

APPROVED  
by Resolution of  
the Board of Directors of  
“Surgutneftegas” PJSC,  
Minutes No. 2 dated 05.10.2018.

Regulations  
on Corporate Ethics of “Surgutneftegas” PJSC  
(revised)

## Article 1. General Provisions

1.1. These Regulations on Corporate Ethics (hereinafter – the Regulations) of “Surgutneftegas” PJSC (hereinafter – the Company) are developed in compliance with the current legislation of the Russian Federation and the Company’s Charter. The Regulations are aimed at enhancing efficiency of the corporate governance in the Company, its competitive power and financial well-being.

1.2. These Regulations are intended:

- to develop the corporate culture of the Company’s Employees;
- to improve the responsibility of the Company’s Employees and to promote common corporate goals of the Company;
- to regulate the conduct of the Company’s Employees in controversial situations of professional ethics;
- to establish the basic principles and requirements which help to prevent corruption and observe the rules of the anti-corruption laws in the Company; to eliminate risks of the Company’s involvement in corrupt practice;
- to form common understanding of standards and rules set out by these Regulations among the Company’s Employees, Counterparties, investors and other persons;
- to create equal (nondiscriminatory) terms and conditions of cooperation for actual and potential Counterparties of the Company, including participants of the tenders held by the Company.

1.3. The following definitions shall apply to the terms used in these Regulations:

The Company’s Employees are individuals employed by the Company, members of the Company’s Board of Directors, members of the Company’s Auditing Committee;

Counterparties are individuals or legal entities (contractors, suppliers, etc.), governmental or municipal organizations which form civil-law or other relations with the Company.

Corruption is the abuse of official position, bribery, bribetaking, abuse of authority, corrupt payment or any other illegal use by any individuals of their official positions contrary to the legitimate interests of the Company and government in order to gain advantage in the form of money, valuables or other property, or services of property interest, or other property rights for themselves or a third party, or illegal offer of this advantage to this party by other individuals, as well as commitment of the mentioned acts on behalf or for benefit of a legal entity.

## Article 2. Principle Obligations of the Company’s Employees

2.1. The Company’s Employees shall study and strictly adhere to these Regulations. Being ignorant of these Regulations does not excuse from abiding by their standards.

The employment contract (the addendum to the employment contract) requires every individual employed by the Company to study these Regulations and strictly adhere to them.

2.2. When dealing with persons representing the Company (on the basis of a power of attorney, contract, agreement, etc.) or other persons the Company’s

Employees shall take into account the possible corruption risks and provide measures to eliminate such risks if necessary. The Company's Employees shall take all the possible actions to maintain the Company's uncompromising position against corruption in the business of the Company.

The Company's Employees involved in establishing contract relations between the Company and Counterparties, including potential ones, shall adhere to the principle of fair competition and apply a unified approach to assess the opportunities of cooperation with all the actual or potential Counterparties neither easing nor toughening the requirements for them (all other conditions being equal).

On no account the Company's Employees involved in establishing contract relations between the Company and actual or potential Counterparties shall give any persons an unfair advantage to other persons (for promised cash payments, services or other benefits) bidding for tenders held by the Company or concluding any contracts, agreements, etc.

2.3. In case of any doubt over particular actions required under any circumstances the Company's Employees shall consult their direct supervisors to comply with the Regulations.

2.4. The Company's Employees shall inform their direct supervisors about:  
any, without exception, committed or potential violation of the Regulations  
and any circumstances that may cause violation in future;  
any situations that cause corruption risks.

### Article 3. Values and Principles

Fundamental corporate values on which the Company's business is based are honesty, reliability and professionalism of the individuals employed by the Company, labor efficiency, mutual assistance and respect.

The following principles of the Regulations are considered to be fundamental:  
the principle of law observance, i.e. strict compliance with the provisions of the applicable anti-corruption laws, rejection of any corruption practices in the course of the Company's business activities, including interaction with Counterparties, representatives of the government, local authorities, political parties and other persons;

the principle of transparency, i.e. informing the general public about zero tolerance of the Company towards corrupt practices;

the principle of good faith in relation with Counterparties. The Company is guided by the principle that this approach serves the interests of the Company and gives an opportunity to establish proper cooperation with organizations and individuals being actual or potential Counterparties of the Company.

### Article 4. Relations with the Third Parties

4.1. The Company does not perform any business with Counterparties which do not follow the requirements of the anti-corruption standards of the current legislation.

The basic requirements of the Russian anti-corruption laws are prohibition of: bribery, bribetaking, corrupt business practices and mediation in bribery.

4.2. The Company's position is that the Company's Employees shall notify all Counterparties and business associates of the Company's zero tolerance towards

corruption.

#### 4.3. Assessment and legal review of Counterparties.

4.3.1. In accordance with its adopted internal documents, the Company carries out the comprehensive assessment of Counterparties, and also exercises due diligence when selecting Counterparties, creates equal competitive conditions for all bidders who might be awarded the supply contracts, contracts for works and services to be rendered for the Company's need.

The comprehensive assessment of Counterparties in the Company is implemented by:

- request for documents from actual or potential Counterparties and verification of the documents required for determination of their legal capacity and compliance with the current legislation;

- request for information from actual or potential Counterparties as well as gathering public information concerning their status, financial condition, repute, position in the market, etc.

4.3.2. The Company shall have the right to apply any additional assessment methods not prohibited by the current legislation of the Russian Federation to ensure the observance of the anti-corruption standards by actual or potential Counterparties.

#### 4.4. Measures for elimination of corruption risks.

4.4.1. If it is impossible to adequately assess bribery risks, the individuals employed by the Company together with their direct supervisors shall reach a decision on possible cooperation with the third party prior to any agreements with such third party.

4.4.2. The Company abides by the principle that requires Counterparties to provide representations and guarantees (in a written or any other form) in respect to prohibition of corrupt business practices.

4.4.3. The Company seeks to include provisions stipulating mutual assistance in promoting ethical business standards and preventing corruption in all draft documents (agreements, contracts).

An example of anti-corruption representation:

"Representatives of the Parties are not allowed to enter into any commercial and/or financial relations with representatives of the other Party, unless expressly provided in this contract. The Parties shall guarantee that their representatives did not and/or will not offer and accept rewards and/or gifts of any kinds from the representatives of the other Party made with the intention of affecting the conclusion of a contract and/or its terms and conditions, execution and/or administration of a contract, renewal and/or termination of a contract. Violation of these guarantees by one of the Parties shall be considered a material breach of the contract and enables the other Party to terminate the contract unilaterally".

4.4.4. If any circumstances arise which may interfere with the ability of the Company's Employees to make unprejudiced judgments and unbiased decisions (including situations when a Company's employee might have been or might be in any way connected with an actual or potential Counterparty), or if actual or potential Counterparties attempt to influence the Company's Employees or their decisions, such Employees shall avoid making such decisions and notify their direct supervisors hereof.

## Article 5. Ethical Standards for Corporate Relations

5.1. The Company's Employees shall assume responsibility for:  
performing their functions with professionalism and expertise;  
showing loyalty to the Company supposed that the actions of the Company's Employees are not based on their own interests or interests of any third party and are not inflicting any damage to the Company;

complying with the rules and procedures specified in internal documents of the Company concerning the security measures and handling of the insider information while working in the Company's premises and at its production sites.

5.2. The Company's Employees shall comply with the standards of the applicable anti-corruption laws, provisions and prohibitions set out in these Regulations. The above-mentioned implies that any and all Company's Employees shall never:

provide (promise or offer) anything to any person due to inappropriate performance of any functions;

receive (or request) anything from any person due to inappropriate performance of any functions, especially when performing functions connected with establishing contract relations with actual or potential Counterparties of the Company;

provide (promise or offer) anything to public or municipal officers with the intention of exerting influence on them in their official capacity to gain or preserve any advantage.

5.3. The Company's Employees are prohibited either directly or indirectly, in person or by proxy, to participate in corrupt practices, offer, give, promise, request and take bribes or make payments in any form in order to facilitate any administrative, bureaucratic or other formalities, including money, items of value, services or any other benefits to any person, or from any person or organizations, including commercial and non-commercial organizations, state and local authorities, public officers and their representatives.

Under these Regulations all Company's Employees are prohibited to provide, pay, promise, offer or allow payments of any items of value to the advantage of any officials knowing or assuming that such items of value will be offered, promised or provided to the advantage of any person (municipal or public officer, etc.) with the intention of convincing such a person to assist the Company in acquiring or preserving commercial opportunities or any other benefits (lobbying the interests of the Company).

## Article 6. Accounting

6.1. The Company shall maintain precise and complete accounting records and ensure appropriate internal control measures which enable to specify the commercial reason of third parties payments.

6.2. Under no circumstances parallel accounting is allowed to effect or conceal any improper payment.

## Article 7. Application of the Regulations

7.1. In case any corruption offenses or offenses creating conditions for such corruption offenses are organized, prepared and committed on behalf or for the

benefit of a legal entity, such a legal entity may be subject to liability in accordance with the legislation of the Russian Federation.

7.2. The application of penalties to a legal entity for a corruption offense does not release the guilty individual from responsibility for such a corruption offense, to the same extent as initiation of criminal or any other proceedings for the corruption offense against the individual does not release the legal entity from responsibility for such a corruption offense.

7.3. All Company's Employees shall bear personal responsibility for observance of the principles and requirements of these Regulations, provisions of the current anti-corruption laws of the Russian Federation.

7.4. An official investigation will be initiated by the Company on any reasonable suspicion or established fact of the corruption offense under the current legislation of the Russian Federation and the internal documents of the Company. The investigation could be performed by any service of the Company which has discovered an evidence of corruption or a reasonable suspicion thereof.

7.5. The individuals employed by the Company who violate the current anti-corruption laws of the Russian Federation and these Regulations shall be subject to disciplinary actions.

7.6. Whereas due to involvement of the Company's Employees in corruption activities the Company may undergo sanctions as well as bear damages and suffer a substantial loss of reputation, guilty Company's Employees shall be financially liable subject to the current legislation of the Russian Federation.

7.7. The Company's Employees who are guilty of violation of these Regulations, standards of the current anti-corruption laws of the Russian Federation may be brought to administrative or criminal responsibility on the initiative of the Company, law-enforcement authorities or any other persons in the manner and on the grounds provided for by the current legislation of the Russian Federation.

7.8. All Company's Employees shall report any situations connected with corruption to their direct supervisors.

The Company guarantees that on its part it will not impose any sanctions on an individual who has informed about any corruption activity connected with the Company's operations.

7.9. Should any evidence of the intent of Counterparties to transfer any items of value or create conditions for the Company's Employees in order to acquire a material benefit being inconsistent with the standards of these Regulations be discovered, this may be considered as non-amicable actions towards the Company and may result in full termination of further relations with such Counterparties, such Employees of the Company or both.

## Article 8. Final Provisions

8.1. These Regulations are not the part of the employment contract of any Company's Employee and may be amended from time to time. Comments, amendment proposals and issues concerning the application of the Regulations (including cases of any doubt among the Employees) shall be filed to the Employees' direct supervisor.

8.2. These Regulations are not confidential and may be provided for information to all Counterparties which have or will have any contract or other relations with the Company.

8.3. By publishing these Regulations in free access on its corporate web-site ([www.surgutneftegas.ru](http://www.surgutneftegas.ru)) the Company declares zero tolerance towards corruption. The Company obliges its Employees to adhere to the principles and requirements of these Regulations and takes measures to foster and promote the observance of the principles and requirements of these Regulations by all Counterparties.

8.4. These Regulations as well as amendments and addenda hereto shall be approved by the Company's Board of Directors as prescribed by the Federal Law "On Joint Stock Companies" and the Company's Charter.