



**APPROVED**

**by the Resolution of the Board of Directors  
of Rosneft Oil Company on June 05, 2015**

**Minutes dated June 05, 2015 № 35**

**Effective as of September 28, 2015**

**By Order dated September 28, 2015 № 428**

## **CODE**

---

**OF BUSINESS AND CORPORATE ETHICS ROSNEFT OIL COMPANY**

**No. P3-01.06 P-01**

**VERSION 1.00**

(with amendments approved by the decision of Board of Directors Meeting (Minutes of the meeting dated 22.06.2017 № 29) effective as of 28.08.2017 by Order № 489)

**MOSCOW  
2015**

# CONTENTS

|      |   |    |
|------|---|----|
| 1.   | MAIN OBJECTIVES AND VALUES .....                                | 4  |
| 2.   | MUTUAL RESPECT, TOLERANCE AND EQUAL OPPORTUNITIES .....         | 5  |
| 3.   | CONCERN ABOUT COMPANY INTERESTS AND REPUTATION.....             | 6  |
| 3.1. | CARE FOR PROPERTY AND ASSETS.....                               | 6  |
| 3.2. | MAINTENANCE OF CONFIDENTIALITY .....                            | 6  |
| 3.3. | LIAISON WITH MEDIA AND INFORMATION ENVIRONMENT ACTIVITIES.....  | 6  |
| 4.   | LABOUR, HEALTH AND ENVIRONMENTAL SAFETY AND PROTECTION.....     | 8  |
| 5.   | RELATIONS WITH INTERESTED PARTIES .....                         | 9  |
| 5.1. | SHAREHOLDERS AND INVESTORS.....                                 | 9  |
| 5.2. | GOVERNMENT AUTHORITIES .....                                    | 9  |
| 5.3. | SOCIETY AND PUBLIC ORGANISATIONS .....                          | 9  |
| 5.4. | BUSINESS PARTNERS, CLIENTS AND COMPETITORS.....                 | 10 |
| 6.   | PREVENTION OF NON-COMPLIANCE WITH RULES AND STANDARDS.....      | 11 |
| 6.1. | PREVENTION OF CORPORATE FRAUD AND CORRUPTION.....               | 11 |
| 6.2. | GIFTS AND OTHER BENEFITS .....                                  | 11 |
| 6.3. | PREVENTION AND SETTLEMENT OF CONFLICTS OF INTEREST .....        | 11 |
| 6.4. | PREVENTION OF USING INSIDER INFORMATION FOR PERSONAL GAIN ..... | 12 |
| 6.5. | FINANCIAL STATEMENTS AND MANAGEMENT ACCOUNTING.....             | 12 |
| 7.   | APPLICATION OF THE CODE .....                                   | 13 |
| 7.1. | COMPLIANCE WITH CODE STANDARDS .....                            | 13 |
| 7.2. | FEEDBACK .....  | 13 |
| 7.3. | BUSINESS ETHICS COUNCIL .....                                   | 13 |
| 8.   | CODE ADOPTION AND MODIFICATION PROCEDURE .....                  | 14 |

All rights to this LRD are reserved by Rosneft. This LRD or any part thereof may not be reproduced, replicated or disseminated without express permission from Rosneft.

This Code of Business and Corporate Ethics was adopted by Rosneft in place of the 2008 Rosneft Business Ethics Code which has ceased to be in force.

# 1. MAIN OBJECTIVES AND VALUES

- LEADERSHIP** We strive for leadership in all our activities and plan the Company's future using most original ideas and state-of-the-art technologies without causing damage to society and the environment.
- EFFECTIVENESS** We achieve the targets we set and undertake new ambitious tasks relying on professionalism, discipline and teamwork and ensure an appropriate balance of interests between each employee and the Company.
- INTEGRITY** We take on responsibility for everything we do and say. We act openly and consistently towards our colleagues, clients and partners, strictly implementing our obligations.
- SAFETY** Our highest priority is to preserve life and health and ensure the safety of work and the environment.

The above objectives and values set by the Company require that each employee should act in a conscious manner and display initiative. This Code of Business and Corporate Ethics defines uniform rules and standards of conduct in the day-to-day work of both the head office and affiliate and dependent companies.

The Code is an internal document binding on each Company manager and employee.

Compliance with the said rules and standards allows us to remain a team of professionals united by common aims, traditions and corporate culture and helps maintain at a proper level mutual understanding within the Company and in our relations with clients and business partners.

## 2. MUTUAL RESPECT, TOLERANCE AND EQUAL OPPORTUNITIES

The Company's staff members are its main asset. The high professionalism is an earnest of successful business and the reason why the Company tries to create all necessary conditions for satisfactory work and realising the potential of each of us.

The Company sets great store by creating a beneficial psychological climate for its work team, building trust on the basis of mutual respect and tolerance towards each other regardless of position and on following a golden rule of morality – “treat others as you want to be treated yourself”.

The Company is building an atmosphere of mutual respect so that each of us can be valued for their professional skills, knowledge and experience and conditions may be set for the realisation of the creative potential of all employees. The Company is keen to see all of them show devotion to its interests, high professionalism, conscientiousness and both the desire and ability to work in a team.

When adopting decisions on personnel, the Company strictly abides by labour laws. Career growth, development and motivation are based on our professional record and performance.

Whatever Russian region or foreign country the Company chooses for its activities, its cooperation with the population, local authorities and non-governmental organisations is aimed at gaining an understanding of special social, cultural, environmental and economic features. The Company operates in full conformity with the Social Charter of Russian Business and Universal Declaration of Human Rights which promulgates that everyone is entitled to all the rights and freedoms set forth in it, without distinction of any kind, such as race, colour, sex, age, language, religion, political or other opinion, national or social origin, property, birth or other status.

The Company does not tolerate any forms of oppression or discrimination. It respects the right of each employee to collective representation of interests including trade union organisations and rules out any possibility of the emergence of an atmosphere that would be hostile, humiliating and offensive to human dignity.

### **3. CONCERN ABOUT COMPANY INTERESTS AND REPUTATION**

The Company's business reputation and authority, further successful and stable development depend on each of us. We should always bear it in mind when talking to our colleagues and business partners, posting information on the Internet, interacting with the mass media and handling confidential information and Company property.

#### **3.1. CARE FOR PROPERTY AND ASSETS**

The safety of the property owned by the Company and/or belonging to it for other reasons provided by civil law is an important element of its stable development and prosperity. The Company property includes production plant and machinery, office equipment, expendable materials, intellectual property and other means of production used in day-to-day work.

We handle carefully the Company's property and assets and ensure their efficient use to achieve results at the lowest cost.

We do not use its property and assets for purposes other than intended or for personal ends or gain.

#### **3.2. MAINTENANCE OF CONFIDENTIALITY**

Information containing trade secrets, restricted to in-house use, personal data and other information on the Company's operations and development to a large extent determine its ability to compete in the market. A disclosure of confidential information may prove detrimental to the Company's interests and reputation and it is the duty of all of us to protect it.

When handling such information, we observe the following rules:

- Confidential information may be used only as part of one's job duties in accordance with corporate procedures in force.
- An obligation not to disclose confidential information should continue after an employee leaves the Company unless they have agreed otherwise.
- Not only corporate intellectual property must be handled with care and respect, but also the information owned by our partners which we gain access to when working with them. The Company's intellectual property including the innovations developed by its employees may be used only in its interests.
- When working with confidential information, use must be made of certified technical security measures to protect information.

#### **3.3. LIAISON WITH MEDIA AND INFORMATION ENVIRONMENT ACTIVITIES**

The Company information policy requires that all necessary information about its activities should be posted using open sources. In particular, such open access information about the

Company, its management bodies, financial and annual reports, contact details, etc. is available at the Company's official site [www.rosneft.ru](http://www.rosneft.ru).

Any oral, written, electronic or other communication with representatives of the mass media, both Russian and foreign, related to cooperation or exchange of information about Company activities, or initiation of such communication must be agreed upon by the Company press secretary.

If a media representative offers cooperation in one form or another in matters related to Company activities, an immediate superior or unit head in charge of public relations should be informed of such offer.

The Internet opens up unique opportunities for communication and information exchange. A reasonable approach to the use of the Internet by Company employees presupposes compliance with a number of rules:

- Never place working material and/or information on Company activities on the Internet.
- Do not use corporate mail for personal purposes.
- Do not place on the Internet photographs and audio and video recordings made at Company corporate events, workplaces and production facilities.
- Avoid taking part in discussing Company news, decisions made by the management or personnel and information related to Company business partners and clients.
- Make statements, comments and assessments as a representative of the Company only if you have received relevant authorities.

## 4. LABOUR, HEALTH AND ENVIRONMENTAL SAFETY AND PROTECTION

Industrial safety and labour, health and environmental protection are among our top priorities. The Company considers that it is its duty to ensure safety conditions for its employees, partners and the population in the regions where it conducts operations. It makes every effort to prevent workplace accidents, incidents and fire and, should they emerge, minimise their consequences.

When performing work, we abide by the following rules:

- We undergo necessary training and instruction in labour protection compliance, fire and industrial safety and giving first aid. We also have our qualifications and health conditions validated.
- Before work begins, hazardous and harmful factors have to be revealed and necessary measures taken to prevent possible undesirable events.
- Before work begins, measures have to be defined in the event of an emergency or fire.
- All permissions must be obtained and the areas where work is conducted must be marked off with caution tape and/or safety signs.
- We use individual and collective protective equipment, taking into account the revealed hazards and work safety requirements applying to a particular site.
- No strangers or persons in a state of alcoholic, narcotic or other intoxication should be present.
- The equipment, mechanisms, instruments and devices we use should be in good working order and suitable for a particular type of work.
- We intervene where work safety rules are ignored and always inform our immediate superior about any situation jeopardising human life and health.

The Company sees human life as the highest value and pays special attention to supporting a healthy lifestyle and health protection. The storage and use of alcoholic drinks and narcotics is prohibited on its premises.

Our high standards ensuring industrial and fire safety and labour and environmental protection apply to all employees without exception and are taken into account in relations with partners and contractors.



## 5. RELATIONS WITH INTERESTED PARTIES

Partnership based on long-term, fruitful, confidential and mutually beneficial relations with shareholders and investors, government authorities, society and business partners is a major resource for further development, enabling the Company to achieve its strategic aims. At the same time, the shareholders and investors, government authorities, society, public organisations, business partners, clients and competitors are all interested parties that are external to the Company.

### 5.1. SHAREHOLDERS AND INVESTORS

The Company respects in equal measure the rights of its shareholders irrespective of the number of their shares, maintains an effective dialogue with them, striving to justify their confidence by implementing its commitments related to development and paying dividends.

The Company strives to strike a balance between short- and long-term financial results of its operations, while maintaining its high credit rating and proper securities liquidity. This is achieved, among other things, through management of production, environmental and financial risks, observance of laws and compliance with the rules and procedures of corporate management and internal control.

By timely publication of reliable information about its activities in the form readily understandable by the shareholders the Company guarantees respect for the rights of both shareholders and investors.

### 5.2. GOVERNMENT AUTHORITIES

Operating in Russia and other countries, the Company liaises with local government authorities on a continuous basis and builds constructive relations with them, guided by the provisions of applicable laws and high corporate and business ethics standards. This broadens the Company's possibilities and makes for favourable conditions for the development of its business.

The Company meets all legal requirements for entrepreneurial activities, pays its taxes and salaries in full and professionally manages any matters related to personnel health protection and workplace and environmental safety.

The Company does not take part in financing any political parties and movements and its employees inform their immediate superiors about their intention to participate in political activities.

### 5.3. SOCIETY AND PUBLIC ORGANISATIONS

We are a socially responsible Company. The building of open and transparent business relations with the general public in regions where we are present is seen as a priority in development.

The Company respects the cultural heritage, traditions and rights of the population and recognises the interests of public organisations in regions where it carries out its operations.

The Company's successful cooperation with society has a beneficial impact on the development of territories as it helps create jobs, improve the well-being of the local population and better resolve the problems of developing the social sphere.

#### **5.4. BUSINESS PARTNERS, CLIENTS AND COMPETITORS**

The Company strictly abides by anti-monopoly laws, ensuring that potential business partners have open and equal access to the procurement of goods, services and works and encouraging them to formulate the best proposal in terms of cost and quality. The Company guarantees its clients equal and competitive access to extracted hydrocarbons and their derivatives.

In its study of the market, selection of business partners and signing contracts with them, the Company above all makes sure:

- that a business partner has a good reputation, sufficient experience, resources and competence;
- that the cost of the acquired goods, works and services and other material terms and conditions of a transaction are in line with the market level;
- that the terms and conditions of an agreement are consistent with any and all legislative requirements and standards applicable to the agreement;
- that no conflict of interest exists.

We are confident that free competition effectively meets the growing needs of our business partners and assures their solvent demand for products of better quality at competitive prices.

The Company respects its competitors and liaises with them in accordance with generally recognised business ethics standards, abiding by the antimonopoly laws in effect in the countries where it conducts its operations.

Company employees may participate in the work of the management bodies of corporate entities that are not affiliated with the Company only if such participation has been approved by its administration.

## **6. PREVENTION OF NON-COMPLIANCE WITH RULES AND STANDARDS**

The Company operates in all regions only in accordance with the provisions of law.

We do not tolerate illegal business, bribery, corruption, trade in securities based on insider information, fraud or money laundering whatever form they make take. When fulfilling their job duties the Company personnel are guided only by the interests of the Company.

### **6.1. PREVENTION OF CORPORATE FRAUD AND CORRUPTION**

In its day-to-day work the Company is governed by Russian and foreign anti-corruption laws, the principles laid down in this Code and the provisions of Company policies countering corporate fraud and involvement in corruption activities and confirms its commitment to world standards in the field of corruption control.

The Company takes preventive measures against all forms of corporate fraud, misstatement of financial reports, acts of corruption, embezzlement, willful damage and other wrongdoings relating to Company assets.

Corruption acts include the offering, giving, promising, soliciting or accepting of bribes, mediation in bribery, making payment in any form to simplify administrative, bureaucratic and other formalities including payment in the form of money, valuables, services or provision and receipt of an unjustified financial or other gain from any persons or organisations including representatives of the state, public agencies, private companies and political figures.

### **6.2. GIFTS AND OTHER BENEFITS**

Gifts, invitations to hospitality functions and provision of various services to or by business partners can further long-term business relations, but they should not lower our responsibility and professional requirements for cooperation with potential partners.

When deciding on whether to accept one gift or another from a business partner or, alternatively, whether to give a gift, we abide by the following rules:

- We do not accept or give any gifts including money, securities, precious metals, gems, loans, certificates, gift cards and discounts and services provided on terms and conditions that are not standard. Equally, we do not attend events that can lead to the emergence of binding obligations.
- The above rules also apply to our kith and kin including spouses, adult and underage natural and adopted children, full and half-blood brothers and sisters, parents and adoptive parents.

### **6.3. PREVENTION AND SETTLEMENT OF CONFLICTS OF INTEREST**

Performing our job duties and trying to achieve the highest results, we are guided only by Company interests.

A conflict of interest is a situation or circumstances in which the private interests of an employee or people close to him/her contravene or may contravene Company interests and in this way influence or may influence proper implementation by the employee of his/her duties including adoption of decisions as part of those duties that may result in inflicting harm on the Company and/or companies comprising the Group, violation of their rights and lawful interests, loss of their property and damage to their business reputation.

We are striving to prevent conflicts of interest in the Company and, accordingly, should avoid doing any of the following:

- hold participation interest or securities in the business of a Company partner or competitor, receive loans or guarantees from them, acquire membership of their management bodies, act as their agent or representative or in any other way be financially interested in the performance of an organisation in violation of the Company's requirements for these issues;
- act as the immediate superior of connected persons or participate in their promotion in the Company or in the assessment of their work or remuneration including salaries, bonuses, etc.;
- use one's official position for personal gain.

In any event, a situation that has brought about or may bring about a conflict of interest should be resolved.

#### **6.4. PREVENTION OF USING INSIDER INFORMATION FOR PERSONAL GAIN**

In the course of work, we often come across information about Company activities before the Company publicly discloses it.

Insider information is precise and specific information put by the Company on the list of information which, if disclosed, may have a significant impact on prices for Company financial instruments.

Owning such information, we should not use it for deriving personal gain in a securities market. Besides, we should not disclose it to people who are close to us or any other people.

#### **6.5. FINANCIAL STATEMENTS AND MANAGEMENT ACCOUNTING**

The Company is interested in consolidating its reputation as an open and bona fide market player. It ensures that the data used in its accounting operations and documents is precise and reliable in strict compliance with Russian and international laws and the rules and principles laid down in this Code.

The Company abides by definite standards intended, above all, for those employees who are in charge of keeping financial and managerial records and drawing up relevant reports:

- Business operations are recorded fully and accurately in financial statements and other accounting records in accordance with the principle of transparency of Company activities.
- Strict abidance by internal control procedures ensures the reliability of financial record keeping and accounting.
- Accounting documents are kept and used in compliance with the requirements of applicable laws and regulations.

## 7. APPLICATION OF THE CODE

### 7.1. COMPLIANCE WITH CODE STANDARDS

In our day-to-day work we comply with the rules and standards stated in this Code. The Company management actively supports and is committed to a lawful and ethical conduct of business in accordance with the principles set forth in this Code, organises regular information campaigns and personnel training and takes other relevant measures.

Every employee is responsible for compliance with ethical standards. The procedure of applying the standards formulated in this Code is binding on all employees regardless of their title and position in the Company and stated in Company in-house documents.

### 7.2. FEEDBACK

If any questions related to the application of Code principles, rules and standards arise, we refer them to our immediate superior.

Every staff member and any interested person having questions about the application of and compliance with this Code may seek answers to them at [code@rosneft.ru](mailto:code@rosneft.ru).

If you have doubts about the legality of any action done by Company employees or business partners, you should email them at [sec\\_hotline@rosneft.ru](mailto:sec_hotline@rosneft.ru) or share them by phone at 8 800 500 25 45.

### 7.3. BUSINESS ETHICS COUNCIL

The Company Business Ethics Council is a consultative body. Its decisions on business and corporate ethics, observance of laws and compliance with rules and procedures of corporate governance and internal control are applied by the Company's management bodies and personnel in their day-to-day work. The Business Ethics Council works under the regulations approved by the Company Management Board.

The Council organises work to formulate the Company Code of Business and Corporate Ethics and changes and additions to it and arranges their discussion by Company employees or their representatives.

The Council helps the Group's business units and companies apply and implement the provisions of this Code. It adopts decisions on and recommendations for using the Code by Company employees and officers in day-to-day corporate life and participates in the resolution of conflicts of interest that cannot be resolved at an affiliate and dependent company level.

## 8. CODE ADOPTION AND MODIFICATION PROCEDURE

Every employee may propose changes to this Code by emailing them to [code@rosneft.ru](mailto:code@rosneft.ru).

The Company Business Ethics Council will accept and view all proposals. When the Council approves the Code as a whole or changes and additions to it, it/they are sent to the Company Board of Directors for adoption. When the Code is put into force in accordance with corporate procedures, its provisions become binding on all Company employees.

The text of the Code is published on the Company official site at [www.rosneft.com](http://www.rosneft.com).