

APPROVED

by the Order of the Acting General Director of the
LLP «Synergized Gas Technology Kazakhstan»

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Regulations on gifts and hospitality of the LLP «Synergized Gas Technology Kazakhstan»

This Regulations on gifts and hospitality extends to all employees of the LLP «Synergized Gas Technology Kazakhstan" (hereinafter - the Partnership), including employees on fixed-term employment agreements and temporary workers, individuals working under a contract of services or performance of work, as well as spouses, relatives or friends of all categories of abovementioned staff, who come up against a situation of giving or accepting gifts and invitations.

General provisions

Depending on the position, some employees come up against such situations more frequent than others. In particular, these Regulations in a mandatory manner shall be brought to the attention of employees, directly interacting with customers or suppliers, contractors at any level, including state and municipal officials, representatives of the supervisory authorities, business partners, agents, consultants, any person with special authoritative, organizational and regulatory powers, representatives of the media, and are obligatory to observe.

These Regulations shall be applied regardless of how the gifts and invitations are sent - either directly or through intermediaries.

The Partnership, its employees or representatives shall give or accept gifts or other material values in strict compliance with the anti-corruption policy. Any exception to this provision shall be approved by the Chief Executive or the General Director.

For information purposes, these Regulations on gifts and hospitality may be brought to the attention of third parties, including customers, suppliers, contractors at any level, consultants, agents,.

Definitions

Whereas gifts and hospitality may be interpreted as a way of (real or perceived) influence on decision-making or achievement of results, this definition requires a clear clarification.

Gift

Gift shall mean any kind of offering or receiving payments, rewards, grants, benefits, material or property values, and other benefits that are not expressed in concrete material goods.

In the business environment definition of "Gifts" includes:

- Grants, products, equipment,
- Private discounts, monetary reward or other forms of compensation,
- Cash, premiums, payments, loans or cash equivalents, such as gift certificates, gift cards, store discount cards,
- Securities, stocks, shares,

- Free services such as insurance, tuition fees, maintenance or adjustment work, or any form of privileged service.

Given (accepted) gifts shall not:

- be in the form of cash or cash equivalents (e.g. in the form of shares, gift certificates, etc.);
- be of excessive cost;
- be given in order to influence the decision-making;
- have a negative impact on the reputation of the Partnership or in any other way compromise the Partnership.

Gifts which cost exceeds 100 US Dollars (or equivalent amount in KZT) shall be pre-approved in writing by the Chief Executive Officer. Any gifts, addressed to the client - member of the governmental power (including state-owned enterprises) shall be pre-approved by the CFO, CEO or General Director. Payment for any gift shall be included in the weekly list of payments for approval by the CFO, the CEO and the General Director under the normal procedure of approval for payments. Gifts to the government officials in connection with their official position or in connection with the performance of their duties are not allowed.

Hospitality

Hospitality includes any form of providing or receiving social services, entertainment, travel, accommodation or invitations.

In the business environment definition of “Hospitality” includes:

- Eating: breakfast, lunch, dinner, standing buffet, party;
- Hotel check-in;
- Payment of fares and moving by a car, air and railway transport;
- Workshops, conventions, and other;
- Invitations to sports, cultural or social events.

Invitations to persons, to government officials in connection with their official position or in connection with the performance of their duties are not allowed.

Associated risk

Accepting or giving gifts and / or hospitality is closely connected with the question of conflict of interest and may result in accusations against both the Partnership and the individual employee.

Fact of Gifts and/or acceptance of the Gifts and/or Hospitality may cause the assumption that the grantor may get benefits or preferential treatment, preferences which may be expressed, for example, in more favorable prices, terms of supply or sale, endangering the professionalism of the Partnership and its employees.

Gifts and hospitality shall be a customary way to strengthen business relationships and, with some limitations, shall be a legitimate business practice.

The partnership allows the acceptance or the giving of the following categories of gifts and hospitality:

- Symbolic gifts, for example, with the logo of the Partnership or a third party;
- Reasonable business lunches or dinners, approved by the Partnership's management;
- All gifts and activities shall comply with policies on labor protection, industrial safety and environmental protection.

Hospitality shall be exclusively for business purposes and not for personal use of employee or his/her relatives. Invitations to the events shall take place in the framework of an advertising campaign or a public program organized by the Partnership.

It is prohibited in the Partnership to give and accept the following categories of gifts and hospitality:

- individual discounts, rewards and other forms of compensation;
- cash, premiums, payments, loans, advances or cash equivalents, such as gift certificates, gift cards, store discount cards, as well as stocks and shares;
- free services such as insurance, tuition fees, maintenance or adjustment work, or any other preferential treatment;
- invitations to expensive events such as the sports final competitions or the opera performance;
- hotel voucher;
- actions of a sexual character, or any other activity breaking the principles of fair human relations;
- gambling games;
- all kinds of goods that are unlawful or prohibited for export.

Compliance with law

Reputation of the Partnership is based on compliance with the law, with the regulatory legal acts and the corporate requirements for conducting economic activities, as in the Republic of Kazakhstan, and in all countries where the Partnership may operate.

Most countries prohibit or restrict giving or accepting any gifts or hospitality to parties, both directly and through intermediaries. These actions may be regarded as a crime, and involve responsibility not only for the company but also for the individual employee.

For the purposes of these Regulations on gifts and hospitality, government officials include, but not limited:

- government official - a citizen carrying out professional activities on the official positions of public service and receiving an allowance (remuneration, allowances) from the state, republican and local budgets, state institutions;
- any political party or government officials, agents, servants or representatives of political parties;
- members of public associations;
- officers and employees of international organizations;
- judges or officials of international courts;
- employees of the administrations which are under the government control, and the government organizations;
- municipal officers.
- representatives of the supervisory authorities.

Prohibition of privileges:

It is prohibited to give Gifts and/or Hospitality to obtain any advantage, preference or influence on the result of business decisions in violation of the official duties of the recipient.

On behalf of the Partnership:

Gifts and hospitality shall be made on behalf of the Partnership and paid for by the decision of the sole executive body of the Partnership. Employee is not entitled to pay for Gifts and/or hospitality in cases when the purpose of giving them is to maintain business relationship.

Gifts accepted by the employee, shall be considered as the property of the Partnership and the employee is not entitled to think that he or she may retain the accepted business gift for own use.

Periodicity:

Hospitality and/or gifts accepted or given to any person shall be exceptional and be justified. It is allowed to give gifts or hospitality once or twice per calendar year, or, for example, at the end of the calendar year in strict accordance with these Regulations. It is not allowed to give gifts and/or hospitality to the customer every month.

Cases of Gift Giving:

It is prohibited to give or accept gifts and/or hospitality in cases when making important business decisions, such as: the consideration of applications for participation in tendering procedures, before or immediately after signing the contract, at the stage of review of the agreement, in the event of claims.

Mutuality:

Whereas Gifts and Hospitality are not intended to influence business decisions, and shall have a reasonable, modest and symbolic meaning, the principle of mutuality is the key element that allows determining the receivability of giving or accepting gifts and hospitality.

Transparency:

All costs and receipts for the gifts and hospitality shall be properly taken into account and agreed upon in accordance with the accounting policies, the Regulations on business trips, the rules of delegation of authority and the bookkeeping rules of the Partnership. It is recommended to use the procedure of request for purchase.

Do's and don'ts

Basic rules:

- Employee is not entitled to give or accept gifts and/or hospitality, in contempt of these Regulations on gifts and hospitality, legislation, business custom.
- In any cases it is unacceptable to ask or demand gifts or hospitality.
- In any cases it is unacceptable to agree with the requirement to provide the Gift and/or Hospitality.

Cooperation:

- It is recommended while entering into the business relationships, to introduce a third party to the Regulations on gifts and hospitality.
- Review the policy on gifts and hospitality adopted in the company of your business partner, in particular, the customer and the supplier, the contractor of any level.
- Never offer gifts and/or hospitality, acceptance of which may violate the policy of the host party.
- Never accept Gifts and/or Hospitality that may violate the policy of the party, offering them.

Statement:

- Offering or giving Gifts and/or Hospitality contrary to the legislation involves personal responsibility of employees in accordance with the legislation of the Republic of Kazakhstan.

Rejection of gifts or hospitality:

- Do not accept or give any gift or hospitality at every meeting with the third party.
- Do not accept the Hospitality if the inviting party is missing.
- Do not accept invitations to important events, such as sports, cultural or social events where you will be the only guest.
- Except reasonable and exceptional cases, do not accept the Hospitality if the expenses connected with journey and accommodation are assumed by the inviting party.
- Do not accept the Hospitality if expenses connected to it are assumed by the third party.
- If the gift or the hospitality go beyond the acceptable framework as defined in these Regulations, you should politely refuse, if necessary, by contacting your manager.

- In some cases, the refusal to accept gift or hospitality may be regarded as an exhibition of incivility. You should refer to superiors and to the legal department for advice whether to accept such Gift and/or Hospitality or refuse.

Conferences, workshops and trips organized by the Partnership:

- Workshops or conferences shall have a professional direction. The time set for entertainment, shall not exceed 30%. It is necessary to send in advance the agenda to the invited persons with an indication of such time management.
- There shall be clear and transparent selection criteria of invited persons to the activities of the Partnership.
- Invitation of spouses to the business meetings, workshops or conferences is inappropriate in the framework of business meetings and is not allowed without prior permission from the General Director.
- Special attention shall be given to trips related to the contract (for example, educational trips). Conditions of such trips shall be prescribed in the contract.
- In preparation for the trip, it is necessary to send to recipients of the Hospitality the memo with the indication of who has or has not the right to participate in the trip, what costs are included or are not included, what is the order of payment and reimbursement.