



## COMMUNICATION IN PROGRESS

### "GSM Kazakhstan OJSC "Kazakhtelecom" LLP (Kcell, Activ and VClub trade marks)

GSM Kazakhstan/ Kcell is a leading mobile operator of Kazakhstan. The main social role of the Company is business development and improvement of the Kazakhstani economy. Our social projects are the integral part of the Company's mission and strategy development. By developing and promoting the high technologies services and products the Company favors the development of the Kazakh innovation economy and its diversification within the framework of global competition.

From the very beginning of its operation GSM Kazakhstan/ Kcell has been playing the role of the trend setter giving tone, trends and tendency to development of the Kazakhstani cellular market and creating the role model of corporate social responsible business.

The mission of the Company is to make the cellular communication available to all citizens of Kazakhstan, generating value to the utmost extent to its subscribers and rendering services of the highest quality.

Our values are:

1. Pioneer – we introduce the most innovative technology to our customers and anticipate the future demands of our society;
2. Reliable – we provide our customers with quality and effective communication within the broadest coverage;
3. One of us – we are an integral part of Kazakhstan and we have transformed the way we do business and interact as society;
4. Social responsible – we respect our roots and we dedicate to the social and culture development of Kazakhstan;
5. Agile – we listen to our costumers and always do our best to meet their communication requirements in a prompt and effective manner.

For GSM Kazakhstan/ Kcell to be the leader means to make its own contribution to the development and improvement of public processes of the country, to take an active position of the socially responsible business. That is why the Company takes the lead in and renders support to many publicly important projects. Every year GSM Kazakhstan implements more than 60

social programs, and the overall volume of investments to the social sphere only in 2008 exceeded 1 million US dollars.

GSM Kazakhstan/ Kcell aims to follow the highest international standards of sustainable development and social responsibility, implementing them on a daily basis and that is why GSM Kazakhstan/ Kcell was the first telecommunications company of Kazakhstan, which joined the Global Compact in 2007.

**Veysel Aral,**  
**CEO**  
**GSM Kazakhstan/ Kcell**

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The principle	Systems	Activities	Outcomes
<b>Human rights</b>			
<p>Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>Code of ethics and conduct</p> <p>Personnel Policy</p> <p>Salary Policy</p> <p>Regulation on termination and hiring</p> <p>Regulation on financial assistance to employees</p> <p>Social package for employees</p>	<p>In its day-to-day business GSM Kazakhstan / Kcell is governed by the Code of conduct and internal policies as well as principles, formalized in legislation by the Constitution of the Republic of Kazakhstan and the Labor Code.</p> <p>The employment agreement is executed with each employee where all rights and responsibilities of the parties, conditions of labor, rest, labor payment etc. are provided for.</p> <p>In addition, the Company offers to its employees a social package, which includes insurance programs, soft lending in the leading banks of the country, meal service, daily transfer as well as a wide spectrum of training programs and guaranteed payment of income tax and deductions to the pension saving funds. In case of any unforeseen circumstances an employee may be aid paid and provided with the leave.</p> <p>In 2008 children from the large and needy families were provided with the educational grants to the Eurasia National University named after L.N.Gumilyev.</p>	<p>Currently, 1425 employees are with GSM Kazakhstan/ Kcell throughout Kazakhstan. In 2008 there were employed 463 employees.</p> <p>Every day all information of the current events is available at the company internal portal <a href="http://intra.kcell.kz">http://intra.kcell.kz</a> and the employees may freely express their opinions upon each issue. The most interesting issues may be found in the company internal journal “Kcell Magazine”.</p> <p>A wide network of our customer care offices (16) and standardized dealer points (98) as well as regularly updated web-sites <a href="http://www.kcell.kz">www.kcell.kz</a>, <a href="http://www.activ.kz">www.activ.kz</a>, <a href="http://www.vclub.kz">www.vclub.kz</a> are created throughout Kazakhstan aiming at our clients and partners.</p> <p>Certificates:</p> <ol style="list-style-type: none"> <li>1. 2006: Nomination “Choice of the year”: “The most socially responsible company”</li> <li>2. 2007: Almaty department of internal policy, Almaty informational-resources center, Contest “Orleu”: “The best social partner”</li> </ol> <p>Charitable foundation “Eldany” is a partner of GSM Kazakhstan/ Kcell on providing the corporate gifts. The aims of the foundation is a protection of civil rights and the human interests of people with limited capabilities (infantile cerebral paralysis) and movement disorders and assistance in social adaptation and labor rehabilitation.</p>

			2009: The American Chamber of Commerce in Kazakhstan, Outstanding Community Service Award for supporting the youth sports and educational programmes
Make sure that they are not complicit in human rights abuses	Code of ethics and conduct	The GSM Kazakhstan/ Kcell Code of ethics and conduct constitutes a top-document covering ethical policies and standards. Within the framework of this Code a system called “GOOD Faith” for violations and misconducts reporting was established.	In 2009 GSM Kazakhstan/ Kcell jointly with the Kazakhstani National Consumer League launched the project “Free legal advice”. 3 special telephone numbers were assigned for the project. All Kazakhstani citizens can timely get legal advice on different subjects as well as on the most frequently asked questions placed on the web-site potrebitel.kz.
<b>Labour</b>			
Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining	Code of ethics and conduct  Labor contract	The employment agreement is executed with each employee where all rights and responsibilities of the parties, conditions of labor, rest, labor payment etc. are provided for. GSM Kazakhstan/ Kcell to the utmost cooperate and render assistance to various public associations, protecting the rights of the socially vulnerable wide sections of the population.	The arrangement of the first charity SMS voiting aiming at children, needed in surgery to be done in the foreign countries, sponsors: the Charitable fund “Sabi” and the Charitable fund “Voluntary Society Miloserdiye”. Giving help to the center of social adaptation and labor rehabilitation for children with psychoverbal and psychophysical problems “Kenes”: provision with speech therapist, equipment of the special correctional class, implementing the project “Safe environment for disabled children” and distribution of methods to other cities.
The elimination of all forms of forced and compulsory labour	Constitution of the Republic of Kazakhstan	In 2008. GSM Kazakhstan/ Kcell rendered assistance to the signatures collection campaign “Say NOT to violence with regard to women” in support of the annual international campaign “16 days against the violence with regard to women”, arranged by the	All the people of Kazakhstan were able openly, by SMS-voting to protest against the violence with regard to women, by sending the word “NOT” to a special short number or by putting a signature on a special “wall of support”, located in the most

		regional office of the United Nations Development Fund for Women (UNIFEM) in Kazakhstan.	crowded street of the city of Almaty.
The effective abolition of child labour	Code of conduct Labour contract Insurance programme	The Labor Code of the Republic of Kazakhstan prohibits using the child labor and GSM Kazakhstan/ Kcell operates in line with the labor laws.	To draw attention of the public to the rights of children, violence to them and increase of the level of keeping informed of the rights of the child, Kcell in 2008 jointly with the Public Fund “Kazakhstan Pan” initiated the project for protection of children against the violence “Attention! Children”.
The elimination of discrimination in respect of employment and occupation	Labour Code of the Republic of Kazakhstan Labour contract Code of ethics and conduct	The Company observes the Labor Code of the Republic of Kazakhstan and the Code of ethics and conduct	All new employees are involved into the orientation program, which allows to make the fastest acquaintence of the company and become its integral part. As well there are continuously carried out contests for the employees of the company “Best Operator”, “Best Sales Representative”. The personnel appraisal is performed based on the set goals.
<b>Environment</b>			
Business should support a precautionary approach to environmental challenges	Code of ethics and conduct	GSM Kazakhstan/ Kcell in performing its business does not generate a negative impact on the environment, moreover, the Company is striving for making thrifty use and care treatment. To protect the health of the company employees there used the controlled systems of air conditioning depending on the outdoor temperature as well there performed a regular replacement of filters and cleaning of air supply and air conditioning systems.	Aiming at water saving there were installed the water saving taps, to decrease the level of power consumption there were installed the power saving fluorescent lighting.
Undertake initiatives to promote greater environmental responsibility			
Encourage the development and			

difusion of enviromental friendly technologies			
<b>Anti-Corruption</b>			
Businesses should work against corruption in all its forms, including extortion and bribery	Code of conduct Gifts favour and hospitality procedure	<p>Within the framework of implementation of this principle GSM Kazakhstan/ Kcell follows the Code of ethics and conduct as well as the Gifts favour and hospitality procedure.</p> <p>A Security Service was established aiming at development of the system of preventive measures to react against the corruption and fraudulent-related practices.</p>	For communication and fastest response to the inquiries of our clients the call center operates 24 hours a day.