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1. Introduction

The Ethics and Compliance Policy of Salym Petroleum Development N.V. (hereinafter referred to as the “Compliance Policy” or “Policy”) is an internal regulatory act of the highest level of Salym Petroleum Development N.V. including its subsidiaries and their separate subdivisions (hereinafter jointly referred to as the Company).

This Policy is under the control and executed by the Chief Executive Officer through the Business Ethics and Business Integrity Committee of the Company.

The Policy is based on the Corporate values which are the part of the Policy (Attachment 1), the General business principles, the provisions of the International standard ISO 19600:2014 “Compliance management systems”, the Joint Venture Agreement, SPD-CMS-POL-00001 “Corporate Management System Manual” and other Company’s internal standards and documents and follow to the requirements of international law and regulations, laws of the Russian Federation.

2. Purposes

The main purpose of the Compliance Policy is to minimize the risks of violations in the field of business ethics, to form a system of detection, prevention and elimination of violations, monitoring and control of the implementation of applicable requirements, for the effective and stable functioning of the Company.

The Compliance Policy is based on continuous monitoring and control of the Company's compliance with the requirements of the law, as well as monitoring compliance with internal regulations applicable by the Company in its activities.

This Policy establishes the aim of the Company related to Ethics and Compliance, i.e.

- Fair and transparent conduct of business, in compliance with the standards of business ethics and Corporate values;
- High level of business reputation of the Company, high-quality creation and implementation of E&C Policy and culture in the Company;
- Analysis and prevention of situations in which it is possible to apply to the Company measures related to non-compliance with legal requirements, regulatory requirements and principles of ethical business conduct.

2.1. Scope and target audience

The Policy is valid for all activities of the Company and all the Employees of the Company. The Policy is subject to strict enforcement by every Employee of the Company. The Company's internal documents should not conflict with the Compliance Policy. The Compliance Policy is an internal regulation of unlimited use, is provided without restrictions to the stakeholders, placed on the Internal and External Resources of the Company’s statement on Ethics and Compliance Policy:

- The Company undertakes to conduct its activities ethically;
- To build an ethical business, the Company applies the set of principles.

2.2. Principle of compliance

The Company declares that the Corporate values, General business principles, requirements of the applicable laws, international norms and requirements, local regulations, and Company Management' decisions must be unconditionally and strictly observed by all Employees of the Company. The Company imposes the same requirements on business partners and contractors.

2.3. Principle of an integrated and systematic approach

The Company declares that the Company's Ethics and Compliance culture covers all the Company's divisions and processes and is ongoing. All the Company's subsidiaries participate in this program. All Employees of the Company strive to create, maintain and develop a unique corporate ethical culture in which there is no place for violations of business ethics.

2.4. "Tone from the top" principle

The key role of Managers at all levels is to create an ethical culture of strict observance of the Ethics and compliance Policy requirements and the provisions of the Ethics Code, and to prevent ethical violations and violations of internal regulations and applicable requirements. Managers at all levels are required to identify ethical violations, report them to the Compliance Ethics Advisor and to the Business Ethics and Business Integrity Committee, to investigate and apply consequence for violations in accordance with the recommendations of the Business Ethics and Business Integrity Committee.

2.5. Principle on respond inevitability of punishment and the elimination of violations

The Company doesn't tolerate to conduct its business illegal, ignoring the general norms of business ethics, transparent operations, decisions and actions. All the Employees of the Company are required to report ethical violations and suspicions of violations of generally accepted standards of business ethics by the Company or by the employees of the Company.

The Company investigates all the violations of business ethics. The Business Ethics and Business Integrity Committee is set up to investigate violations in fair and transparent manner and determine how to respond.

All the Employees and the stakeholders of the Company are required to report potential ethical violations related to its activities. The Company investigates to all violations in accordance with internal regulation procedures and applicable legal requirements.

All the complaints have to be analyzed and investigated if required. Violations can be reported anonymously and will be treated with confidentiality.

2.6. Ethic and Compliance obligations

Through the implementation of the Compliance Policy, the Company assumes ethical obligations:

To shareholders:

- to protect investments and ensure capital investment growth comparable to other Companies in the oil industry, and to build relationships with the Shareholders in such a way as to guarantee the protection of their legal rights and investments;

To Employees:

- to respect the rights and dignity of Employees, treat all Employees with confidence, to provide them with equal opportunities, safe working conditions through compliance with the Company regulations;

To business partners:

- to guarantee building relationship in compliance with the laws, with the highest standards of conducting honest, open and fair business, on the basis of mutual benefit, respect, and to strive for long-term cooperation;

To the state and society:

- to conduct the Company activities without harming the environment, to respect the interests of local communities and local population, to scrupulously observe the current laws, to be a conscientious taxpayer, to pay increased attention to health, labor,

environment safety and security. To contribute to the development of the region where the Company operates.

- The Company ensures that all the Employees are informed of the Company's existing Ethics and compliance culture of business ethics and about the Ethics and compliance Policy.
- The compliance with the Ethics and compliance Policy is mandatory per every employee. The Company does not tolerate the actions of employees who violate business ethics and Company's Ethics and compliance culture.
- The Company ensures that the Employee will not be held liable for liability and disciplinary responsibility for refusing to follow to the linear manager's order if such order is in contrary to the norms of business ethics, provided that the Company is properly informed of the situation.

3. Elements of Compliance Policy

The elements of Policy are the integral part to ensure its activities. The list of elements is an open. The Company determines the following main compliance elements:

3.1. Management system and training

- Internal regulatory documents on ethics and compliance, including, but not limited to:

Corporate Values, General Business Principles, SPD-CMS-MAN-00002 Ethics and compliance management Manual (Ethics Code) "Salyum Petroleum Development N.V.", SPD-CMS-REG-00010 Regulation on Business ethics and Business integrity Committee of Salyum Petroleum Development N.V., SPD-CMS-REG-00009 "Regulation on Anti-Bribery and Corruption, Gifts and Hospitality in Salyum Petroleum Development N.V.", Internal HR procedural documents;

- Training and information program for Employees on Ethics and Compliance, the corporate business culture, the Ethics Code provisions, The provisions of SPD-CMS-REG-00009 "Regulation on Anti-Bribery and Corruption, Gifts and Hospitality in Salyum Petroleum Development N.V." (primary awareness sessions, regular re-education and training on certain standards of business ethics, posting the Ethics and Compliance Policy information on the Company's web-site and by email, CEO video-messages, posters and informing the Employees on applicable changes of legislation)

3.2. Employee engagement

- Conflict of Interests declaring on a regular base
- Gifts & Hospitality signs registration
- Business Ethics and Business Integrity Committee on a regular base
- Employee surveys and testing for knowledge of Company's Ethics and compliance Policy and ethics culture, business ethics and the provisions of the Ethics Code
- CONFIDENCE LINE is available for all the Employees and the stakeholders

3.3. Reporting, investigation and Consequence Management

- The Company makes a daily monitoring and initiates internal audit's actions in order to recognize violations and to assure the Company is in comply with business ethics and applicable legislation

- Disciplinary measures and any other Company's measures with regards to the Internal Labour Regulations are applied to the Employees if there is Ethics and Compliance violation recognized
- Regular reporting to the Company's management and to the shareholders.

Attachment 1 Corporate values

Corporate values	Корпоративные ценности
<p>The Company has as its core values honesty, integrity and respect for people, deliver what we say, all of these forms our unique culture. SPD also firmly believes in the fundamental importance of the promotion of openness, teamwork professionalism, diversity and inclusiveness, and in pride in what it does. The Corporate values determine our General business principles. describe the standards and behaviour expected of every employee of the Company in the conduct of its business.</p>	<p>Основными ценностями Компании являются честность, доверие и уважение к людям, выполнение обещаний, они формируют нашу уникальную культуру. Мы также глубоко убеждены в важности развития таких черт, как открытость, работа единой командой, профессионализм, многообразие и вовлеченность, гордость за свое дело. Корпоративные ценности лежат в основе наших общих принципов деятельности, определяют те стандарты и нормы поведения, которым следуют в своей работе все работники Компании.</p>
<p>1.TEAMWORK</p>	<p>1.РАБОТА ЕДИНОЙ КОМАНДОЙ</p>
<p>We assist our colleagues and understand importance of cooperation.</p>	<p>Мы оказываем помощь коллегам и понимаем важность сотрудничества.</p>
<p>We take into account the opinions and interests of colleagues while decision-making. We think as a one team and share resources and knowledge with our colleagues.</p>	<p>Мы учитываем мнения и интересы коллег при принятии решений. Думаем командно и делимся с коллегами ресурсами и знаниями.</p>
<p>We make decisions based on the interests of the Company.</p>	<p>Мы принимаем решения, исходя из интересов Компании.</p>
<p>We do not place blame on others, and we do not accuse publicly. We criticize privately, but we praise publicly. If we criticize, we do it with good argumentation and wishing well. We create an atmosphere of trust and respect in the team.</p>	<p>Мы не ищем виноватых и не делаем публичных обвинений. Критикуем только с глазу на глаз, а вот хвалим публично. Критика должна быть аргументированной и доброжелательной. Мы создаем атмосферу доверия и уважения в команде.</p>
<p>We inform our colleagues in a timely manner about changes and innovations through all available corporate channels of communication.</p>	<p>Мы своевременно информируем коллег об изменениях и нововведениях через все доступные корпоративные каналы связи.</p>
<p>Team makes an agreed-upon decision which is perceived by each team member as one's own. When making decisions, we make ourselves and others think about positive outcomes.</p>	<p>Командой выносятся согласованные решения, которые принимаются как личные.</p>
<p>We are all focused on the result, we take care of our business and constantly improve the production and business processes. We appreciate everyone's contribution to the common cause. Each employee is responsible for the quality and results of the activity in their own direction.</p>	<p>При принятии решения задаем себе и другому вопрос: в чем наша позитивная цель? Мы все нацелены на результат, мы заботимся о нашем бизнесе и постоянно совершенствуем производственные и деловые процессы. Мы ценим вклад каждого в общее дело. Каждый работник</p>

2. HONESTY, INTEGRITY AND RESPECT

Building genuine trust takes time: we do so by fulfillment of obligations, respect and keeping our relations transparent.

We share information regularly and work closely with stakeholders.

We are open to feedback.

We respect our colleagues' opinions and try to understand them before upholding our own points of view (listen, hear, discuss, and make a decision). We openly exchange opinions and give feedback in a respectful manner. We speak in a soft voice.

We appreciate relations built on trust.

We build strong partnerships based on mutual respect and responsibility.

We build strong partnerships based on mutual respect and responsibility.

We deliver on our obligations and build relations based on mutual honesty.

We follow business ethics. We avoid gossiping and backstabbing.

We are correct and polite with our stakeholders, business partners and all employees irrespective of their position and status. We communicate respectfully: we speak in a soft voice. We do not tolerate harassment, persecution and derision.

3. LISTEN AND CARE FOR EACH OTHER

We discuss working issues and projects jointly with colleagues whose participation is necessary for making a decision.

несет ответственность за качество и итоги деятельности по своему направлению.

2. УВАЖЕНИЕ, ДОВЕРИЕ И ЧЕСТНОСТЬ

Настоящее доверие зарабатывается со временем, главным образом исполнением обязательств, уважением и взаимной честностью в отношениях.

Мы делимся информацией регулярно и тесно взаимодействуем с заинтересованными сторонами. Мы открыты для обратной связи.

Мы с уважением относимся к мнению коллег и пытаемся его понять, прежде чем отстаивать свою точку зрения (слушаем, слышим, обсуждаем и принимаем решение). Мы открыто обмениваемся мнениями и даем обратную связь в уважительной манере. Мы не повышаем голос.

Мы выстраиваем доверительные отношения и дорожим ими.

Мы строим крепкие партнерские отношения, основанные на взаимном уважении и ответственности.

Мы выполняем взятые на себя обязательства и строим отношения на принципах взаимной честности.

Мы соблюдаем деловую этику. Мы пресекаем сплетни и обсуждение за спиной.

Мы корректны и вежливы с нашими подрядчиками, с деловыми партнерами и со всеми работниками независимо от их должности и статуса. Мы общаемся уважительно: мы не повышаем голос. Мы против травли, преследования и высмеивания.

3. УМЕНИЕ СЛУШАТЬ КОЛЛЕГ И ЗАБОТИТЬСЯ ДРУГ О ДРУГЕ

Мы обсуждаем рабочие вопросы и проекты с коллегами, участие которых необходимо для принятия решения.

Мы обсуждаем совместные проекты с руководством только в присутствии всех заинтересованных сторон.

We discuss joint projects with managers only when all internal stakeholders are present.

We draw conclusions only after we figure out the situation.

We have regular meetings with employees in all offices and on the field.

We listen to everyone's opinion and value everyone's contribution to our common business. We give equal opportunities for development.

4. DELIVER WHAT WE SAY

We deliver our promises on time. We keep deadlines and agreements.

We make a realistic assessment of what we are capable of prior to making a promise.

5. VALUE CREATION MINDSET

We look for as beneficial solutions as possible without compromising quality.

We treat the company's assets and resources with care.

We continuously aspire to enhance work quality and efficiency, improve production and business processes

We take care of each other and protect environment. Safety and welfare of our employees and our neighbors is our key priority.

6. LEARNING AND DEVELOPMENT

We are open for new experience and aspire to make our company more efficient.

We know our strengths and accept criticism in constructive manner.

We constantly learn and improve ourselves.

We use various opportunities for development and growth.

Мы делаем выводы, только разобравшись в ситуации.

Мы проводим регулярные встречи с работниками всех офисов и на месторождении.

Мы прислушиваемся к мнению и ценим вклад каждого в общее дело, даем равные возможности для развития.

4. ВЫПОЛНЕНИЕ ОБЕЩАНИЙ

Мы держим слово и своевременно выполняем обещания. Мы соблюдаем договоренности.

Мы трезво оцениваем свои возможности и ресурсы, перед тем как давать обещания.

5. СОЗДАНИЕ ЦЕННОСТИ ДЛЯ КОМПАНИИ

Мы ищем максимально выгодные решения без ущерба качеству.

Мы бережно относимся к активам и ресурсам компании.

Мы постоянно нацелены на повышение качества и эффективности работ, совершенствуем производственные и деловые процессы.

Мы заботимся друг о друге и о природе. Безопасность и благополучие работников и наших соседей – наш главный приоритет.

6. ОБУЧЕНИЕ И РАЗВИТИЕ

Мы открыты новому опыту и стремимся сделать нашу компанию более эффективной.

Мы знаем свои сильные стороны и конструктивно воспринимаем критику.

Мы постоянно учимся и совершенствуемся.

Мы используем разнообразные возможности для развития и роста.

7.DIVERSITY AND INCLUSIVENESS.

Diversity and inclusiveness are firmly established in our corporate culture. We encourage and accept a variety of minds, cultures and ways of thinking.

We respect and value individual differences, we are all different: men and women, from different countries, different generations.

We are different and that is great!

**7.МНОГООБРАЗИЕ
ВОВЛЕЧЕННОСТЬ.**

И

Многообразие и вовлеченность прочно закреплены в нашей корпоративной культуре. Мы поощряем и принимаем разнообразие взглядов, культур и образа мысли. Мы уважаем и ценим индивидуальные различия, мы все разные: мужчины и женщины, из разных стран, разных поколений. Мы разные и это здорово!

Attachment 2 Elements of corporate glossary used in the document

At.2.1 References

The following external regulatory legal acts are referenced to in the document:

ISO 19600:2014	Compliance management systems
	The Civil Code of Russia
	The Labor Code of Russia

The following internal regulatory legal acts are referenced to in the document:

SPD-CMS-MAN-00001	Corporate Management System Manual
SPD-CMS-MAN-00002	Ethics and compliance management Manual (Ethics Code) "Salyam Petroleum Development N.V."
JVA (Joint Venture Agreement)	Joint venture agreement among LLC "GPN-Salymskie proekti", Shell Salyam Development B.V. and Salyam Petroleum Development N.V. originally dated 17 April 2003, as amended and restated
SPD-CMS-REG-00010	Regulation on Business ethics and Business integrity Committee of Salyam Petroleum Development N.V.
SPD-CMS-REG-00009	Regulation on Anti-Bribery and Corruption, Gifts and Hospitality in Salyam Petroleum Development N.V.

At.2.2 Terms and Definitions

The following terms and definitions given below are used herein.

Employee – is any individual, regardless of his position, work experience, work schedule who has an employment relationship with the Company on the condition of an employment contract or a civil contract, including persons acting on behalf or for the benefit of the Company (for instance, under a power of attorney).

Company Managers (Managers) - are the Company officials responsible for managing and making decisions.

Contractor (business partner) – any Russian or foreign legal entity or individual with which the Company establishes contractual relationship, excluding labor relationship.

Compliance – to meet with the requirements of policies, plans, procedures, laws, regulations, contractual obligations and other requirements.