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The following documents are approved:

| Document code | Document name | Version |
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| SCC | Supplier Code of Conduct | 2 |

| <i>Approved</i> | Signature | Date |
|---|---|------------|
| Director Katayev A.M. |  | 16.07.2014 |
| <i>Agreed</i> | | |
| Chief Operating Officer – QMR Woolf A.A. |  | 16.07.2014 |
| Deputy Technical Director Mukhamedyarov M.T. |  | 16.07.2014 |
| <i>Developed</i> | | |
| Chief Operating Officer – QMR Woolf A.A. |  | 15.07.2014 |



LINE SYSTEM
engineering

SUPPLIER CODE OF CONDUCT

Approved by

Director

Katayev A.M.

"16" July 2014

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LINE SYSTEM ENGINEERING LLP



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Almaty

2014



SUPPLIER CODE OF CONDUCT

Line System Engineering (hereinafter Company) believes that following ethical practices and responsibility are not only right but useful for business. The Company has developed a Vendor Code describing the principals which we follow with regards to doing business honestly, industrial relationship, healthy and safe work conditions and environmental protection. The Vendor Code of Line System Engineering provides general principals and standards of the company.

Vendors, intermediate parties, contractors, consultants, agents and other providers of goods and services who deal with Line System Engineering shall comply with the Code.

1. Prohibition of Corrupt Practices

The business relationships shall not comprise any corruption such as extortion, bribery or any other illegal actions as well as any attempts to carrying out them.

Vendors are not entitled to offer, promise, guarantee or demand bribes or use other ways of illegal reward in order to get or retain orders or other unreasonable advantages directly or indirectly. In the same way it is prohibited to ask or wait for bribes or other illegal rewards from vendors.

2. Prohibition against compulsory work

Employees shall execute works on a voluntary basis. In particular, compulsory work is prohibited in any of its form (for example, through taking identification documents).

Physical punishment, as well as psychic or physical violence and verbal abuse are not acceptable.

3. Prohibition against child labor


Child labor, i.e. employing children under the age 18 years and using their labor, is prohibited.

4. Occupational Health and Safety

Vendor shall ensure occupational health and safety compliance. In order to prevent incidents and injuries at working place health and safety rules and policies shall be implemented and communicated to employees. All applicable health and safety regulations shall be followed.

Systems to identify and prevent any possible risks for employees' health and safety as well as to respond to them shall be provided.

⁸Exception from requirements for Tetrabromobisphenols – A

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APPENDIX 2

Substances that should be avoided – “Grey – list”

The following substance should be avoided when supplying products and services to the Company as well as contracting or producing these products and services. The prohibition applies to any intentional usage of the mentioned substances. The prohibition does not apply to cases, when a substance is an extraneous admixture or has low concentration.

Evaluation of the chemical substances must be conducted separately, in accordance with certain procedures and risk assessments.

Azo compounds with cancerogenic aminocompounds

Berlox

Cadmium / Cadmium compounds in stationary batteries where other types of batteries do not function well due to extreme temperature or battery charge process. Other cases are prohibited⁹.

Chromium compounds (VI) for surface processing. Chromium compounds (VI) in pigments and in lead chromate is prohibited in general⁹.

Cobalt/cobalt compounds, copper/copper compounds, chrome/chrome compounds, selenium/selenium compounds, zink/zink compounds in pigments.

Halogenated fire-resisting additives, except brominated additives of PBDE and BDE types, which are prohibited.

Lead/lead compounds in batteries. Certain applications are not allowed⁹.

Bioxide manganese in batteries.

Hydragyrum/ hydragyrum compounds in fluorescent lamps. Other applications are prohibited¹⁰.

Nikel/nikel compounds except alloy-treated steel, components and barrier layers in radio electric equipment.

Multiring aroma hydrocarbons (MAH), bis-dymethyl-p-phenilenediamine (77PD), dimethylbutyl, phenilenediamine, (6PPD), cyclohexylthiophthalimide, 4-(1,1,3,3-tetremethylbutyl)phenol.

⁹See “Black-list”

¹⁰See Grey-List




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| Polychloroterphenyls (PCP) | | some | Absolute prohibition |
| | Chlorinated paraffin (short chains) (C10-C13) | 85535-84-8 | Absolute prohibition |
| | Tris (2 chloroethyl) phosphate | 115-96-8 | Absolute prohibition starting from August 2015 |
| Tri organoelemental compounds (including tributylstannic and triphenylstannic) | | some | Absolute prohibition |

⁶ Level of formalin <0,124 mg/m³ of air (E1-norm in accordance with test method EN 717-1) or <3,5 mg/m³ of air (test method EU 717-2)

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| Hexabromocyclododecane (HBCDD) | | 25637-99-4 3194-55-6 134-237-50-6 134237-51-7 134237-52-8 | Absolute prohibition starting from January 2015 |
| Isocyanate | | some | Absolute prohibition except industrial processes |
| Lead / lead compounds | | some | Absolute prohibition ⁷ |
| Lindane | | some | Absolute prohibition |
| Mercury/mercury compounds | | some | Absolute prohibition |
| | Naphta | 64742-49-0 | Cleaning solvent |
| Perfluorooctane sulfonic acid and its derivatives (PFOS) | | some | Absolute prohibition |
| | Nonylphenol | 25154-52-3 | Absolute prohibition |
| | Nonylphenoethoxylate (nonylphenol polyglycol ethers) | 9016-45-9 | Absolute prohibition |
| | Nonylphenolpolyethoxylate | | Absolute prohibition |
| | Organoelemental compound of 4 valency stannic | | Absolute prohibition |
| | Acrylamide | 1979-06-01 | Absolute prohibition |
| PBD - Polybromodiphenyl | | some | Absolute prohibition |
| PBDE – polybrominated diphenyl ethers (including deca-BDE) | | some | Absolute prohibition ⁸ |
| Phthalate plasticizers | | some | Absolute prohibition |
| Polychlorinated biphenyls (PCB) | | some | Absolute prohibition |
| Polychlorinated naphthalene (PCN) | | some | Absolute prohibition |

⁷ In accordance with the EU RoHS guideline weight concentration <0,1% in such homogeneous materials as cables, connecting branches and connecting plates, pigments in crystal, ethylated gasoline, batteries, polymers and electric equipment is permissible.

Exception that are mentioned in the Appendix III of the RoHS 2011/65/EU guideline and modifications are applicable unless the Company announces corresponding changes. Supplier must notify the Company about composition of the materials prior to supply.

The company limits lead usage in server solders, storage units and storage units of data files, commutation network infrastructure equipment, signalizations, transmittance and network management for telecommunication systems; Exceptions for RoHS 7b usage can be applied for products, which are designed for the Company, only in certain cases approved by the Company in advance.

³ Existence of arsenium and its compounds on microelements level is permissible.

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| | Butyl acetate | 123-86-4 | Cleaning solvent |
| Cadmium and cadmium compounds | | some | Absolute prohibition, except batteries for certain applications ⁴ |
| Chrome compounds (IV) | Chrome compounds (VI): lead chromate in general and chrome compounds (VI) in pigments | some | Absolute prohibition |
| | Chrome dichloride ⁵ | 7646-79-91 | Absolute prohibition |
| Creosote | | | Absolute prohibition except wood preservation in telecommunication poles |
| | Dibutylphthalate (DBP) | 84-74-2 201-557-4 (EC) | Absolute prohibition starting from February 2015 |
| | Dimethylfumarate (DMFu) | 624-49-7 | Absolute prohibition |
| Dieldrine | | | Absolute prohibition |
| | Phormaldehyde | 50-00-0 | Wood preservatives ⁶ |
| | Glyphosate | 1071-83-6 38641-94-0 | Absolute prohibition |
| CFC – chlorofluorocarbons | | some | Absolute prohibition |
| Halones | | some | Absolute prohibition |
| HCFC - Hydrochlorofluorocarbons | | some | Absolute prohibition |
| | Bromochloromethane | 74-97-5 | Absolute prohibition |
| | Tetrachloromethane | 56-23-5 | Absolute prohibition |
| | Methylbromide | 74-83-9 | Absolute prohibition |
| | n-bromopropane | 106-94-5 | Absolute prohibition |
| | Tetrachloroethylene | 127-18-4 | Absolute prohibition |
| | 1,1,1-trichloroethane | 71-55-6 | Absolute prohibition |
| | Trichloroethylene | 79-01-6 | Absolute prohibition |
| | 1,2,4-trichlorobenzene(TBC) | 120-82-1 | Absolute prohibition |

⁴ Exception: stationary usage of nickel cadmium batteries, when other types of batteries do not function well due to extreme temperature or battery charge process

⁵ Application is regulated by EU #231-589-4



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APPENDIX 1

Prohibited substances – “Black-list”

The following substances are prohibited in the composition of products/services supplied for the Company. Application of the mentioned substances cannot be provided by contract conditions or production conditions of these products and services. The prohibition applies to any cases of intentional application of the substances. The prohibition does not apply to the cases, when a substance contains low concentration of admixtures. The prohibition is introduced into effect with due regard for international, regional and national law requirements, as well as requirements of customer and forthcoming legislation. Pure chemical substances that are used in production process must be evaluated for potential risks occurrence individually in accordance with certain procedures.

| Prohibited and regulated substances | | | |
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| Substances group | substances of Limited application | # CAS ² | Prohibition of the use |
| | 2-benzotriazol-2-4-di-tret-butyl-phenol | 3846-71-7 | Absolute prohibition |
| | 4-4'- diaminodiphenylmethane (MDA) | 101-77-9 | Absolute prohibition |
| Arsenium/ Arsenium compound ³ | | some | In substances used for conservation of wood pulp |
| Asbestos | | some | Absolute prohibition |
| Azo dyes that can break to aromatic amines | | some | Absolute prohibition |
| | Benzidine, including salts, 4-aminobiphenyl, including salts, thiocarbamide, phenyl-β-naphtylamine | some | Absolute prohibition |
| | Benzyl butyl phthalate (BPP) | 85-68-7 201-622-7 (EC) | Absolute prohibition from 1 august 2014 |
| | Bis (2-ethylhexyl) phthalate (DEHP) | 117-81-7 204-211-0 (EC) | Absolute prohibition from 1 august 2014 |

¹ Maximum weight concentration <0,1% in such homogeneous materials as cables, connecting branches and compound plates, pigments in crystal, ethylated gasoline, batteries, polymers and electric equipment is allowed unless otherwise stated.

² Availability of EU number



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7. Discrimination

All employees have right for equal treatment and equal opportunities. During employees employment, identification of payment level, consideration of opportunities for training and promotion, termination of employment and retirement any discriminative limitations due to sex, age, religious and philosophic views, race and caste, social set-up, limited working ability, ethnic and national origin, nationality, membership in labor associations, which includes labor union, as well as due to political views, sexual orientation and any other personal characteristics are prohibited.

8. Environmental Protection

Responsibilities for protecting human lives and environment are fulfilled through applying preventive measures and using environmentally safe production technology. It is required to fully support improvement of environmental awareness. Rules and standards for resource consumption control, emission reduction, waste management shall at least comply with minimal norms established by legislation and shall constantly be improved.

Use of hazardous items mentioned in the Black list – APPENDIX 1 shall be avoided; and use of items in the Grey list – APPENDIX 2 shall be tried to avoid.



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5. Employee's Rights

5.1. Working Hours

Working hours shall comply with acting state legislation and industrial standards. The strictest norms are applied in all cases.

The duration of working week shall not regularly exceed 40 hours. Overtime works are done by employee's initiative and its duration shall not exceed 2 hours per day, and for heavy works, works with harmful (extremely harmful) and (or) hazardous labor conditions – one hour per day and 120 hours per year (for each employee). Total duration of overtime works shall not exceed twelve hours per month and one hundred twenty hours per year.

Each employee has a right to have at least one day off after six sustained working days.

5.2. Compensation for Labor

Compensation for normal and overtime work shall comply with minimal level established by legislation or with industrial standards depending on what comes more profitable for employee. Compensation for overtime works shall comply with norms established by legislation or with industrial standards. The minimal level of wages established by legislation shall be followed.

Unauthorized deductions and deduction from wages as a disciplinary penalty are prohibited. Employees shall be provided with all services required by legislation.

Vendor shall guarantee to clearly and regularly inform in writing employees about compensation scheme. Compensation shall be paid according to all applicable acts and in the way established by legislation of the Republic of Kazakhstan and labor agreement.

6. Freedom of Association and Right for Collective Negotiations

Employee's right for establishing an organization and holding collective negotiations shall be respected. In cases when the right for freedom of association and collective negotiations is limited by law the employees shall be provided with other possibilities for independent and free association in order to hold collective negotiations.

People representing employees' interests shall be protected from discrimination. They have to be provided with easy access to working places of their colleges to realize their rights in compliance with law and