

**APPROVED**

by Resolution of the Board of Directors of  
ROS AGRO PLC of May 29, 2014

**CODE OF BUSINESS CONDUCT AND  
ETHICS of ROS AGRO PLC and companies of  
the group**

**Fourth edition, 2014**

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## **CHAPTER I. GENERAL PROVISIONS**

### **1.1. INTRODUCTION**

This Code of Business Conduct and Ethics (hereinafter – the «Code») sets corporate basic rules, principles and values, which ROS AGRO PLC (hereinafter – the «Company») guides and follows in business. These are the standards of our business and social conduct, high ethical norms of internal and external relations and also our social responsibility before employees, shareholders, business partners, state authorities and community.

The Code is designed to define the corporate values, to demonstrate the Company and its employees are dedicated to the basic ethical norms which determine the Company's business conduct and create its reputation, competitiveness and efficiency.

The Code of Business Conduct and Ethics is a vital tool for creating a sustainable corporate culture and a strong system of corporate values.

The Code has been developed on the basis of fundamental ethical principles and business conduct, international laws and documents that define the best practices of corporate governance.

The Code shall have the effect for the subsidiaries and for the companies, entering into the group of companies ROS AGRO PLC, only in case when such subsidiaries and companies adopt corresponding corporate resolution.

### **1.2. PURPOSE AND TASKS OT THE CODE**

#### *Purpose of the Code*

The purpose of the Code is to define mandatory principles and rules of business conduct and ethics, designed to increase capitalization and reinforcement of the Company reputation, financial stability and efficiency.

The Code is intended to create an inspiring working atmosphere in which each employee can feel responsible for the Company's operating performance and reputation, and at the same time be confident that the Company will respect their individuality as they perform their job duties. The Code of Business Conduct and Ethics is one of the tools for creating a Company where all employees are members of a team of professionals.

#### *Tasks of the Code*

- establishment of criteria for the conduct of employees within the Company and for their relations with other parties;
- development of a common corporate culture based on the highest ethical standards, trust, mutual respect, integrity and honesty;
- detection and prevention of any abuses, authority excess and respective potential risks for the Company;

- improvement and protection trust towards the Company by the business community and reinforcement of the Company reputation as a transparent and fair market participant.

### **1.3. SCOPE OF THE CODE APPLICATION**

This Code contains general guidelines for business conduct and ethics of the Company. It should be considered to be a minimum set of standards and requirements designed to prevent abuses and promote honest and ethical business conduct.

The Code applies to directors, officers and other employees of the Company.

All employees are required to be familiar with this Code and remain to the principles and procedures set forth in the Code.

It is the responsibility of everyone to comply with all provisions of this code, the Company's related policies and procedures.

The Code is not intended to be a comprehensive guidance and cannot address every situation that you may face in the course of business. Consequently, we have implemented the compliance procedures outlined in the chapter of this Code entitled «Administration of the Code».

## **CHAPTER II. MISSION AND VALUES OF THE COMPANY**

### **2.1. COMPANY MISSION**

ROS AGRO PLC is a commercial organisation that is the parent company of one of the largest vertically-integrated Russian agro-industrial groups, bringing together numerous organisations of food industry, which pursue agriculture operations.

The mission of the Company – to respond social’s needs in food through innovative, environmentally safe, quality and feasible solutions. By virtue of our unique resource base, high level technology and team of professionals, the Company ensures stable growth of its business and an increase in shareholder profits.

Our activities promote social stability, prosperity and progress wherever we are located.

### **2.2. COMPANY CORPORATE VALUES**

The Company’s fundamental corporate values are:

**THE RESULT – we contemplate ambitious goals and achieve headways**

**CONSTANT IMPROVEMENT - every day we improve our work and every day we improve ourselves**

**TEAM WORK AND COOPERATION - we reach goals TOGETHER and appreciate the contribution of each person**

**OUR PEOPLE – the secret of our success is our people. We respect individuality, appreciate professionalism and achieve our dreams together**

**HONESTY – we appreciate trust and count on honesty of each person. Honesty is more valuable than any profit**

### **2.3. COMPANY ETHICAL PRINCIPLES**

The Company’s fundamental ethical principles are:

#### **PROFITABILITY AND EFFECTIVENESS**

The Company recognises its duty and its responsibility to shareholders and partners, and for this reason profitability and operating efficiency, and achieving results, whether expected or beyond expectations, are of uncontested value for the Company.

#### **COMPLIANCE WITH LAWS AND REGULATIONS**

The Company strictly adheres to the requirements of applicable law, to industry and corporate rules, and to standards and procedures.

**SOCIAL RESPONSIBILITY**

The Company promotes development of the regions in which it is located by preserving the environment, professionally managing the issues of health protection and labor safety of the employees, and paying taxes and salaries without delay and also implements in broad-based charitable and sponsorship work.

**MORALITY**

In its different lines of business, the Company does not simply follow laws and pursue set goals per se. It is also important to the Company how and in whose name it is working. Following its mission, ROS AGRO PLC operates on the basis of honesty and justice, legitimacy and decency.

**PARTNERSHIP**

The Company creates, maintains and highly values its existing relations with business partners, public organisations, and consumers. It would not be possible to achieve strong performance results without long-term and mutually beneficial cooperation, without an interest in the sustainable development of our partners, without mutual respect and responsibility for delivering the obligations that we have assumed.

## **CHAPTER III. STANDARDS OF INTERNAL BUSINESS CONDUCT AND ETHICS**

### **3.1. MUTUAL RESPONSIBILITY OF THE COMPANY AND ITS EMPLOYEES**

Company personnel are a precious resource. The Company strives to create conditions in the workforce that promote the disclosure of employees' professional and human qualities.

The Company has excluded the possibility of discrimination of employees on the basis of gender, age, race or ethnicity, religion, political beliefs, etc.

#### **COMPANY RESPONSIBILITY**

- ensuring a stable and acceptable salary, and labor conditions compliant with legal regulations;
- ensuring an appropriate level of labor, industrial and environmental safety in accordance with legislative requirements and Company internal documents;
- providing social security, medical assistance and other components of corporate social responsibility within programs being implemented by the Company;
- building long term relations with employees, placing its trust in employees and providing an open dialogue with them;
- developing and improving training systems, incentives, assessment of employees' potential;
- recognizing employee creativity and aspiration for self-development, for improving their own professional competence and carrying out complicated tasks;
- maintaining an atmosphere of cooperation, mutual understanding and stability in the Company.

Interaction within the Company is based on mutual respect for individuals, a desire for successful results in solving professional tasks, and maintaining good relations among the staff.

#### **EMPLOYEES MUST GUIDE BY THE FOLLOWING RULES:**

1. Treat every employee with respect, regardless of their race or ethnicity, gender, age, marital status, political preferences or work experience.
2. Seek to improve the quality of your work performance, to increase your productivity and efficiency, and to create and maintain a positive psychological atmosphere in the workforce.

3. Work in a unified team to achieve established goals. At the same time, be personally responsible for your own and your team's performance, and where necessary provide assistance to the members of your team.
4. Work constantly to improve your professional level using the personnel training system, learn new skills and proficiencies, and acquire the necessary professional knowledge.
5. Constantly seek out new opportunities in your work, exchange experience with Company employees, and disseminate leading-edge working methods and technologies.

If you cannot select the correct position in the team, or you don't know how to behave in a particular situation related to performance of your job duties, talk to your immediate supervisor and/or contact the HR department.

**EMPLOYEES ARE PROHIBITED TO:**

1. Permit discrimination against other employees on grounds of race, ethnicity, religious affiliation, gender, age, marital status, or political preferences. Harassment of any kind, including sexual harassment, is inadmissible.
2. Behave in an aggressive or insulting manner with other employees.
3. Participate in the advancement of Company employees on the basis of family connections, friendship, or other relations.
4. Use your official position and capabilities to derive personal benefits or benefits for persons associated with you.
5. Use your working hours, or Company property entrusted to you for personal ends.

**3.1.1. LOYALTY OF THE EMPLOYEES OF THE COMPANY**

Employees are proud of an accessory to the Company and care of its reputation. Therefore as inside, and outside of the Company, employees shall correctly speak about its activity (either oral and written responses are meant, including publications in mass-media and in the Internet). Employees are always aware of, that they directly or indirectly are the representatives of the Company, and their actions and behavior influence the business reputation of the Company, and damage caused to it may sustain material expression.

Shall employee allows impartial responses and/or contagion of slanderous statements about the Company or its activity or of other employees, than depending on character of the given information, such employee can be made liable according to rules of civil/administrative / criminal legislation, as well as he or she maybe deprived in full or in part bonuses, compensations and other encouragements.

**3.2. COMPLIANCE WITH LAWS**

All employees must comply with all applicable laws, rules and regulations and Company policies and regulations. You are prohibited from engaging in any activity or encouraging others to engage in any activity that violates any laws, rules or regulations applicable to Company, as well as all Company policies and regulations.

This includes, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, confidentiality of personal information, insider trading, illegal contributions to political parties or campaigns, antimonopoly regulation, preventing corruption, offering or receiving gratuities, environmental hazards, employment discrimination

or sexual harassment, conditions of employment and safety, false or misleading financial information, or misuse of corporate assets.

#### *Money laundering*

Our Company is committed to complying fully with all applicable money laundering laws. These laws prohibit transactions with respect to monetary funds or other property that have a purpose of laundering money or earnings received in an illegal manner. If you have any questions regarding the money laundering laws or if you are solicited by someone to engage in such activities, you should immediately contact your supervisor and the Compliance Officer.

#### *Anti-corruption legislation*

It is a fundamental policy of Company to prohibit all employees from making or receiving improper payments, in cash or in kind. Company policy also prohibits employees from offering, giving or authorizing the offer or gift of anything of value to government or non-government clients, business partners, their representatives or affiliated parties to obtain an improper business advantage.

In addition to understanding and abiding by this Code employees must abide by other international acts.

This includes, UK bribery act, U.S. Foreign Corrupt Practices Act (“FCPA”), Company’s Anti-Corruption Law Compliance Policy and all other anti-corruption laws applicable to Company and Company employees.

All interaction with government officials or other persons subject to the FCPA and UK bribery act must be in strict compliance with the Anti-Corruption Law Compliance Policy and applicable laws.

#### **EMPLOYEES SHALL:**

Inform its direct managers and the Compliance Officer on all events of any people approaching them for the purposes of inducement for corruption offence:

- offering or giving bribe (financial and other benefit);
- demanding, giving consent for taking or taking bribe (financial and other benefit);
- bribery of civil officers.

A report may be submitted via e-mail to: [compliance@rusagrogroup.ru](mailto:compliance@rusagrogroup.ru) .

#### **EMPLOYEES ARE PROHIBITED TO:**

1. Offer or give bribe (financial and other benefit).
2. Demand, give consent for taking or take bribe (financial and other benefit).
3. Perform actions which may be considered as bribery of civil officers.
4. Engage third parties for the purposes of bypassing anticorruption requirements hereof.

**FOR THE PURPOSES OF CONDUCTING COUNTERMEASURES AIMED AT CORRUPTION THE COMPANY SHALL:**

1. Conduct business with reliable business partners only (clients, suppliers, contractors, consultants) which conduct legitimate activities and are not related to corruption, for the purposes of which make all the efforts possible within the limits of legislation for alerting them thereof, as well as for studying their business.
2. Make all possible efforts for prevention of bribery on behalf of the Company by means of development and implementation of a system of adequate procedures.
3. Perform all the possible actions provided for by the law for obtaining the information proving the intended use of the assets forwarded by the Company for the purposes of charity and sponsorship.
4. On the basis of the principle of reciprocity the Company shall cooperate in the area of corruption countermeasures with authorized agencies, partners and clients.

All the specified principles and prohibitions are also related to agents, consultants and other third parties operating by the order of the Company. Neither the Company nor any of the Company employees shall bypass the anticorruption requirements hereof by means of using such agents, consultants or other third parties.

If an employee believes that another employee or business partner has violated or supposedly violated the anticorruption provisions hereof, he shall inform thereof following the procedure provided for the internal failure reporting program “The employees alert!”. A report may be submitted via e-mail to: [compliance@rusagrogroup.ru](mailto:compliance@rusagrogroup.ru) .

#### *Insider information disclosure*

ROS AGRO PLC is a public company whose securities are listed on major international stock exchanges, which places considerable obligations on the Company to establish and comply with a special information disclosure procedure.

The company pays close attention to the disclosure of information capable of having a material impact on the value of its securities (insider information). By incorporating global best practice, the Company ensures that all stock market participants have equal access to sensitive information, and assists in preventing the illegal use of insider information.

A special procedure at the Company unambiguously defines who is considered an insider of the Company, and keeps a constantly updated list of insiders for whom a special procedure for concluding transactions with Company securities has been established.

In addition to understanding and abiding by this Code employees must abide by Code of Conduct for Prevention of Insider Trading and other international acts.

This includes, the Cypriot Market Abuse Law in respect of insider dealing and/or market manipulation, the English Financial Services and Markets Act 2000, the Disclosure Rules and Transparency Rules FSA, the Criminal Justice Act 1993 and other applicable laws and /or requirements of the Regulators.

### **3.3. GIFTS AND OTHER BENEFITS**

The giving and receiving of gifts is a common business practice. However, gifts and entertainment should never compromise, or appear to compromise, your ability to make objective and fair business decisions. In other words, gifts and entertainment may never be in exchange for information, treatment or opportunities that otherwise would not be given.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers and vendors only if the gift or entertainment could not be viewed as an inducement to or reward for any particular business decision. The Company believes that the cost of the gift accepted by an employee should not exceed 3000 rubles. Additionally, all gifts and entertainment expenses must be properly accounted for on expense reports. The following specific examples of situations when it may be permissible to give or receive gifts may be helpful:

- Meals and Entertainment. You may occasionally accept or give invitations to meals or other entertainment if (i) the meal or other entertainment is of reasonable value; (ii) the purpose of the meeting or attendance at the event is business related; and (iii) the expenses would be paid by Company as a proper business expense if not paid for by another party. Entertainment of reasonable value may include meals or attendance at sporting and cultural events if they are generally offered to other customers or vendors.
- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a birthday, graduation, promotion, new job, wedding, retirement or a national holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You should make every effort to refuse or return a gift that is beyond the above guidelines, including if its cost exceeds 3000 rubles. If it would be inappropriate to refuse a gift for any reasons or you are unable to return a gift, you should promptly report the gift to your immediate supervisor and/or the Compliance Officer.

### 3.4. CONFLICT OF INTERESTS

The Company sees its employees as a key and independent asset, since the realisation of the creative abilities of personnel is a fundamental precondition for the Company's effective operations. It also recognises and respects the diversity and importance of its employees' goals and interests outside of the workplace. At the same time, the Company cannot turn a blind eye to possible circumstances under which a Company employee loses (or could lose) his or her loyalty to and objectivity regarding the Company or regarding the performance of his or her duties. The resulting conflict between personal interests and the interests of the Company has a negative impact on the performance of his or her work, which is why the Company feels it has the right to safeguard itself against such conflicts. The best policy for preventing a conflict of interests is to not participate directly or indirectly in business relations with clients, suppliers or competitors other than through the performance of business on behalf of the Company. Romantic or love relationships at work may create the semblance of favoritism if this relationship involves a boss and its subordinate. This may harm the morale and trust relationship in the Company. This is why the Company fully prohibits to managers to have romantic or love relationships with employees subordinate to such manager directly or indirectly, even if such relationship is voluntary or opportune. If such a relationship is being developed, both parties should promptly inform their manager for the purpose of discussing possible solutions for this situation. It is also necessary to inform the direct manager in the following cases:

- parentage (close or far) with another employee of the Company

- joint with another employee participation in a commercial entity, membership in religious and other non-commercial organizations

**EMPLOYEES MUST GUIDE BY THE FOLLOWING RULES:**

1. Avoid any actions that could affect your ability to take objective business decisions in the Company's interest: for example, you should not accept gifts (except small, inexpensive gifts), services and other benefits from parties that have or are looking to establish business relations with the Company.
2. Before you agree to your nomination as a candidate for the management bodies of any organisation whose interests may run counter to the Company's interests, you should discuss this issue with your direct supervisor and receive his or her permission to do so.
3. If your job duties include the requirement to inform the Company or a stock exchange regulator in accordance with effective legislation or the Company Charter, you should honestly and truthfully report certain information on the purchase and sale of the Company's shares and other information to establish whether certain transactions are interested-party transactions.
4. If you are aware of a conflict of interests between yourself and the Company or you cannot unequivocally determine whether such a conflict exists, you should contact your immediate supervisor and the Compliance Officer without delay.
5. If you are aware of a conflict of interests with another Company employee, you should remind your colleague of his or her obligation to notify the Company. If he or she refuses to do so, you should notify your immediate supervisor and the Compliance Officer.
6. If an employee accepted loans, services, gifts with the cost exceeding 3000 rubles from any physical or legal bodies having business relations with the Company from which the employee could not refuse for any reasons whatsoever, he or she should promptly inform his or her immediate supervisor and the Compliance Officer.
7. If an employee believes that another employee violated or probably violated the specified regulations of the Code, he or she should promptly notify his or her immediate Supervisor and the Compliance Officer. This information may be communicated through email [compliance@rusagrogroup.ru](mailto:compliance@rusagrogroup.ru).

**EMPLOYEES ARE PROHIBITED TO:**

1. Have any personal interests in the activity of the Company's business partners, if this runs counter to the Company's interests.
2. Perform additional unrelated work or other activity during non-working hours, if this activity has a negative effect on your performance of your job duties at the Company.
3. Accept loans, services, gifts the cost of which exceeds 3000 rubles from any individuals or legal entities that have or are looking to establish business relations with the Company (this does not apply to organisations that provide such loans or services in their general course of business).
4. Conceal a conflict of interests and the reason for its appearance.
5. To conduct trips, to participate in various events (workshops, conferences, etc.) the travel and accommodation expense for which shall be paid by physical or legal bodies having business relations with the Company or seeking the same, except for the cases when such

trips are agreed with the head of the parent company or Compliance officer and are related to training and getting experience necessary to conduct business activities. All travel expenses for such trips shall be borne by the Company in accordance with market prices, except for the above mentioned trips agreed with the head of the parent Company or Compliance officer.

### **3.5. SAFEGUARDING CORPORATE ASSETS**

The Company's assets and other resources (hereinafter, the "assets") are the foundation for its prosperity and long-term development. The Company's assets include property, confidential and official information, intellectual property, cash and equipment issued to employees for use. All assets can only be used for business purposes in the interests of the Company.

Safeguarding of assets and their effective and rational use, as well as the clear and transparent presentation of assets and production activity in documents and reporting, are important components of Company's policy on the performance of obligations to shareholders and other stakeholders. Company officials and employees are required to protect the assets entrusted to them from loss, theft, unauthorised, unlawful or ineffectual use.

The Company expects the following from its employees:

- effective use of equipment and other resources of the Company;
- careful treatment of its property and technical equipment;
- proper use and protection of commercial and technical information that is Company intellectual property;
- observance of recommendations in intra-corporate documents on treating Company equipment or resources properly.

If an employee believes that another employee or business partner has violated or supposedly violated the provisions hereof, he shall inform thereof following the procedure provided for the internal failure reporting program "The employees alert!". A report may be submitted via e-mail to: [compliance@rusagrogroup.ru](mailto:compliance@rusagrogroup.ru) .

### **3.6. PROTECTING CONFIDENTIAL INFORMATION**

Company protects confidential information as a necessary condition for maintaining its stability and competitiveness. Disclosure of confidential information may inflict damage on the Company.

The Company insists on observing the following rules:

- confidential information can only be used in the performance of Company duties. Conveying it to any party, including colleagues whose work is not related to its use, is allowed only when authorized by an immediate superior;
- non-disclosure of confidential information must also be observed by former Company employees (unless they and the Company have other agreements);
- disclosure of information to investors and state authorities can be made only according to the procedures stipulated by the Company Charter and incorporation documents. The information must meet all requirements established by legislation and by stock market regulations, and contain no inaccurate data;
- it is important to respect the proprietary data of business partners, including intellectual property, copyright and allied rights;

- use of Company information by an employee in recommending anyone to perform transactions with securities of the Company is strictly prohibited;
- employees must avoid transactions with securities of the Company that require using confidential information.

### **3.7. INFORMATION DISCLOSURE AND INSIDERS**

To ensure compliance with the Company's business conduct and ethics standards in the area of information disclosure, thereby increasing trust in ROS AGRO PLC and supporting its reputation,

#### **EMPLOYEES MUST GUIDE BY THE FOLLOWING RULES:**

1. Consider honestly and in good faith whether the official information in your possession can be classified as insider information. If you have doubts, or if the information cannot be unambiguously classified, talk with your immediate supervisor and the Compliance Officer.
2. Caution colleagues against negligence and violations on issues of information disclosure and performance of insider transactions. If your efforts are unsuccessful, you should notify your immediate supervisor and the Compliance Officer.
3. Treat the right of access to insider information as a high honour, and consider it your duty to safeguard information that could lead to a serious change in the value of securities were it to be disclosed.
4. Safely store all official information against loss or access by persons whose jobs do not entitle them to this information.

#### **EMPLOYEES ARE PROHIBITED TO:**

1. Use insider information for personal gain or for the benefit of your related parties. It is the duty of an insider to place the interests of shareholders and investors above its own investment interests.
2. Perform transactions with the Company securities or encourage others to do so based on insider information known to you.
3. Act without reason as a public representative of the Company, make public statements and speeches, unless asked to do so according to the established procedure.
4. Transfer insider information to third parties, even after the termination of your employment relations with the Company or the termination of your authorities in the management and other bodies of the Company.

To compliance with international laws, related to insider information trading, the Company developed the Code of Conduct for Prevention of Insider Trading, which mandatory for appliance by all employees.

### **3.8. OCCUPATIONAL AND INDUSTRIAL SAFETY**

The Company's high-priority task is to ensure safe working conditions and protecting the health of the personnel and the population in the regions where the Company's production facilities are located organisations operate. The Company strives to ensure that employees enjoy safe working conditions at all sites and facilities. Company is committed to providing a level of industrial

safety at its production facilities and occupational safety such that the risk of emergencies and accidents is minimal and corresponds to the current level of technical and technological development, as well as social development.

The Company understands that the safe functioning of production facilities, the prevention of accidents at these facilities and readiness to localize and eliminate emergency situations depend not only on the technical condition of facilities, but also on the competence of personnel, maintenance of production discipline, and employee attentiveness in preserving the Company's production and technological assets. Company's obligation to ensure a high level of industrial and occupational safety also means that every employee on the job site must be aware of potential risks in this field and be prepared to react should an emergency strike.

The Company requires every employee to:

- always observe safety precautions and labor protection regulations to maintain safe conditions at all workplaces;
- be highly responsible in following environmental safety rules, and take all possible measures to reduce adverse effects of production on nature and the environment.

### **3.9. ENVIRONMENTAL PROTECTION**

The Company not only guarantees full and unconditional compliance with all requirements of effective environmental protection and health legislation, but also makes every effort to minimize the impact of negative factors on natural resources, people and the environment. The principles of ensuring an ecological and economic balance between production and environmental safety, lie at the foundation of the Company's work and make it possible to minimize financial and reputation risks, identify problem areas at an early stage and take the most effective decisions possible.

Recognizing its responsibility to society, the Company counts upon its employees' understanding of the intricacies and scale of the tasks facing the Company.

The Company's contribution to maintaining a healthy environment is aimed at:

- reducing the negative environmental impact of all segments of its business;
- output of more environmentally friendly products;
- rational use of natural resources, both those used in production and those in the areas of the Company's operation.

The Company is open for dialogue with the general public and other interested parties regarding environmental and rational use issues.

## **CHAPTER IV. STANDARDS OF EXTERNAL BUSINESS CONDUCT AND ETHICS**

### **4.1. SHAREHOLDERS AND INVESTORS**

The Company ensures high profitability and proper dividend payments. Company respects the rights of all of its shareholders equally, irrespective of the amount of shares they own and adheres to the following principles:

- seeks opportunities to objectively minimize investor risks. In this connection, the Company discloses information, in proper volumes, on its activities and refrains from actions which may mislead investors;
- makes best efforts to increase shareholder value, to rule out any possibility of corporate conflicts, and to ensure efficient corporate governance. Strict adherence to the provisions of Code of business conduct and ethics, and other intra-corporate documents is the Company's top priority.

The Company guarantees all of its shareholders real support for all of their rights as established by the current laws and that follows from the Company's obligations associated with its securities on foreign stock exchanges. Company also provides its shareholders with assistance and support, in compliance with the best global standards of corporate governance. The Company is also constantly working to ensure that implementation of shareholders rights was made as simple and accessible as possible, more efficient and less costly.

Company builds its shareholder relations in such a way that shareholder rights will best be protected and will not be violated.

As the issuer of securities, Company demonstrates its investment appeal for investors. The main investment appeal of the Company lies in its efficient and successful operation, but corporate governance issues are of great significance when taking positive investment decisions, especially issues of openness and transparency of the Company's operations.

Wishing to ensure a level of openness that corresponds to global best practices, Company prepares and promptly delivers to the investment community all information that could materially affect the value of the Company's securities: annual and quarterly reporting, information on all material facts in the operations Company, special information and analytical materials for investors.

The Company regularly reports on meetings between executives and key managers of the Company with the media and the investment community, and on their visits to significant production sites and other events.

At the same time, the Company ensures that all representatives of the investment community have equal access to information and takes pains to ensure that individual groups of investors are not given exclusive access to information.

### **4.2. STATE AUTHORITIES AND PUBLIC ORGANISATIONS**

In acknowledgement of the public significance of its operating performance for society, Company adheres to the principle of openness of information on its operations, strives to build and maintain stable and constructive mutual relations with the state and local authorities. The Company arranges its operations in strict compliance with the laws and other regulatory acts of countries where the Company has a presence. Company relations with state and local authorities

are based on the principles of responsibility, good faith, professionalism, partnership, mutual trust, and also respect and inviolability of obligations.

The Company allows its employees to participate in political processes, public organisations and trade unions, where this does not violate the laws and customs of the country. In so doing, at no time should employees position themselves as representatives of Company or its subsidiaries and associates.

Employee participation in political and public organisations must be carried out exclusively during nonworking hours and without the use of Company resources, so that this participation cannot be perceived to represent its political or social position.

#### **4.3. BUSINESS PARTNERS AND COMPETITORS**

The Company interacts with business partners (customers, suppliers, contractors, advisers) on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness. Company performs business only with reliable business partners performing lawfully.

- as a public joint stock company, the Company chooses suppliers predominantly on the basis of competitive bidding;
- the Company deals honestly and in good faith in its contractual obligations with its business partners and requests the same in return;
- the Company resolves disputes arising in the course of its activities by legal and judicial measures, through negotiations and mutually acceptable compromises;
- the Company always takes into account the legal requirements of the countries in which it conducts business

The Company builds relations with its competitors on principles of mutual respect and welcomes and supports mutually beneficial cooperation. Company rejects any display or indication of unfair competition or abuse of a dominant position in the Company business activity.

- the Company rigorously observes the anti-monopoly laws of the countries where it is involved;
- the Company employees are obliged to avoid harsh talk or impolite statements about the Company competitors and have no right to criticize their products or services without valid reasons;
- on difficult issues of relations with competitors, the employees must consult their immediate superiors.

## CHAPTER V. CODE APPLICATION

### 5.1. COMPLIANCE WITH THE CODE PROVISIONS

In their professional activities, employees must observe all standards and rules established by the Company. Violation of the Code provisions may lead to administrative penalties and to Company losses or reduced efficiency resulting in a direct impact on the well-being of all employees of the Company.

Each employee is responsible for adhering to the ethical standards. Strict observance of this Code is mandatory for all employees of the Company, irrespective of their status and job position.

An employee who has any questions on application of standards and rules in the present Code may turn for advice to an immediate superior and/or the Compliance Officer or by e-mail at: [compliance@rusagroup.ru](mailto:compliance@rusagroup.ru) .

If an employee believes that another employee, adviser or partner has violated or possibly violated the Code provisions, he/she must report of any such matter according to internal the Notification Program about weaknesses «The employees alert!». Reports about committed or suspected violations can be submitted:

- to the Compliance Officer;
- and to the immediate superior or superior management;
- by e-mail to: [compliance@rusagroup.ru](mailto:compliance@rusagroup.ru) .

If the applicant prefers to be unknown he/she should provide sufficient information for a full and complete investigation to be conducted.

Any interested person, not employed by the Company (for instance, a Company supplier or service provider, investor etc.), can also report on such violations committed by a Company employee. A report may be submitted via e-mail to: [compliance@rusagroup.ru](mailto:compliance@rusagroup.ru) .

The Recipient of said report is obligated to verify its validity either independently, or with the assistance of respective services. If the facts stated in the report are confirmed, the materials and recommendations on further actions shall be given to the respective competent Company official.

If the information suggests a violation of the law, the official will pass the information to respective Company authorities. If the information appears valid and suggests a misdemeanor or crime (administrative or criminal violation) has been committed, this information is to be passed to law-enforcement authorities.

If a violation of the Code does not come within the sphere of criminal prosecution the following measures can be applied to the employee in fault: removal of bonus or other rewards or incentives, denial of promotion, public reprimand.

If ample legal substantiation is available, the issue of disciplinary action may also be considered.

If a report of the above-mentioned type contains valid facts, every provider of information will receive guarantees that his/her reporting will be kept confidential and also material reward in accordance with internal Company's policy. However, if such a report has been submitted purposely with false information, or if misconduct by the informant is established, then the respective punitive measures may be applied to the informant.

To ensure compliance with the Code and to agree upon changes thereto joint the Audit Committee, the Compliance Officer and the Company's General Director meetings will be held on an ad-hoc basis but at least once in a quarter.

## **5.2. ADMINISTRATION OF THE CODE**

All suggestions about modifying or amending the Code shall be submitted by the Company employees to heads of their subdivisions and/or the Compliance Officer or by e-mail to: [compliance@rusagrogroup.ru](mailto:compliance@rusagrogroup.ru) .

These suggestions shall be studied, gathered, categorized and considered the Compliance Officer.

Recommendations of the Compliance Officer about modifying or amending the Code shall be submitted to the Company's General Director, who is entitled to present an issue of the Code modification or amendment to the Company Board of Directors/ the Audit Committee for their consideration.