to comply with professional functions fairly and reasonably with due care and diligence for the benefit of JSC Batys Transit and the Shareholders, avoiding conflicts.

2. Responsibility for the assumed obligations shall be equally shared among all officials and employees regardless of their status and position.

3. To achieve the strategic goals, the officers of JSC Batys Transit shall make

business decisions based on fundamental values and principles of business ethics, and are fully responsible for the implementation of tasks assigned to them.

4. Officials and employees of JSC Batys Transit shall make every effort for highly professional work, take care of, efficiently and effectively use the property of JSC Batys Transit.

5. Officials and employees of JSC Batys Transit should seek to contribute to a stable and positive environment in a team for by their fair work and behavior.

6. Every employee and officials should be guided by the interests of JSC Batys Transit rather than by personal relationships or personal benefit during the performance of their official duties. Resources of JSC Batys Transit may not be used for the support or personal benefit of the officer or employee, as well as their friends or relatives. Business relationships with friends or relatives shall be prohibited.

7. Officials and employees must avoid any actual or potential conflicts of interest and avoid situations that may cause such actual or potential conflicts of interest, neither in respect of themselves (or associated persons) nor of other persons.

8. When hiring JSC Batys Transit shall not allow any discrimination on whatever grounds. Personnel recruitment and promotion shall be carried out solely on the basis of professional ability, knowledge and skills.

9. JSC Batys Transit shall create equal conditions for training employees at all levels, appreciating the employees seeking for self-education and professional development in accordance with the internal documents of JSC JSC Batys Transit.

10. No allowances and benefits shall be provided to certain officers and employees of JSC Batys Transit except on a legitimate basis subject to compulsory provision of equal rights.

11. Avoiding conflict of interest shall be an important factor to ensure the protection of shareholders' interests, JSC Batys Transit and its employees.

12. In the course of their activities, the employees of JSC Batys Transit should be guided by generally accepted standards of business ethics, morality and conduct.

13. JSC Batys Transit shall be responsible for making decisions free from conflicts of interest at any stage of the process, beginning from official and ending by any decision making employee.

14. Making decisions by the officials of JSC Batys Transit should be based on the principles of transparency and adequacy. The officers shall provide each other with accurate and proper information subject to the confidentiality rules and the resolutions of the General Meeting of Shareholders, as well as internal documents of the JSC Batys Transit.

14. Officials must be reported immediately to the Shareholders / Board of Directors

of any commercial or other interest (direct or indirect) in transactions, contracts, projects related to the JSC Batys Transit, or in connection with other matters in the manner required by its internal documents.

15. Officials must notify the Board of Directors of Batys Transit of the execution of work and / or occupying the post(s) in other organizations or the change in permanent (main) job (service, business, etc.) in the prescribed manner.

16. Officers must promptly inform the Chairman of the Management Board / Chairman of the Board of Directors of JSC Batys Transit and refrain from discussion and voting on matters in which resolutions they possess a certain interest.

17. Officials and employees of JSC Batys Transit shall not have the right to take:

- for the performance of their functional duties remuneration in the form of money, services and other forms from organizations and individuals, in which they do not perform the respective functions;

- gifts or services in connection with the performance of their functions, or from persons who are their subordinates, except for symbolic tokens and token gifts in accordance with the generally accepted standards of courtesy and hospitality or during the protocol and other official events.

18. Officials and employees prohibited from disclosing commercial, official and other secret information protected by law and also use the information for personal purposes. This shall be governed by the internal documents of JSC Batys Transit.

When working in the premises of JSC Batys Transit officials and employees must observe the rules and procedures stipulated by the internal documents of JSC Batys Transit related to security and handling with confidential information of JSC Batys Transit.

19. Officials and employees of JSC JSC Batys Transit shall:

- respect the worth and dignity of the person and the citizen, regardless of origin, social status, property and position status, sex, race, nationality, language, religion, beliefs, place of residence or any other circumstances;

- respect the state symbols – Coat of Arms, Flag, Anthem;

- respect the corporate symbols;

- comply with generally accepted ethical standards, take a careful treatment to the state and other languages, customs and traditions of all peoples;

- comply with corporate dress code and take care of the appearance (wearing uniform or free choice of business attire);

- observe labor and executive discipline;

- be polite, correct, friendly and welcoming;
- be intolerant of indifference and rudeness;
- be always grateful for assistance, even if it has not been as full as desired;
- be attentive to opinion of other persons;
- ensure the unity of word and deed, meet the promises;
- be not hiding/admitting their mistakes.

20. Any situation that leads to the violation of the rights of officers and employees shall be treated in accordance with the legislation of the Republic of Kazakhstan and the internal documents of the JSC Batys Transit.

21. Issues of ethics and / or violations of the principles of business ethics can be discussed between the employee and the direct supervisor. If in the course of the discussion no acceptable solution is found, the relevant issue should be communicated to the Corporate Secretary for obtaining advice and / or taking appropriate actions.

22. The officials and employees of JSC Batys Transit shall have the right to refer to the Corporate Secretary, in person or anonymously, requesting for taking the appropriate actions regarding the matters relating the Code provisions and / or ethical issues arising during the performance of their duties, as well as regarding the facts of corruption and other unlawful acts of officials and employees of JSC Batys Transit. In such case, their rights shall not be impaired in the case of such treatment.

23. To resolve the situation at the workplace JSC Batys Transit shall be guided by the verified facts and accurate information.

24. JSC Batys Transit shall monitor, conduct research / surveys regarding the corporate culture and business ethics of employees of JSC Batys Transit.

## **2.2. Shareholders**

1. Vision of the Shareholders shall be at the core of the development strategy of JSC Batys Transit, which development and performance JSC Batys Transit is responsible for.

2. Mode of relationships with Shareholders shall be based on the principles of transparency, accountability and responsibility in accordance with the laws of the Republic of Kazakhstan, the Charter, the internal documents of JSC Batys Transit, and the provisions of the Corporate Governance Code. JSC Batys Transit shall set out clear procedures regulating its relationship with Shareholders.

3. Information exchange between JSC Batys Transit and Shareholders shall be governed by the law, the Charter and the internal documents of the JSC Batys

Transit.

### **2.3. State authorities**

1. JSC Batys Transit shall pursue the relationships with the state authorities in accordance with the laws of the Republic of Kazakhstan, the Charter and the internal documents of JSC Batys Transit, as well as provisions of the Corporate Governance Code based on the independence of the parties. JSC Batys Transit shall not permit attempts to influence the decisions of state authorities.

2. JSC Batys Transit shall make every effort to prevent corruption and other unlawful acts, both from public authorities and from officials and employees of JSC Batys Transit.

### **2.4. Business partners**

1. JSC Batys Transit shall interact with business partners on the basis of mutual benefit, transparency and full accountability for the commitments undertaken in accordance with the contractual terms.

2. JSC Batys Transit shall keep to the terms of contracts / agreements with business partners and to fulfill its obligations to them.

3. JSC Batys Transit shall select suppliers of goods, works and services offering the lowest prices, best quality, appropriate terms of delivery of goods, works and services, and excellent reputation in accordance with the laws of the Republic of Kazakhstan.

4. JSC Batys Transit shall prevent providing its business partners with undue benefits and privileges.

### **2.5. Society**

1. JSC Batys Transit shall understand its social responsibility to the society.

2. JSC Batys Transit shall be striving to make a positive influence on the solution of socially significant matters.

3. JSC Batys Transit shall strive to serve the society, support programs to improve awareness and education and other social programs.

4. JSC Batys Transit shall see itself as an integral element of the social environment in which it operates and which it seeks to establish strong relationships with based on respect, trust, honesty and fairness.

5. JSC Batys Transit shall seek to create new jobs and train more employees in accordance with the approved plans.

6. JSC Batys Transit shall seek to establish constructive relations with organizations (public, NGOs and others) in order to promote public relations, improve the environment and ensure the safety of life.

7. JSC Batys Transit shall undertake to refuse from cooperation with legal entities and individuals of dubious reputation.

8. JSC Batys Transit shall support ecological and environmental protection programs.

### **Section 3. Responsibility**

1. Each employee shall be responsible for its adherence to ethical standards of conduct.

2. Compliance with this Code shall be mandatory for all officers and employees of JSC Batys Transit.

3. Violation of this Code shall be subject to disciplinary punishment in the prescribed manner.

### **Section 4. Conclusion**

1. The concerned parties shall be entitled to report to the Board of Directors of illegal and unethical actions of the Management Board through the Corporate Secretary, and their rights shall not to be impaired should such communication has occurred.

2. The Board of Directors shall periodically review and update the provisions of this Code, review whether it is practicable, and make modifications/supplements hereto, where necessary.