

**POLICY OF
JOINT-STOCK COMPANY
"NATIONAL COMPANY
"KAZAKHSTAN TEMIR ZHOLY" -
CORPORATE IDEOLOGY
AND BUSINESS PHILOSOPHY**

Nur-Sultan
2020

CONTENT

1.	MISSION OF THE COMPANY.....	3
2.	VISION OF THE COMPANY.....	3
3.	VALUES OF THE COMPANY.....	3
4.	INTERESTED PARTIES AND OBLIGATIONS.....	4
5.	PRINCIPLES.....	4
6.	FINAL PROVISION.....	7

The policy of joint-stock Company "National Company "Kazakhstan temir zholy " (further – the Company) - Corporate ideology and philosophy of business is official Policy of the Company defining a mission, strategic vision, basic principles and values of the Company.

1. MISSION OF THE COMPANY

Being system-forming transport Company of Kazakhstan we provide a qualitative basis of sustainable growth of our clients' business, create cost for the Sole shareholder and bring benefit to consumers and society in general by means of providing safe and competitive transport services.

2. VISION OF THE COMPANY

We are a highly efficient transport Company operating according to the best practices of business.

We are a reliable provider of transport infrastructure services, including freight and passenger transportation.

We are a leader among peer companies in sustainable development, quality and economic efficiency of services due to improving business processes, digitalizing activities and increasing the professionalism of employees.

3. VALUES OF THE COMPANY

Immutable values of the corporate culture of the Company are sustainable development and mutual prosperity, as well as ensuring environmental protection, health protection and safety of work, safety of the transportation process, information security and energy efficiency.

Employees of the Company - the main value and the main resource which results of activity and cost of the Company, created for investors directly depend on the level of their professionalism and safety.

All employees of the Company (from ordinary workers to the management) divide such values as:

- Safety - We are responsible for the life, health and safety of each of our employees, passengers and the safety of freight and luggage. This is our main priority. Even the smallest mistake can be very expensive.

- Leadership - It is important for us to work harmoniously because we are part of a single system that works for the benefit of each of our clients and the country as a whole. We pass on the knowledge and experience gained over the years to the next generation. We respect and value everyone, regardless of the level of position, profession and personal interest.

- Ambitions - We meet all difficulties and challenges with dignity, persistently overcome any obstacles on our way, because we know that the well-being of our clients depends on us, whose interests and needs are the main priority for us.

- Pride - We devote our whole life to the industry because we deliver goods that are critical for the population, connect cities and states, and work even in the most remote regions of the country. We are proud of our profession and the fact that our grandfathers and fathers worked on the railway.

- Responsibility - We provide quality services for all our clients because we are the flagship in the transport services market. We achieve results even in the most difficult situations, because we are professionals in our field and rely on experience and rich history.

4. INTERESTED PARTIES AND OBLIGATIONS

The Company undertakes to observe requirements of the legislation of the Republic of Kazakhstan and other requirements of interested parties. Success of the Company depends on as far as it meets expectations of interested parties. The Company fulfills obligations before:

- clients - on providing safe and high-quality services;
- the state - on implementation of state programs and tasks;
- the sole shareholder - on increase in cost of the share capital;
- workers - on providing competitive, safe and healthy working conditions;
- society - on compliance principles social responsibility;
- business partners - on mutually beneficial cooperation.

5. PRINCIPLES

Vision, mission and key values are the cornerstone of everything that is done by the Company, define the principles of management, implementation of activity and the relations in the Company.

In the work the Company is guided by the following the principles:

Principle 1. Legality, transparency, openness and honest business

The Company employees adhere to high standards of ethics and behavior through the prism of proclaimed corporate values.

The Company conducts the business honestly, transparently, openly, fairly and expects the same from the business partners. The Company is open to meetings, discussions and dialogues and seeks for creation of the long-term cooperation with interested parties based on accounting of mutual interests, observance rights and balance between the interests of the Company and interested parties

The Company in due time brings information provided by the legislation and documents of the Company to interested parties taking into account norms on protection of confidential information.

Employees of the Company have to avoid the conflict of interests between the private activity and functions which they perform in activity of the Company. Workers report to the Company about the possible conflict of interests.

Principle 2. Economic efficiency

The Company seeks for maximizing the economic value added (EVA). The Company effectively operates financial flows and provides financial stability, creates stable conditions for attracting investors for development of activity and meeting requirements of interested parties.

Principle 3. Safety of services

Safety is a key element of activity of the Company.

The Company demands from the workers, contractors, clients and partners of observance of all standards and norms in the field of safety of the transportation process, safety of transportation process, health protection and safety of work, environmental protection and information security.

The Company takes all necessary measures for formation and development of corporate culture of safety.

The Company uses the system approach integrating management of safety of transportation process, health protection and safety of work, environmental protection and information security at all levels of management of the Company by means of constantly improved the policy, processes, the purposes and initiatives.

Principle 4. Customer focus

The sense and success of activity of the Company lies in meeting the demand and respect of the Company's customers therefore the Company considers their presents and future requirements and also tries to exceed their expectations, flexibly and quickly reacts to market opportunities, increases effectiveness in use of resources of the Company for increase meeting the demand of clients.

Principle 5. Guarantees of the rights of workers

Understanding that workers are the main value, the Company adheres to policy of providing all the workers with the best prospects for work.

Company:

- attracts professional candidates from labor market on an open and transparent basis and develops the workers on the basis of the principle of a meritocracy;
- ensures safety of work and health protection of employees of the Company;
- conducts improving programs and gives social support to workers;
- creates the effective system of motivation and development of workers;
- develops corporate culture.

Principle 6. Intolerance to corruption

The Company does not accept corruption in any form or manifestation in the course of its activities.

The Company prohibits officials and employees of the Company, directly or indirectly, personally or through any intermediary, from participating in corrupt practices, regardless of the practice of doing business in a particular country.

The Company encourages the adoption by business partners and third parties of anti-corruption policies and procedures and standards of conduct.

Officials and employees of the Company bear responsibility established by the legislation of the Republic of Kazakhstan for committing corruption offenses.

The Company provides for measures aimed at preventing, preventing and identifying corruption

risks.

Principle 7. Leadership

Heads establish unity of the purposes and directions of development of the Company, ensure the availability of information and resources necessary to achieve the goals and solve the assigned tasks. They create and support an internal environment in which workers are completely involved in realization of the purposes of the Company, on the basis of understanding of the purposes and tasks of the Company and due motivation to their achievement.

Principle 8. Involvement

Full involvement of workers allows to use all their abilities for development of the Company. Using consultation mechanisms and participation of employees (their representatives) in decision-making is one of the key factors in the success of the Company and is encouraged as part of the implementation of the processes.

Employees of the Company:

understand importance of the contribution and role in the Company;

reveal and estimate risks and opportunities in the course of planning and implementation of activity of the Company;

conduct monitoring of processes and results, estimate the efficiency in relation to the purposes and tasks;

actively conduct search and use opportunities for increase in the competences, knowledge and experience;

freely exchange knowledge and experience and openly discuss the arising problems and issues with colleagues.

Principle 9. Process approach to management

The Company understands importance of process approach and operates activity of the Company as the system of the interconnected processes that allows to improve effectiveness and efficiency of the Company and to achieve strategic objectives.

Principle 10. Continuous improvement and innovations

Continuous improvement of quality of the provided services, processes, subsystems and the Company's management system is a constant goal:

for planning and implementation of actions in strategic prospect;

for obtaining benefit due to increase in opportunities of the Company;

for quick response to the arising changes in the external environment.

The Company encourages creative innovative approach to any task, it is non-standard to think of ability.

Principle 11. Social responsibility

Understanding the responsibility to society for the impact on the economy, the environment, as well as to the Sole Shareholder and investors for growth of long-term cost and sustainable development of the Company in the long-term period, the Company:

- seeks to minimize negative impact of the activity on the environment through the implementation of measures to prevent pollution, respect for resources (including energy, raw materials, water), consecutive reduction of emissions, waste, and introduction highly productive, power - and resource-saving technologies;
- pays taxes and other collecting provided by the legislation to the state budget;
- keeps and creates jobs within the development strategy and opportunities;
- seeks to promote development of the area in which carries out activity within the strategy and within the available financial opportunities;
- seeks to introduce the innovative technologies directed to careful and responsible use of resources, increase in labor productivity;
- estimates compliance of products, goods and services to the standards of health and safety of consumers established by the legislation of the Republic of Kazakhstan and provides their appropriate quality;
- seeks to procure products and services that are energy efficient;
- provides support to project activities aimed at improving energy performance.

6. FINAL PROVISIONS

The Company's vision and strategy are directed to the future, to which the Company seeks through consistent and continuous improvement and development of its activities.

The Company's principles must be applied in all operations, regardless of their size, and they determine the norms of behavior that employees of the Company constantly follow in their activities.

Management of the Company is obliged to set an example, to ensure knowledge and implementation of these principles by employees.

The application of these principles is based on rules and procedures designed to ensure their understanding and use by workers in their work.

The system of guarantees implies the responsibility of the management to provide employees with safe and confidential channels to express their concerns and inform about cases of non-compliance with the principles. Employees, in turn, report cases of possible violation of the principles of activity in the Company.

The Company has other functional policies reflecting aspects of the Company's internal operations (personnel policy, risk management policy, anti-corruption policy, etc.) that meet the Company's obligations to interested parties.
