

**BUSINESS ETHICS CODE
NATIONAL MARITIME SHIPPING COMPANY
“KAZMORTRANSFLOT” LLP**

Aktau
2017

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1. PURPOSE OF THE CODE

1. Consolidation of key values, principles, rules and norms of business ethics and conduct that guide the employees of NMSC Kazmortransflot LLP (hereinafter referred to as KMTF) in their activities both when making strategically important decisions and in everyday situations.

2. Development of a unified corporate culture based on high ethical standards, maintaining an atmosphere of trust, mutual respect and decency in the team.

3. Uniform understanding and implementation of the norms of business ethics adopted at KMTF by all employees, regardless of their position.

4. Increasing and maintaining confidence in KMTF on the part of the business community, strengthening the reputation of an open and honest market participant,

2. APPLICATION AREA

This Code applies to the Employer and employees of the KMTF group of companies.

3. DEFINITIONS AND ABBREVIATIONS

3.1. The following basic concepts and abbreviations are used in these Rules:

KMTF	“National Maritime Shipping Company “Kazmortransflot” Limited Liability Partnership;
Group of companies KMTF	KMTF and its subsidiaries;
Sole member	National Company "KazMunayGas" Joint Stock Company;
SO	Subsidiaries of KMTF;
Structural subdivision	An independent subdivision that is part of the organizational structure of KMTF and is responsible for a certain type of activity;
Responsible structural unit	Human Resources Department;
Internal documents	Rules, Regulations, Instructions and Policies of KMTF.

4. VALUES AND PRINCIPLES OF BUSINESS ETHICS

1. Competence and professionalism

KMTF employees must meet all the necessary qualification requirements, improve their level of competence, have the ability to make informed and responsible decisions, and be focused on the growth and development of their professional and

personal qualities.

KMTF seeks to improve the professionalism of its employees, providing the necessary working conditions, opportunities for personal and professional development.

2. Reputation

KMTF employees carry out their activities on the basis of honesty, fairness, decency, observing moral and ethical principles and business practices.

KMTF interacting with stakeholders, seeks to strengthen its business reputation. KMTF bears responsibility for all undertaken obligations to the Sole Member, partners, state and society.

3. Transparency

KMTF strives for maximum transparency and reliability of information, its achievements and performance results.

KMTF is open to meetings, discussions and dialogue; strives to build long-term cooperation with stakeholders based on mutual interests; respect for rights and balance between the interests of KMTF and stakeholders.

KMTF aims to honestly, timely inform the Sole Member and partners about the state of affairs, increase transparency and accessibility of information based on improving the quality of reporting and accounting in accordance with the legislation of the Republic of Kazakhstan. At the same time, KMTF monitors the non-disclosure of information constituting commercial and other secrets protected by the legislation of the Republic of Kazakhstan and internal documents of KMTF.

4. Safety

Each KMTF employee is responsible for its own safety and safety of people around and must demonstrate (by personal example) its commitment to safety and labor protection, industrial and fire safety.

KMTF, in turn, seeks to ensure the safety of labor and the environment, the preservation of the lives and health of its employees in accordance with international standards.

KMTF considers human life as the highest value and strives to pay special attention to supporting a healthy lifestyle and protecting health.

5. Environmental friendliness

Performing its activities, KMTF not only guarantees full and unconditional compliance with all the requirements of the current legislation in the field of nature protection and human health, but also tries in every possible way to minimize the impact of negative factors on people, natural resources and the environment.

KMTF is aware of its responsibility to society for the rational use of natural resources and the preservation of a favorable environment.

6. Human person respect

KMTF employees have the right to an honest and fair treatment regardless of gender, race, nationality, language, origin, property and official status, place of residence, attitude to religion, beliefs, membership in public associations, as well as other circumstances.

Attitude towards religion, public associations, as well as the performance of religious rites, public duties should not interfere with the production process, ensure safety, labor protection and violate the established labor schedule at KMTF.

7. Team spirit

KMTF has a well-established working relationship. Each employee is responsible for its own area of work, and the overall result depends on how he/she performs it. All team members are in close interdependence, so the lack of skills of one person can be compensated by the overall team skills and efforts.

The team spirit at KMTF is cooperation, mutual assistance, interchangeability and support to achieve better results from joint activities.

Each employee of KMTF feels himself not only a part of the corporate culture, but also bears social responsibility within the framework of the decisions made.

8. Meritocracy

KMTF supports the principles of meritocracy, fairness and objectivity. KMTF creates all conditions for each employee and highly appreciates the contribution of all employees to the KMTF activities.

5. BUSINESS ETHICS AND PRODUCTION ACTIVITIES

1. Compliance with laws and internal regulations

One of the priorities for KMTF is strict observance of the legislation of the Republic of Kazakhstan, the Charter and internal documents of KMTF.

An employee who has committed an offense is subject to liability in accordance with the established procedure. Cases of Code violation by members of the executive body must be brought to the attention of the KMTF Supervisory Board by the head of the executive body.

2. Interaction with the Sole Member

KMTF build their relationship with the Sole Member in such a way that the rights of the Sole Member are best protected and not violated. At the same time, KMTF is constantly working to ensure that the implementation of its rights by the Sole Member is more efficient.

The vision of the Sole Member is the basis of the KMTF development strategy the Supervisory Board and the Management Board of KMTF are responsible for.

3. Interaction with government agencies

KMTF being aware of the social significance of the results of its activities, adheres to the principle of openness of information about its work, strives to build and maintain stable, constructive relationships with state authorities and local self-government.

KMTF makes every effort to prevent corruption and other illegal actions, both on the part of state bodies and KMTF employees.

KMTF seeks to establish constructive relationships with organizations (public, non-governmental and others) in order to improve public relations, reduce the impact of its production activities on the environment, protect the health and safety of KMTF employees.

4. Interaction with business partners and suppliers

KMTF interacts with business partners and suppliers on the principles of mutual benefit, transparency and full responsibility for the obligations assumed in accordance with the terms of the contracts.

KMTF selects suppliers of goods and services that offer the lowest prices, the best quality, terms of delivery of goods, services and enjoy a good reputation.

KMTF adheres to fair and free competition and condemns all manifestations of unfair competition that may adversely affect the reputation, as well as undermine the trust of partners in KMTF.

5. Public Relations

KMTF is aware of its social responsibility to society.

KMTF seeks to have a positive impact on the solution of socially significant issues.

KMTF strives to serve the society, supports programs aimed at increasing the level of knowledge and education of the population in the region of activity, and other social programs.

KMTF sees itself as an integral part of the social environment wherein it operates and strives to build strong relationships based on the principles of respect, trust, honesty and fairness.

KMTF seeks to improve the professional skills of its employees. KMTF undertakes not to cooperate with legal entities and individuals with a dubious reputation.

6. Relations with the media

KMTF provides for the creation of the possibility of obtaining free and easy access to information about KMTF. The corporate website of KMTF (<http://www.kmtf.kz>) contains public information about KMTF, its activities, corporate governance, subsidiaries and affiliates, as well as personnel policy, contact details, etc.

The management of KMTF, in accordance with the established procedure, provides information regarding the activities of KMTF to the media.

Employees of KMTF, providing information in accordance with the established procedure to the media, are personally responsible for its accuracy and the absence of information constituting official and commercial secrets, as well as confidential information.

Each employee must understand and always remember that any point of view expressed by such an employee or the disseminated information that directly concerns the KMTF itself affects its reputation in the business community.

6. STANDARDS OF EMPLOYEE CONDUCT

1. KMTF strives to create working environment with no manifestation of any form of harassment on any grounds protected by the legislation of the Republic of Kazakhstan. Intimidation, insults or any other behavior that creates an intimidating offensive atmosphere or hostility in the work environment, as well as interferes with the performance of KMTF employees, is unacceptable.

2. Rules for KMGF employees conduct.

KMTF employees are obliged to:

- assume the obligation to perform professional functions in good faith and reasonably in the interests of KMTF and the Sole Member, avoiding conflicts of interest;
- make business decisions in view of the fundamental values and principles of business ethics, and bear responsibility for the implementation of the tasks assigned to them, provided for by the current legislation of the Republic of Kazakhstan and internal documents of the KMTF;
- timely provide each other with reliable information without violating confidentiality standards and taking into account the decisions of the Sole Member and the Supervisory Board, as well as internal documents of the KMTF;
- not allow public speeches, statements or interviews on any topics on behalf of the KMTF without a direct order from the leadership of the KMTF or directly granted authority;
- call and come to an appointment with the manager, contact the responsible structural unit for business ethics in case of any questions, concerns or problems;
- prevent illegal (unauthorized) strikes and protests;
- observe a clear hierarchy and subordination during the performance of their duties;
- observe an honest and fair attitude towards employees, regardless of gender, race, nationality, language, origin, religion, beliefs, membership in public associations, as well as other circumstances.

3. Relations between all employees of KMTF are equal.

4. Creating and maintaining a comfortable working environment, employees comply with the following rules and regulations of business etiquette:

- treat each other with respect, do not engage in business not related to the performance of official duties during business hours;
- do not show bad mood to colleagues, do not use foul language, do not show restraint and aggression; help colleagues, share knowledge and experience;
- do not discuss the personal or professional qualities of colleagues in their absence;
- be polite and correct, be attentive to other people's opinions.

5. The creation of constructive professional relations between the management and subordinate employees is necessary for the day-to-day effective work of KMTF and for its future development.

Managers are required to comply with the following rules and regulations of business etiquette:

- do not criticize employees in the presence of other employees, do not infringe on the honor and dignity of subordinate employees;

- be able to admit to subordinates their mistakes and not pursue them for constructive criticism addressed to them,

6. In case of labor activity outside the KMTF, employees must:

- comply with the restrictions provided for by the Law of the Republic of Kazakhstan "On Combating Corruption";

- notify the immediate supervisor and the head of the responsible structural unit for business ethics about the planned other paid labor activity in other organizations;

- formalize labor relations concurrently in accordance with the legislation of the Republic of Kazakhstan;

- carry out other paid labor activities in other organizations that will not affect the performance of their main job duties and damage the image and interests of KMTF;

- comply with the rules for the preservation of commercial and other proprietary information provided for by the legislation of the Republic of Kazakhstan and internal documents of KMTF.

7 Appearance of employees and ethics of negotiation

- employees during the performance of their official duties are advised to adhere to the norms of business style in the choice of clothes, shoes and hairstyles that support a respectable and professional image of KMTF;

- crew members of the KMTF vessels must wear special clothing in accordance with the requirements of the KMTF internal documents;

- employees must adhere to the rules of the culture during negotiation, including telephone negotiations. Business negotiations should be conducted in a calm, polite tone;

- the ability of employees to talk on the phone with colleagues and business partners contributes to creating a favorable impression of KMTF as a whole. When talking on the phone, it is important to remember that colleagues may present in the same room and it is important to take care of their work and not distract with loud conversations;

- when participating in a meeting, it is required to turn off the cell phones or set them to silent mode.

8. Corporate holidays

One of the important elements in the formation of corporate culture is holding festive events in the team. Traditional corporate holidays include New Year, International Women's Day, Nauryz Meiramy, Day of Oil and Gas Industry Workers,

River and Sea Fleet Day, Independence Day. Festive events are held inside the KMTF and outside the KMTF. Inside the company, all employees gather in a conference room, representatives of the KMTF management speak with congratulations, mark especially distinguished employees with certificates, gifts in accordance with the internal document on the procedure for rewarding and encouraging employees at KMTF, etc.

7. ANTI-CORRUPTION

1. KMTF openly declares its rejection of any form of corruption and other illegal activities aimed at illegally obtaining or extracting property and non-property benefits and advantages.

KMTF pursues a unified policy in the field of combating corruption, preventing theft and misuse of funds, theft and deliberate damage to inventory items, distortion and forgery of financial statements and other documents, abuse of power, negligence and inaction in work and other offenses.

Employees of KMTF are obliged to report in the prescribed manner about any cases of corruption and other illegal manifestations known to them.

8. PROTECTION OF KMTF INFORMATION

All employees of KMTF sign a non-disclosure obligation constituting commercial and official secrets in accordance with the internal documents of KMTF.

Employees who have access to confidential information of KMTF must not disclose it to other employees who do not have access to such information, as well as to any third parties outside of KMTF. Such restrictions are also applied for the period of time established by the internal documents of the KMTF and upon termination of the employment contract.

During the business day and at the end of it, when an employee leaves its workplace, an employee must make sure that there are no documents containing confidential information on its desktop or in another easily accessible place. All such documents must be locked in cabinets or drawers, and the computer must be turned off or locked. During a conversation with partners at the employee's desktop, all confidential information, including information on the computer screen, should be visually inaccessible to the interlocutor.

Confidential information (in electronic, written or other form) should not be taken outside the KMTF without a corresponding instruction from the KMTF management. Upon dismissal, the employee is obliged to leave at KMTF all documents, files, computer diskettes, reports and records belonging to KMTF containing information about KMTF or information that is not intended for public, as well as all copies of documents containing this information.

It is forbidden to disclose information on the Internet intended for internal use, confidential information or information that is the property of KMTF. For example, if media representatives ask a KMTF employee questions about KMTF on a personal page

on social networks, the employee must redirect this question to the competent structural unit of KMTF to prepare an official response.

Employees of the KMTF group of companies are not recommended to express criticism of KMTF in terms of strategy, current activities, ongoing projects, etc. in the Internet space and the media. All problematic and controversial issues should be discussed within the KMTF, during working meetings.

Employees of the KMTF group of companies do not have the right to make statements on behalf of KMTF in publications on social networks and the Internet. Only approved speakers have the right to voice the position of KMTF and only through official communication channels.

Personal publications must not contain the logos of KMG and KMTF.

9. CONFLICT OF INTERESTS

1. KMTF ensures decision-making that is free from conflicts of interest at any stage of this process from an official to any decision-maker.

A conflict of interest occurs when the personal interests of an employee come into conflict or may come into conflict with its official powers.

KMTF does not allow the provision of any privileges and benefits to individual employees except on the basis of the legislation of the Republic of Kazakhstan and / or internal documents of KMTF, with the obligatory provision of equal opportunities for everyone.

2. Employees must:

- timely inform the immediate supervisor or higher management and refuse to participate in the discussion and voting on issues in which there is an interest;

- timely notify in writing the KMTF structural subdivision responsible for accounting for affiliates of the performance of work and / or occupation of a position (s) in other organizations, a change in the permanent (main) place of work (service, entrepreneurial activity, etc.)

3. Employees must not:

- use in their own interests or for personal gain the opportunities provided by the corporate resources of KMTF, management, employees of KMTF, official position and / or information received by employee as a result of its official duties;
- be directly involved in the consideration and decision-making on any relationship between KMTF and itself, any of its affiliates;
- engage in any activity that could potentially lead to a conflict of interest.

10. PRACTICAL APPLICATION OF THE KMTF BUSINESS ETHICS CODE

1. KMTF encourages employees to openly discuss the Code and is positive about any constructive proposals for its improvement.

2. For questions regarding the provisions of the Code and / or ethical issues that have arisen in the course of work, as well as for violations of the provisions of the Code, corruption and other illegal actions, employees, as well as business partners and concerned parties, have the right to contact:

- to the immediate supervisor;
- the next highest level direct manager;
- head of the functional block, whose duties include the administration of business ethics issues of KMTF;
- by phone 7(7292)-53-58-23, by KMTF electronic trust information system `doverie @ kmtf . kz` .

3. The rights of the applicant should not be infringed upon by any method of its appeal.

4. The structural unit responsible for the development of the Code ensures:

- in relation to employees - familiarization with the Code and within 10 business days from the date of its entry into force;
- once every two years, as well as, if necessary, submitting the Code for approval by the KMTF Supervisory Board;
- in relation to newly hired employees - familiarization with Code when hiring;
- in case of amendments to the Code - acquaintance of employees within 10 business days from the date of their entry into force;
- regular confirmation of knowledge of this Code by KMTF employees.

11. KMTF.

1. KMTF strengthens the role and responsibility of the Supervisory Board, the Management Board and the entire management.

2. KMTF conducts periodic internal trainings, regular explanatory work, consulting, receiving requests and appeals from employees on issues of ethics and conflicts of interest, instructs employees in cases of real conflicts of interest in order to properly resolve them.

3. KMTF keeps statistics and records of employees' appeals (internal appeals), requests and appeals of third parties (external appeals - clients, partners, and other interested parties) on issues of violations of ethics and legislation.

12. RESPONSIBILITY

Each employee of KMTF is obliged to comply with the norms and principles specified in this Code. For non-compliance with the established norms and principles of this Code, the Employee may be subject to disciplinary liability in accordance with the labor legislation of the Republic of Kazakhstan and internal documents of KMTF.

13. SECURING RESPONSIBILITY FOR THE APPLICATION AND MAINTENANCE OF THIS PROCEDURE

Subdivision	Job title	Full name	Signature and date anchoring	Note
Staff Management Department	Director	Gilekova A.B.		
Document Developer	Specialist	Kuandykova K.K.		
	Senior IMS specialist	Orynova A.M.		

CHANGE SHEET

Rev.No.	Date	Amended page No.	Description	Executor, signature

ACKNOWLEDGEMENT LIST

s/i	Job title	Name	Date and signature on familiarization	Note