

Closed Joint Stock Company “
“MANAGEMENT COMPANY PETROPAVLOVSK”

ORDER

31 01 2013

No 02-n

Blagoveshchensk

**Re: approval of the Code of Business Conduct and Ethics
of CJSC MC PETROPAVLOVSK**

- 1 To approve the proposed code of business conduct and ethics of CJSC MC Petropavlovsk and to bring it into effect from 1 February 2013.
- 2 To HR Directors: Head of HR of CJSCMC Petropavlovsk S A Bogachev and Deputy Director for Personnel of MC Petropavlovsk representative office in Moscow I V Zabegalov shall ensure that all employees review and sign the approved code within 40 calendar days from the time of signing of this order.
- 3 The Head of the IT Infrastructure Department A V Denisevyth shall ensure that this Order is placed on the Company’s website within 5 working days from the time of signing of this Order.

General Director
CJSC MC Petropavlovsk

S E Ermolenko (signature)

Approved
By the Order of the General Director
CJSC MC Petropavlovsk
No 02-n dd 31 01 2013

**CODE OF BUSINESS CONDUCT AND ETHICS
of CJSC MC Petropavlovsk**

2013

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1. Introduction

All employees of CJSC MC Petropavlosk (hereinafter, “the Company”) shall carefully review this Code of Business Conduct and Ethics (hereinafter, “the Code”) and use it so as to ensure that every business decision is testimony to our adherence to the highest ethical principles and commitment to law. Abiding by this Code and other internal rules and procedures is crucial for upholding and improving our reputation in order to maintain good practice and ethics among the employees and the clients of the Company.

This Code briefly sets out the rules of ethical conduct which should be applicable to all of our colleagues. This Code cannot cover all business situations our employees may encounter. Therefore, the proposed Code sets out general rules and procedures based on the following principle: “If in doubt – ask”. If an employee does not understand any provision of this Code or if he/she is not completely sure about his/her actions in a particular situation, these procedures shall be followed. These procedures would usually require that an employee should seek advice from the management, or, concerning any issues which may have legal implications for the Company – from the Deputy General Director A.A. Tarasov or from the Head of Legal Department A.S. Makhina.

Pursuant to this Code, the employees shall

- Carefully review all terms and provisions of this Code.
- Be able to identify the situations that require a complex, legal or ethical approach.
- Be guided by this Code when dealing with ambiguous situations.

If a situation arises in which an employee is not clear what actions he/she should take, he/she should ask him/herself the following questions:

- Will my actions be in conflict with the law?
- Are my actions consistent with the requirements of this Code?
- How is my decision going to affect others, including employees of the Company and its partners?
- If my decision becomes widely known, in particular, outside the Company, will I be able to honestly explain and substantiate it?
- Have I discussed my actions with the management?

2. Principle: **Any action taken on behalf of the Company shall not be in conflict with law**

The Company’s policy is aimed at compliance with all laws, regulations and other instructions of the regulatory bodies which are relevant to our field of activity. Although this Code covers a vast number of legal issues, we cannot foresee all conceivable situations and examine each potential problem in detail. The duty of the Company’s employees is to know and abide by the law and behave ethically. If an employee is not sure whether his/her business–related decision in a particular situation is correct and has reasons to believe that such decision may have adverse legal

consequences or can damage the image of the Company, such decision shall be postponed until advice is obtained from the management of the Company or from its legal advisers.

3. Principle: Conflict of interest between business partners must be avoided

Given the specific business of the Company and the number of its counterparties, employees should not only be guided by the interests of the Company, but should also take into consideration the interests of such counterparties. When working towards achieving the Company's aims, the employees shall not use information received from one counterparty to harm another one. Therefore, we require that an employee of the Company inform his or her line manager of any situation which, in the employee's opinion, may involve a conflict of interest; or if there is a possibility that a conflict of interests may arise.

4. Principle: Outside employment should not interfere with the interests of the Company

Working for another entity while employed by the Company is not deemed to be a violation of this Code. However, it should be completely separate from employment in the Company. The employees may not be engaged in any activity which may force them to compete with the Company or to assist the Company's competitors or any other third parties.

Before employees agree to take on an outside employment, they should share their plans with their management and, by doing this, ensure that such employment is not in conflict with the interests of the Company.

5. Principle: Holding a position in management bodies of other companies should not interfere with the interests of the Company

A Company employee has the right to hold a position in management bodies of other companies only until such time when a conflict of interest may arise.

When a potential employee intends to join the Company, a manager who conducts the interview with such employee has to find out whether the candidate is holding a position in management bodies of other organisations whose interests are similar to those of the Company. When hiring an employee, the manager shall take into consideration all stated facts and avoid employing a person whose position with other companies will inevitably result in the conflict of interests.

An employee of the Company, before accepting his/her appointment to a management body or a board of any organisation, the interests of which may be in conflict with the interest of the Company, should discuss this appointment with the Company management and obtain the relevant permission.

6. Principle: Gifts and participation in recreational events are only permitted if this does not require a payable service in return

Accepting or giving gifts in cash is prohibited.

Employees of the Company shall not demand or receive gifts and valuable items for their own benefit in exchange for particular actions (or omission) or for performing work for the Company improperly.

The Company shall in no circumstances allow its employees to give or receive gifts and valuable items or to organise recreational events which are not reasonably justified in all respects. It is unequivocally prohibited to offer or receive bribes.

The Company is committed to prevention, detection and proper investigation of all other corruption and bribe-related deceitful practices, such as fraud, including, but not limited to; forging financial reports, and misappropriation of property (assets).

When reviewing or accepting a commercial or any other proposal from a potential customer, contractor, consultant or a provider of goods and services at any stage of negotiations, under no circumstances shall an employee misuse his/her position in the Company for personal gain, or to the benefit of his/her family and/or other persons.

Giving or accepting gifts is permitted if there is no expectation of reciprocal actions (or failure to act) or improper actions, or of obtaining or maintaining a business advantage as a result of such gift.

Giving traditional seasonal gifts is permitted (e.g. New Year, 23rd of February, 8th of March, professional holidays), in particular, if the exchange of such gifts is a common business practice in a certain region. The value of such gifts should not exceed RUB 3,000 (three thousand) for corporations and RUB 500 (five hundred) for individuals.

Giving gifts to individuals should be avoided whenever possible. Excluding gifts the value of which does not exceed RUB 500 (five hundred), e.g. items of stationary (if they bear the logo and the name of the Company), personalised wedding, baby shower or retirement gifts.

Recreational events organised by or for business partners shall not be frequent and/or excessive in terms of costs and shall not be inconsistent with the principal obligations to the partners so that an issue of abuse never arises.

The costs of such events shall not exceed RUB 2,000 (two thousand) per person.

Employees of the Company are allowed to accept inexpensive gifts (under RUB 3,000) if:

- there is no coincidental or causal link between the gift and entering into a particular transaction with the giver;

- such gifts are not given on a regular basis;
- the gift was not solicited by the employee;
- the information about the employee having received the gift will not cause any reputational damage for the Company.

Participation of Company employees in sporting, cultural and recreational activities is acceptable. However, employees should not ask their business partners to organize such events.

7. Principle: Only authorised individuals should communicate with the media

No other persons except for the management of the Company or individuals specially authorised by the management may discuss the Company's activities with the media. All external requests for information about the Company shall be forwarded to the management.

If, in unforeseen circumstances, an employee has to comment on the activities of the Company, he/she should only speak in the most general terms and under no circumstances provide any specific information which may be used against the Company.

Employees shall refrain from making overly direct comments about the Company on public internet websites when accessing public networks from their work or home computers. No information about the Company shall be placed on these platforms, even if it is in response to questions or to rebut false statements.

8. Principle: Protection of the Company's assets

Employees of the Company are obligated to protect the assets of the Company in their care against loss, theft, misuse or inefficient use. The Company's assets include both tangible assets (monetary funds, production items and tools, computers, telephone networks) and intangible assets (ideas, concepts, inventions created by employees during working hours or linked to their employment in the Company, as well as data and information to which employees have access due to their position and which include data in the electronic format created and stored using any software or on any computer owned by the Company).