



**LUKOIL**

Code of Business Conduct and Ethics  
of Open Joint Stock Company  
“Oil Company “LUKOIL”





# Contents

A word from Vagit Alekperov, President of OAO “LUKOIL” .....	<b>2</b>
Introduction .....	<b>4</b>
Company Mission and Values .....	<b>6</b>
Shareholder relations .....	<b>10</b>
Investor relations .....	<b>14</b>
Employee relations.....	<b>18</b>
Relations with state bodies and public organisations .....	<b>22</b>
Occupational and industrial safety.....	<b>26</b>
Personal safety.....	<b>30</b>
Environmental protection .....	<b>34</b>
Information disclosure and insiders.....	<b>38</b>
Conflict of interests .....	<b>42</b>
Relations with business partners.....	<b>46</b>
Safekeeping of the Company’s assets.....	<b>50</b>
Compliance with the Code of Business Conduct and Ethics and liability for its violation .....	<b>54</b>
Business Ethics Commission .....	<b>58</b>

## A word from Vagit Alekperov, President of OAO "LUKOIL"

Vagit ALEKPEROV,  
President  
of OAO "LUKOIL"



Open Joint Stock Company "Oil company "LUKOIL" (hereinafter also OAO "LUKOIL", the Company, LUKOIL) is moving purposefully to achieve its established goals – to reinforce positions of one of the leaders in the world's oil-and-gas industry, to become a global energy company, and to comply with the highest standards in health, safety and the environment.

LUKOIL also strives to be the best possible social partner. The Company has in place a Social Code – a body of principles and standards on socially responsible behaviour in respect of all parties whose interests are affected by our operations.

We clearly understand that the Company's success is entirely dependent on its people. Our employees are an invaluable asset, who in many respects are responsible for the growing efficiency and shareholder value of OAO "LUKOIL". It is essential to remember that each and every one of our employees is the face of the Company, and supports its reputation and prestige through their work and behaviour.

With this in mind, we have developed and implemented this Code of Business Conduct and Ethics – a body of standards and rules for the individual and collective behaviour of all LUKOIL employees without exception.

The Code of Business Conduct and Ethics is a vital tool for creating a sustainable corporate culture and a strong system of corporate values. We live in a world of constant change, and it is impossible to foresee all changes that it will bring. Nonetheless, the Code allows us to establish a "LUKOIL way",

setting a vector for movement that will allow us to preserve the unity and integrity of the Company in the face of a mutable external situation.

LUKOIL employees work in various countries and regions, where different laws and norms of personal conduct prevail. These must be followed, of course. At the same time, a company such as LUKOIL must possess universal standards of individual and corporate behaviour that are followed in all forms of activity and in every country where we operate.

LUKOIL has thousands of employees, with varying levels of education, professional training, work experience and value systems. The Code of Business Conduct and Ethics is intended to make it easier for these people to understand each other and promote mutual respect.

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.

I am confident that all LUKOIL employees, regardless of their profession, position, or place of work, will adhere to and abide by the provisions of the *Code of Business Conduct and Ethics*.



**Vagit ALEKPEROV,**  
President of OAO "LUKOIL"

## Introduction

The Code of Business Conduct and Ethics of Open Joint Stock Company “Oil company “LUKOIL” (the “Code”) is a collection of the most important rules of business conduct of the Company and its employees, the ethical norms of internal corporate relations, social responsibility, and also other high-priority issues of business ethics.

The Code is designed to define the corporate values of our Company, compliance with which demonstrates that LUKOIL and its employees are dedicated to the basic ethical norms that determine the Company’s business conduct and create its reputation, its competitiveness and its efficiency.

The Code of Business Conduct and Ethics has been developed on the basis of fundamental ethical principles, and also documents adopted in Russia and overseas that define best practices of corporate governance, set out, *inter alia*, in such documents as the Social Charter of Russian Business (adopted at the 14th Conference of the Russian Union of Industrialists and Entrepreneurs (RUIE) on 16 November 2004) and the Code of Corporate Conduct (adopted by the Federal Commission on

The Code of Business Conduct and Ethics of Open Joint Stock Company “Oil company “LUKOIL” (the “Code”) is a collection of the most important rules of business conduct of the Company and its employees, the ethical norms of internal corporate relations, social responsibility, and also other high-priority issues of business ethics.



the Securities Market on 4 April 2002, Directive No. 421/r *On Recommendations on the Application of the Code of Corporate Conduct*).

Implementation of the business ethics standards set out in this Code should raise the Company's values to the status of standards of conduct. Adherence to these standards of business ethics is mandatory for members of the Board of Directors, the Management Committee, and the Internal Audit Commission of OAO "LUKOIL", and also for all Company employees.

The Code of Business Conduct and Ethics is an essential part of the system of corporate governance; it will allow the Company to avoid unjustified risks, support long-term economic growth, and promote the further development and globalisation of the business.

To determine the field of applicability of the requirements and provisions of this Code, in this document "Company" means OAO "LUKOIL" and other LUKOIL Group organisations.



The Code of Business Conduct and Ethics is an essential part of the system of corporate governance; it will allow the Company to avoid unjustified risks, support long-term economic growth, and promote the further development and globalisation of the business.

## Company Mission and Values

OAO “LUKOIL” is a commercial organisation that is the parent company of one of the largest vertically-integrated international energy groups, bringing together numerous organisations engaged in the extraction and refining of oil and gas, the production of fuels and motor oils, petrochemicals, and also electric and thermal power generation, and their sale on the energy markets of Russia and abroad.

The products manufactured by the Company are purchased every day by millions of consumers all over the world. Every day, tens of thousands of people combine their efforts and skills to provide LUKOIL with leading market positions. At the same time, the Company remains steadfastly true to its mission, which consists in harnessing the energy of natural resources to the benefit of progress and humankind.

Having deservedly earned a reputation as a reliable supplier of hydrocarbons to the global energy market, the Company continues

### COMPANY MISSION

Company remains steadfastly true to its mission, which consists in harnessing the energy of natural resources to the benefit of progress and humankind.



to set ever-more ambitious goals for itself. The Company's leadership on the global energy market is one of the Company's highest priorities for the near term, which fits in perfectly with the LUKOIL motto – “Always moving forward!”

LUKOIL is an international oil-and-gas company, is socially responsible, and is notable for its high level of dynamism in all fields of its activities.

Our Company is not only its present, but its past and future as well. The Company lives in several generations. LUKOIL means highly professional staff, it means veterans who have established the glorious traditions of the oil sectors, and it means youth. Continuity from generation to generation is part of the foundation for implementing the principle of the Company's social responsibility to society.



LUKOIL is an international oil-and-gas company, is socially responsible, and is notable for its high level of dynamism in all fields of its activities.

Our Company's operations are grounded in our corporate values, which permit it to carry out its business in accordance with the highest ethical standards. LUKOIL recognises that its reputation depends not only on unswerving compliance with the requirements of Russian and international law and support of human rights – to a significant degree, the Company's reputation and success are based on social responsibility and dedication to moral and ethical norms and rules.

**The Company's fundamental corporate values are:**

**Efficiency**

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. Under conditions of intense competition, LUKOIL will continue to improve the quality and productivity of its operations. It is important that the Company is dedicated to the innovation component of growth, to obtaining additional production and economic yield from the transition to advanced management methods and breakthrough technological solutions.

**Personnel**

Employees are the main asset of OAO "LUKOIL". Everything that the Company does is done by people and for people. Quality of personnel, opportunities to reveal employees' talents and capabilities, the ability to use them to the benefit of both the Company and the employee – these constitute an invariable condition for LUKOIL's multi-faceted successes in achieving its stated goals.

**Environmental awareness**

OAO "LUKOIL" is one of the world's largest users of natural resources. The substance of its production operations consists in the extraction and technological refining of natural resources in order to satisfy people's needs for fuel, energy and heat, as well as other products of oil refining. The Company's achievement of strong efficiency indicators is dependent on and inextricably linked to the wise use of natural resources and compliance with the highest global environmental standards.

Following the norms of effective legislation is the foundation for the sustainable development of LUKOIL. We unswervingly follow the law to the letter and are proud of the fact that the Company has built a judicious environmental management system all down the line – from the central office to individual enterprises and sites; clear procedures have been developed for environmental support for all projects, from conception to implementation. In this we see the building block for successful future development.

### **Social responsibility**

OA “LUKOIL” is a responsible member of the global community and a good-faith participant in the market economy. The Company acknowledges its responsibility to all stakeholders in the countries and regions where it operates, pursues a policy of social responsibility on labour issues, employment, and industrial relations, provides assistance to employees, the handicapped, and veterans, and engages in broadbased charitable and sponsorship work.

### **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 longterm and mutually beneficial cooperation, without an interest in the sustainable development of our partners, without mutual respect and responsibility for delivering on obligations that we have assumed. The Company maintains a spirit of partnership and collectivism in the workforce, and provides incentives to achieve excellent results.

### **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, LUKOIL operates on the basis of honesty and justice, legitimacy and decency. Contemptuousness and result by any means possible are unacceptable in the Company’s operations.

## Shareholder relations

The principal goal of OAO “LUKOIL” as a commercial organisation is the generation of profits. Our shareholders have entrusted their money to OAO “LUKOIL” in the expectation that they will receive income both in the form of dividends and higher value of their shares.

The effective legislation of the Russian Federation confers specific rights on shareholders, through which they can participate in the management of the Company, and also monitor the activity of the administrative and management bodies of OAO “LUKOIL”.

The Company guarantees all of its shareholders real support for all of their rights as established by the effective legislation of the Russian Federation and that follow from the Company's obligations associated with its securities on Russian and foreign stock exchanges.



The Company guarantees all of its shareholders real support for all of their rights as established by the effective legislation of the Russian Federation and that follow from the Company's obligations associated with its securities on Russian and foreign stock exchanges. LUKOIL 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 shareholders' exercise of their rights be made as simple and accessible as possible, more efficient and less costly.

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



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

WITH THE AIM OF DISCHARGING THE COMPANY'S OBLIGATIONS TO ITS SHAREHOLDERS, AND ALSO TO APPLY GLOBAL BEST PRACTICE IN THE AREA OF SHAREHOLDER RELATIONS



### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

In relations with OAO "LUKOIL" shareholders, be polite and give due attention to the questions they raise, assist them to resolve any problems shareholders may have related to the exercise of their lawful rights.

If you don't know how to help the shareholder, or if your knowledge or level of authority is insufficient to resolve the issue raised by the shareholder, ask your immediate supervisor for assistance and/or contact the Shareholder Relations Department, which will organise the necessary work.

Handle the shareholder's personal information with especial care, and carefully protect information on them.

If you witness or learn of a colleague neglecting or ignoring shareholder requests, remind your colleague of their duties, and if you see this repeated, report this fact to the Business Ethics Commission.



### YOU SHOULD NEVER:

Ignore shareholder's requests or petitions, or show indifference and/or rudeness in your dealings with them.

Permit data on shareholders or their shares to be leaked, including by transferring data on shareholders to your work colleagues who do not work with such information.



## OAO “LUKOIL” DOCUMENTS<sup>1</sup>

1. The Shareholder Relations Policy of OAO “LUKOIL”
2. Shareholder Rights and Communications Programme of OAO “LUKOIL”
3. Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO “LUKOIL”
4. Regulations on handling the personal data of employees of OAO “LUKOIL”
5. Regulations on the calculation and payment of dividends, the assessment and payment of taxes on income in the form of dividends to shareholders of OAO “LUKOIL”, the calculation and payment of funds to parties claiming the receipt of dividends as an inheritance at OAO “LUKOIL”.
6. Regulations on the protection of confidential information at OAO “LUKOIL”

---

<sup>1</sup> The list of documents is given in order to provide users of the Code with information on the most important documents adopted by OAO “LUKOIL” to govern specific fields of activity. The list and the names of documents are given as at the date of approval of the Code. This list of documents is not exhaustive. The documents given in the list that are not part of this Code are approved, amended and revoked by the bodies of OAO “LUKOIL” in accordance with their authorities and pursuant to the procedure established by the law and the Company. Current information, as well as additional information on documents governing specific lines of business of OAO “LUKOIL” can be obtained using the Company’s corporate information systems or, where necessary, by contacting the Business Ethics Commission.

## Investor relations

As the issuer of highly liquid securities for many years, OAO "LUKOIL" demonstrates its investment appeal for Russian and foreign 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.

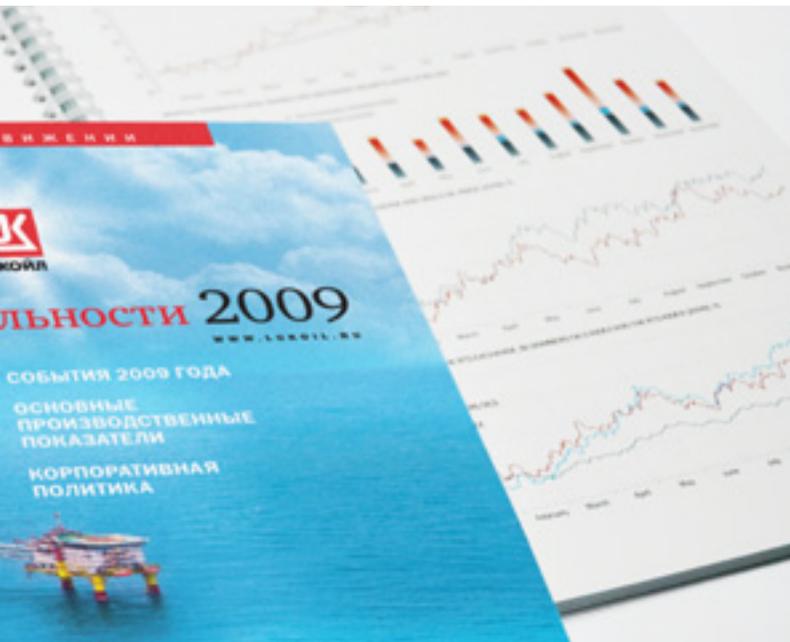
Wishing to ensure a level of openness that corresponds to global best practices, OAO "LUKOIL" prepares and promptly delivers to the investment community all information that could materially affect the value of the Company's securities: annual

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.



and quarterly reporting, information on all material facts in the operations LUKOIL, 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.



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.



## WHEN INTERACTING WITH INVESTORS

### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

When interacting with representatives and institutions of the investment community, do everything to help them to gain a truthful picture of the Company, to provide them with information, taking care to ensure that it is complete, relevant and reliable.

Following statutory limitations on information disclosure, Company employees should politely explain to investors that the impossibility of providing information is related to the necessity of compliance with the law and is not aimed at restricting investors' rights to information.

When interacting with investors and representatives of investment institutions, avoid deliberately concealing or distorting information being provided. It should be understood that the open distribution of information that is truthful, even if it is in some way "unfavourable", is perceived more positively by investors than information that describes only achievements and successes.

Access to sensitive but not public information that employees obtain during the performance of their job duties entails special care in preserving this information. Restrain colleagues from negligent attitudes to preserving information.

As soon as information received becomes suitable for public disclosure, determine its value to investors. If a positive assessment is made, do not delay in properly disclosing it: in so doing, you will ensure that the information is highly relevant, satisfy investors' needs for information, and provide them with an opportunity to effectively exercise their rights.

If any investors contact you (investment analysts, employees of investment banks, financial media, etc.), do not avoid helping them to the extent your authority permits and in accordance with statutory requirements. If you have doubts as to whether your actions are correct or if you cannot help the investors, refer their queries (without discussing the issue) to the Investor Relations Department.

If you are aware of a violation of the Code regarding investor relations, report this to the Business Ethics Commission.

## YOU SHOULD NEVER:

On your own, without the relevant authority, report or transfer any information to members of the investment community if you are not certain that it is already public knowledge.

Discuss current official matters with anyone who does not require it to perform their job duties. It is inadmissible to distribute official information to persons for whom it is not intended, and also among outsiders.

Make any statements on behalf of LUKOIL if you are not authorised to do so by the internal by-laws of the Company.



## DOCUMENTS OF OAO “LUKOIL”

1. OAO “LUKOIL” Order “On the Procedure for Media Relations”
2. Regulations on Information Policy of OAO “LUKOIL”
3. Regulations on the protection of confidential information at OAO “LUKOIL”
4. Regulations on the activity of the business units of OAO “LUKOIL” and LUKOIL Group organisations to ensure the performance of obligations related to the listing of the securities of OAO “LUKOIL” on the London Stock Exchange.
5. Regulations on maintenance of the Internet portals of OAO “LUKOIL” and the websites of LUKOIL Group companies



## Employee relations

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.

LUKOIL's multinational workforce, working in various countries and continents, is valuable in its diversity. The Company respects and supports the rights of all employees, regardless of their nation, religion or culture. The Company works to provide real equality among employees, who are given equal opportunities to realise their creative and working potential.

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

The Company welcomes the formation of employee "dynasties", which transmit not only professional experience from generation to generation, but also loyalty and dedication to the Company and its values.

However, belonging to such a dynasty does not confer additional rights and opportunities on its members. Protectionism in any form

The Company respects and supports the rights of all employees, regardless of their nation, religion or culture. The Company works to provide real equality among employees, who are given equal opportunities to realise their creative and working potential.



is unacceptable in the Company, first and foremost protectionism in the form of nepotism.

The Company requires the highest professionalism from its employees, and provides every assistance to help develop this quality. It seeks to create all possible conditions to support those who care about the level of their professional training, who do not rest on their laurels, who are ready to move with the times and master new knowledge, new technologies, and new ways to organise labour. The Company develops the innovative abilities of employees and creates the preconditions for the exchange and dissemination of leading-edge experience, new knowledge, and innovative ideas, projects and inventions.

One of LUKOIL's great strengths is its powerful corporate spirit, which forges different people into an integrated team, from Company managers to rank-and-file workers, all seeking to achieve a united goal and determining common ways to reach it.

The Code is aimed at fostering a climate in which the production workforce will not tolerate corrupt practices by employees.



One of LUKOIL's great strengths is its powerful corporate spirit, which forges different people into an integrated team, from Company managers to rank-and-file workers, all seeking to achieve a united goal and determining common ways to reach it.

## IN ORDER TO COMPLY WITH THE COMPANY'S STANDARDS OF BUSINESS ETHICS, IN RELATIONSHIPS WITH EMPLOYEES



### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Treat every employee with respect, regardless of their race or ethnicity, gender, age, marital status, political preferences or work experience.

Work constantly to improve your professional level using the personnel training system, learn new skills and proficiencies, and acquire the necessary professional knowledge.

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.

Constantly seek out new opportunities in your work, exchange experience with Company employees, and disseminate leading-edge working methods and technologies.

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.

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 function.

If you cannot obtain assistance regarding relations with colleagues and other Company employees, contact the Business Ethics Commission.

## YOU SHOULD NEVER:



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.

Behave in an aggressive or insulting manner with other employees.

Participate in the advancement of Company employees on the basis of family connections, friendship, or other relations.

Use your official position and capabilities to derive personal benefits or benefits for persons associated with you.

Use your working hours, those of employees, or Company property entrusted to you for personal ends.

## DOCUMENTS OF OAO “LUKOIL”



1. Human Resources Policy of OAO “LUKOIL”
2. Functional strategy for human resources of the LUKOIL Group for 2010–2019
3. Social Code of OAO “LUKOIL”

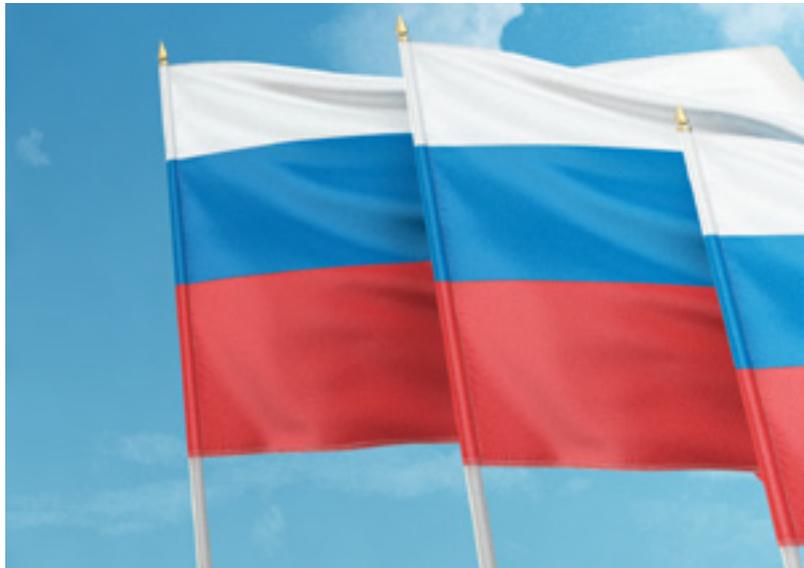
## Relations with state bodies and public organisations

In acknowledgement of the public significance of its operating performance for society, OAO "LUKOIL" 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 the Russian Federation and other countries where the Company has a presence.

LUKOIL's 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 arranges its operations in strict compliance with the laws and other regulatory acts of the Russian Federation and other countries where the Company has a presence.



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 OAO "LUKOIL" 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.



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.

TO COMPLY WITH THE STANDARDS OF THE COMPANY'S BUSINESS ETHICS IN THE AREA OF RELATIONS WITH STATE AUTHORITIES AND PUBLIC ORGANISATIONS, AND TO ENSURE TRUST IN OAO "LUKOIL"



### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Follow all laws and standards of conduct applicable to the Company's operations in every country where it has a presence. Respect the traditions and customs of the people inhabiting these countries.

In relations with representatives of the state and local authorities, always express only the duly formulated official position of the Company.

If a request is received from the state or other regulatory bodies in accordance with the procedure adopted by the Company, provide full and reliable information on the Company, and where necessary provide other support for the operations of the state authorities (see also the section "Disclosure of information and insiders" of this Code).

If you cannot assess whether your actions are correct in relation to state and local authorities, talk to your immediate supervisor and/or contact the Department for Relations with State Authorities and Public Organisations.

If you learn of violations of the rules for relations with state and local authorities, report this to your immediate supervisor and/or the Business Ethics Commission.

Follow the procedure established by the Company for employees participation in public events.

## YOU SHOULD NEVER:



Interact with the state authorities unless this is part of your job duties or you are authorised to have such interaction.

Make any kind of unlawful attempts to influence the decisions of the state authorities or their representatives.

Mislead investigators or other officials of state authorities or other regulatory bodies.

Either directly or indirectly attempt to obstruct the collection of information, data, testimony or documentation by authorised officials of the state or regulatory authorities.

Conceal, alter or destroy documents, information or accounting entries that are the subject of an investigation or are to be handed over at the request of state or other regulatory bodies.

Use Company resources (for example e-mail or telephone) for personal participation in political or public processes.

## DOCUMENTS OF OAO “LUKOIL”



1. OAO “LUKOIL” Executive Order “On Approving Regulations on the Procedure for Preparing and Submitting Proposals on Improving the Regulatory Legal Framework of the Russian Federation”.
2. OAO “LUKOIL” Executive Order “On Approving the Regulations on the Procedure for Concluding and Discharging Agreements on Cooperation between OAO “LUKOIL” and Federal State Authorities, the State Authorities of the Constituent Subjects of the Russian Federation, local Government Authorities, Business Entities, and Non-Profit Organisations”.

## 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 LUKOIL Group organisations operate.

The Company strives to ensure that employees enjoy safe working conditions at all sites and facilities.

OAO "LUKOIL" 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 a the current level of technical and technological development, as well as social development.

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 LUKOIL Group organisations operate.



The Company understands that the safe functioning of production facilities, the prevention of accidents at these facilities and readiness to localise 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.

LUKOIL'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.



LUKOIL'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.

IN ORDER TO MAINTAIN THE STANDARDS OF BUSINESS ETHICS ESTABLISHED BY THE COMPANY IN THE FIELD OF INDUSTRIAL AND OCCUPATIONAL SAFETY,



### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Comply closely with state and corporate requirements in the field of industrial and occupational safety when performing your job duties.

Perform only work for which you have been trained and certified, and which you are medically fit to perform.

Immediately cease performing any work if it becomes unsafe.

If you learn or see that any employee is violating established health and safety rules and requirements, you should warn the violator and immediately report this violation to your immediate supervisor.

If you have any doubts or questions, talk to your immediate supervisor and/or contact the Business Ethics Commission.



### YOU SHOULD NEVER:

Store, use or distribute alcohol, narcotics and illegal drugs on the Company's territory and work premises.

Show up to work under the influence of alcohol, narcotics or bad general health condition.

Show up to work if you are not familiar with the assessment of production factors affecting occupational safety, state and corporate requirements (including those explaining what to do in case of an emergency).



## DOCUMENTS OF OAO “LUKOIL”

1. The Policy of Open Joint Stock Company “Oil Company “LUKOIL” on Health, Safety and the Environment in the 21st century.
2. STO LUKOIL 1.6.1-2009 Health, Safety and Environment Management System. Guidelines”.
3. STO LUKOIL 1.6.1-2009 Health, Safety and Environment Management System. Allocation of Responsibility in the Health, Safety and Environment Management System.
4. Social Code of OAO “LUKOIL”.

## Personal safety

The Company believes that the reliable protection of personnel from internal and external threats is one of the main prerequisites for its normal operations and development, and fulfilment of employees' creative potential.

OAO "LUKOIL" provides its employees with the necessary protection from threats that arise from the performance of their job duties, and also when someone tries to force an employee, with a threat to his or her personal safety, to engage in disloyal

The Company believes that the reliable protection of personnel from internal and external threats is one of the main prerequisites for its normal operations and development, and fulfilment of employees' creative potential.



behaviour and actions harmful to the Company. The preventive measures taken by the Company to protect employees from criminal encroachment and pressure presume that Company employees will behave reasonably to strengthen their personal safety.

The Company believes that a breach of personal safety requirements could cause considerable damage to the health of employees, LUKOIL's business reputation, and lead to financial and other losses.



The Company believes that a breach of personal safety requirements could cause considerable damage to the health of employees, LUKOIL's business reputation, and lead to financial and other losses.



## TO ENSURE PERSONAL SAFETY

### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Closely follow applicable legislation, generally accepted norms and rules of behaviour when performing your job duties in Russia or abroad.

Avoid real-life situations that could potentially lead to damaging circumstances.

If you receive threats or are pressured by other parties to lessen your good faith and loyal work behaviour, or these parties try to force you into actions that you believe could have negative implications for the Company (or you learned about intentions to this effect), you should inform your immediate supervisor and/or the Internal Security Department of this fact.

If you find yourself in an unusual real-life or work situation, to minimise the possible damage to yourself and the Company, you should notify your immediate supervisor and/or the Business Ethics Commission of this fact.

Caution colleagues against actions that could cause damage to their health and business reputation, or the well-being and business reputation of the Company.

## YOU SHOULD NEVER:



Discuss the place or nature of your work with people you do not know well, or of whose honesty and decency you are not certain.

Perform deeds or actions that could potentially be used to compromise you or to pressure or force you into disloyal actions.

Take or help to facilitate any actions capable of damaging the lawful interests of OAO "LUKOIL", even after the termination of your employment relations with the Company.

Bring weapons, including those intended for sport, onto the Company's territory or into its building.

## DOCUMENTS OF OAO "LUKOIL"



1. Corporate security strategy of the LUKOIL Group.
2. Order of OAO "LUKOIL" On the Pass Entry System and Internal Access Control in the Administrative Buildings of OAO "LUKOIL.
3. Regulations on the protection of confidential information at OAO "LUKOIL"

## 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 minimise 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 minimise financial and reputation risks, identify problem areas at an early stage and take the most effective decisions possible.

Recognising 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;

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 minimise the impact of negative factors on natural resources, people and the environment.



- increasing the utilization rate of associated gas;
- use of the “zero emissions” principle during development of deposits on the continental shelf;
- 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.

LUKOIL has created and successfully implemented an ISO 14001 certified environmental protection management system to resolve these tasks. This system was built in conformity with the effective legislation of the Russian Federation, and is based on best domestic and foreign practice.

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



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

FOR COMPLIANCE BY THE COMPANY WITH BUSINESS CONDUCT AND ETHICS STANDARDS IN THE AREA OF ENVIRONMENTAL PROTECTION,



**YOU SHOULD ABIDE BY THE FOLLOWING RULES:**

Comply with state and corporate requirements on environmental protection and rational use of natural resources when performing your job duties, and make sure that your colleagues and other parties working in the interests and on the territory of the Company also comply with these requirements.

See that the rational consumption of resources is ensured – economical use of thermal power, electricity and water, and reduction of production wastes. If you have learned of violations of environmental standards and requirements, you should notify your immediate supervisor of this fact.

Stop or do not start work which you believe could be dangerous or lead to a violation of environmental standards, and notify your immediate supervisory of your misgivings.

If your efforts to prevent threats to environmental safety are unsuccessful, and your appeal to the aforementioned parties has not eliminated these threats, you should notify the Business Ethics Commission.



**YOU SHOULD NEVER:**

Start to work if you are not familiar with the environmental aspects of your business unit's operations and state and corporate requirements in this area (including those explaining what to do in case of an emergency).



## DOCUMENTS OF OAO “LUKOIL”

1. The Policy of Open Joint Stock Company “Oil Company “LUKOIL” on Health, Safety and the Environment in the 21st century.
2. STO LUKOIL 1.6.1-2009 Health, Safety and Environment Management System. Guidelines”.
3. STO LUKOIL 1.6.1-2009 Health, Safety and Environment Management System. Allocation of Responsibility in the Health, Safety and Environment Management System”.
4. Social Code of OAO “LUKOIL”.

## Information disclosure and insiders

OAO “LUKOIL” is a public company whose securities are listed on major Russian and international stock exchanges, which places considerable obligations on the Company to establish and comply with a special information disclosure procedure. LUKOIL 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

OAO “LUKOIL” is a public company whose securities are listed on major Russian and international stock exchanges, which places considerable obligations on the Company to establish and comply with a special information disclosure procedure.



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 LUKOIL securities has been established.



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 LUKOIL securities has been established.

TO ENSURE COMPLIANCE WITH THE COMPANY'S BUSINESS CONDUCT AND ETHICS STANDARDS IN THE AREA OF INFORMATION DISCLOSURE, THEREBY INCREASING TRUST IN OAO "LUKOIL" AND SUPPORTING ITS REPUTATION,



### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

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 or the Information Disclosure Department.

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.

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/or the Business Ethics Commission.

Safely store all official information against loss or access by persons whose jobs do not entitle them to this information.

## YOU SHOULD NEVER:



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.

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.

Perform transactions with Company securities or encourage others to do so based on insider information known to you.

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.

## DOCUMENTS OF OAO "LUKOIL"



1. Regulations on the performance by persons with access to insider information at LUKOIL Group organisations of operations with OAO "LUKOIL" securities.
2. Regulations on the activity of the business units of OAO "LUKOIL" and LUKOIL Group organisations to ensure the performance of obligations related to the listing of the securities of OAO "LUKOIL" on the London Stock Exchange.
3. Executive Order of OAO "LUKOIL" on compliance with the Regulations on the activity of the business units of OAO "LUKOIL" and LUKOIL Group organisations to ensure the performance of obligations related to the listing of the securities of OAO "LUKOIL" on the London Stock Exchange.
4. Executive Order of OAO "LUKOIL" on approving the List of insiders.
5. Regulations on the protection of confidential information at OAO "LUKOIL"

## Conflict of interests

OAO "LUKOIL" 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

OAO "LUKOIL" 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.



Company due to personal, family or other circumstances. The resulting conflict between personal interests and the interests of the Company has a negative impact on its performance, 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.



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.



TO IDENTIFY AND PREVENT SITUATIONS THAT COULD CAUSE A CONFLICT OF INTERESTS AT THE COMPANY, YOU SHOULD ABIDE BY THE FOLLOWING RULES:

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.

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.

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.

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 without delay.

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/or the Business Ethics Commission.

## YOU SHOULD NEVER:



Have any personal interests in the activity of the Company's business partners, if this runs counter to the Company's interests.

Accept loans or services 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).

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.

Conceal a conflict of interests and the reason for its appearance.

## DOCUMENTS OF OAO "LUKOIL"



1. Charter of Open Joint Stock Company "Oil company "LUKOIL".
2. Regulations on the Board of Directors of OAO "LUKOIL".
3. Regulations on the Information Policy of OAO "LUKOIL".
4. Regulations on the Human Resources and Compensation Committee of the Board of Directors of OAO "LUKOIL".

## Relations with business partners

The Company is convinced that long-term, mutually beneficial relations with clients and suppliers with a good business reputation is an important factor in the commercial viability of the its business. The Company is a proponent of fair competition and observance of all existing laws on competition in every country in which it has a presence.

The Company is convinced that long-term, mutually beneficial relations with clients and suppliers with a good business reputation is an important factor in the commercial viability of the its business.



The Company values its relations with its business partners. While protecting its own interests, LUKOIL treats the fair and lawful interests of its counterparties with respect. We make it our custom to strictly monitor the guaranteed performance of our contractual obligations, and to be a reliable business partner. The Company is willing to establish and support mutually beneficial relations with any partner, if this partner adheres, as we do, to the principles of mutual respect and mutual benefit, honesty and good faith, and strict reciprocal liability.



The Company values its relations with its business partners. While protecting its own interests, LUKOIL treats the fair and lawful interests of its counterparties with respect. We make it our custom to strictly monitor the guaranteed performance of our contractual obligations, and to be a reliable business partner.

TO COMPLY WITH THE COMPANY'S BUSINESS CONDUCT AND ETHICS STANDARDS AND TO MAINTAIN ITS UNBLEMISHED REPUTATION IN THE BUSINESS COMMUNITY,



YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Make every effort to ensure that the Company meets its obligations to its business partners in good faith.

Act exclusively in the interests of the Company in relations with the Company's business partners.

Value the Company's reputation, and comply closely with the norms of applicable legislation and business ethics.

Build and develop relations with the Company's business partners based on the principles of equality and mutual respect, independent of any factors other than the Company's business interests.

If you have doubts concerning the degree to which your relations with the Company's business partners adhere to the requirements of this Code, you should contact your immediate supervisor.

If you are aware of relations between any Company employees and the Company's partners that run counter to the requirements of this Code, you should inform your immediate supervisor and/or the Business Ethics Commission without delay.

## YOU SHOULD NEVER:



Conceal or misrepresent the information to be provided, abuse your office, allow the appearance of a conflict of interests, or do business with the Company's business partners by any unlawful means.

Use any official information or information that is not publicly accessible on competitors or business partners, if you suspect that it was received through dishonest means or sent to you in error.

Permit the disclosure of information on business partners, except in those cases when the information is disclosed in accordance with legislative requirements or the terms of a contract.

Accept bribes (gifts, services, payment for recreation or a holiday, monetary or other compensation or any other benefits) in connection with the performance of your job duties that could affect your impartiality and the independence of performance of your job duties or influence you to take decisions that do not coincide with the Company's interests or to receive information, disclosure of which could damage the Company's interests. If you have doubts that a gift is reasonable and customary for business relations, you should consult with your immediate supervisor and/or the Business Ethics Commission.

## DOCUMENTS OF OAO "LUKOIL"



1. Contractual Regulations of Open Joint Stock Company "Oil company "LUKOIL".
2. Regulations on holding tenders to select suppliers and contractors of LUKOIL Group organisations.
3. Resolution on organising an independent appraisal in the interests of the LUKOIL Group.
4. Regulations on the Information Policy of OAO "LUKOIL".

## Safekeeping of the Company's 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.

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.



Safekeeping 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 LUKOIL'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.



Company officials and employees are required to protect the assets entrusted to them from loss, theft, unauthorised, unlawful or ineffectual use.

TO PROTECT THE COMPANY'S ASSETS, INCLUDING INTELLECTUAL PROPERTY,



YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Use the Company's assets to maximum effect.

Handle the Company's property with care.

Protect the commercial and technical information constituting the Company's intellectual property.

Study the internal documents and adhere to the instructions contained therein on the proper way to handle the Company's assets, including equipment or resources.

If you are unable to unequivocally determine whether you or your colleagues are using the Company's assets lawfully, you should contact your immediate supervisor and/or the Property Relations Department for explanations.

Caution colleagues against negligence and a wasteful attitude toward the Company's assets and property. If you do not have success in this regard, notify your immediate supervisor and/or the Business Ethics Committee of what has happened.

## YOU SHOULD NEVER:

Use any Company equipment or devices for personal ends.

Use the Company's property, information or your office for personal gain or for the benefit of others.



## DOCUMENTS OF OAO "LUKOIL"

1. Main Regulations on the insurance coverage strategy and policy of OAO "LUKOIL" and its subsidiaries.
2. Order on approving the regulations on the procedure for maintaining the Unified property register of the LUKOIL Group.
3. Order on approving the Regulations on the commissions on transfer and acceptance, commissioning and writing off of property (assets) of OAO "LUKOIL" and their membership.



## Compliance with the Code of Business Conduct and Ethics and liability for its violation

The unconditional compliance by all employees, members of the Board of Directors, Management Committee and Internal Audit Commission of the Company with the provisions of this Code is the cornerstone of successful realisation of LUKOIL's mission and the key to securing the Company's corporate values, protecting the interests of its employees, business partners, clients and shareholders.

The most important criterion of ethical behaviour is the internal self-judgement of the employee, member of the Board of Directors, Management Committee and Internal Audit Commission of the Company and his or her moral appraisal by management and colleagues.

The Company takes a negative view of some actions, including orders of executives that deliberately facilitate a violation of the norms of this Code or conceal violations.

Failure to comply with the provisions of the Code could lead to a violation of the norms of applicable legislation, resulting in liability in accordance with this legislation.

The most important criterion of ethical behaviour is the internal self-judgement of the employee, member of the Board of Directors, Management Committee and Internal Audit Commission of the Company and his or her moral appraisal by management and colleagues.



Therefore, each employee, member of the Board of Directors, Management Committee and Internal Audit Commission of the Company must comply unconditionally with the requirements of this Code, and are liable for their own ethical behaviour.

The Company guarantees that there will be no negative consequences for a conscientious employee, member of the Board of Directors, Management Committee and Internal Audit Commission of the Company who reports a violation of the provisions of this Code or decides to stop a violation (including discrimination and other persecution from any party).

The Company guarantees that punishment will only be meted out based on the results of an objective consideration of the circumstances of commission of the violation, with due account for its gravity and the actions of the party to eliminate its consequences.

The Company will not consider anonymous reports on a violation of the provisions of this Code, but the Company will guarantee confidentiality during the performance of an investigation.



The Company guarantees that punishment will only be meted out based on the results of an objective consideration of the circumstances of commission of the violation, with due account for its gravity and the actions of the party to eliminate its consequences.



## TO ENSURE UNCONDITIONAL COMPLIANCE WITH THE PROVISIONS OF THIS CODE,

### YOU SHOULD ABIDE BY THE FOLLOWING RULES:

Obey the norms of this Code during your activity.

Know and comply with the norms of the Code.

If you are a director/manager, set an example of proper behaviour, demonstrate your commitment to the provisions of the Code and the importance of complying with them.

If any of the provisions of the Code are unclear or you are unsure what steps to take in a specific situation, talk to your immediate supervisor.

If you have credible information on a violation of the provisions of this Code, follow the procedure indicated below:

1. Point out the inadmissibility of the violation of the provisions of this Code to the transgressor, and demand the termination of the indicated actions.
2. If the actions taken under point 1 are not successful, notify your immediate supervisor of the violation by the transgressor.
3. If your immediate supervisor is involved in the violation, would not prevent the relevant actions or is unable to do so, notify the Business Ethics Commission of the violation of the provisions of this Code in person or by electronic mail at the address [ethics@lukoil.com](mailto:ethics@lukoil.com).

If you are unable to get explanations from your immediate supervisor, contact the Business Ethics Commission.

In all cases, including those that are not regulated by local regulatory acts or which involve several behavioural options; obey the provisions of this Code, act fairly, in good faith and honestly, taking into account how your actions will affect the Company's operations and reputation.

Where possible, bring the norms of this Code to the attention of Company counterparties.

## YOU SHOULD NEVER:



Take a disparaging attitude toward compliance with the provisions of the Code.

Act without consulting with someone according to this Code, if you are unsure whether your actions are in compliance with the provisions of the Code.

Obstruct the compliance by other employees, members of the Board of Directors, Management Committee and Internal Audit Commission of the Company with the provisions of the Code.

Stand by idly when you have become aware of a committed or planned violation of the provisions of this Code.

Conceal information on a committed or planned violation of this Code.

Report on an alleged violation, disseminating knowingly false information.

## Business Ethics Commission

The Business Ethics Commission is responsible for regulating corporate ethical relations at the Company in compliance with the provisions of the Code.

The competence of the Business Ethics Commission includes implementation of the norms and standards of the Code, monitoring of compliance, development of recommendations regarding business ethics, and its follow-up effect on the workforce environment.

On the receipt of information on a violation of the rules of this Code, the Business Ethics Commission will consider the report independently and/or together with the relevant business unit. The procedure for considering reports and the deadline for convening a meeting of the Business Ethics Commission are established by the *Regulations on the Business Ethics Commission*.





**LUKOIL**

[www.lukoil.com](http://www.lukoil.com)