



CODE OF BUSINESS CONDUCT

POLICY OBJECTIVES

1. This policy constitutes the Code of Business Conduct of companies of the Volga Gas Group (hereinafter called "Group companies"). The Code applies to all employees and directors (collectively, the "employees") of Group companies including the Chairman of the Board, and the Chief Executive Officer. The overarching objective of the Code is to ensure that all relevant guidance is provided for employees who are expected to act honestly, responsibly, legally and ethically, both internally and externally, and in the best interests of the Group. No employee is expected to subvert the interests of the Group to his or her own; and no employee is expected to use their positions within Group companies for unfair personal advantage.
2. In every country in which we operate, all personnel are expected to comply with the law, the Code of Conduct and the policies and standards of Volga Gas. Ignorance of the law or of the Code of Conduct is not an acceptable reason for non-compliance and will not be deemed to be a defence in the event of breach. When facing a business decision employees should consider:
 - Is what I am doing legal?
 - Are my actions consistent with the Code of Conduct and any associated Volga Gas policies and standards?
 - Will there be negative consequences for Volga Gas if I carry out this action?
 - Would my family and friends feel embarrassed by this action?
 - Would I prefer to keep this action that I am taking a secret?
 - Would I feel embarrassed if my actions were reported in a newspaper?
 - Would I feel comfortable explaining my actions to the directors and shareholders of Volga Gas?
3. We will not tolerate any incident of bribery or fraud, committed by Volga Gas employees and Associated Persons (being anyone who is engaged or paid to represent any entity in the Group and includes agents, representatives, intermediaries, introducers, sponsors, consultants, contractors and advisers whose ability to represent such entity is established or implied by the terms of their arrangement), either from within or outside the Group, and will take consistent and swift action (including dismissal and legal action), against those persons committing bribery or fraud, irrespective of length of service or position.
4. Volga Gas aims to comply in full with the laws and regulations of those countries in which we operate, and in particular will comply with the UK Bribery Act and such similar laws existing in or applying to other jurisdictions in which we operate.
5. This Policy should be read in conjunction with the Volga Gas Anti-Bribery and Corruption Policy, the Fraud Policy, the Corporate Governance Policy, the Whistle Blowing Policy, and all other Procedures and Controls manuals, these documents set out the necessary bribery and fraud prevention, detection and response processes and controls, which Volga Gas and its business units must implement worldwide to ensure an appropriate bribery and fraud prevention framework is in place.
6. The Code of Business Conduct is a basic guide that is intended to help employees understand that legal and ethical issues arise as part of business life, and explain the mechanisms that are available to report illegal or unethical conduct if it is detected. The Code of Conduct is not intended to be a comprehensive document that addresses every legal or ethical issue or a summary of all laws and policies.
7. The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of employees may only be granted by the Chairman and must be communicated to the Board.



ETHICAL BEHAVIOUR

8. Ethical behaviour is always a matter of spirit and intent, characterized by the qualities of truthfulness and freedom from deception and fraud. Conduct exhibiting these qualities is expected by the Group's employees. Ultimately, it will be a case of good judgement in any given instance. If there is a situation which poses difficulties employees should be available to give consideration and advice on ethical behaviour generally. Employees should be encouraged to raise for consideration any matter of conduct that causes them concern, no matter how small or insignificant it may seem to be.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

9. Employees of Volga Gas must comply with all lawful requirements, both domestic and foreign, applicable to Volga Gas's business in every country in which Volga Gas operates. Ignorance of the law is not, in general, a defence should such laws be contravened. Whenever an employee is in doubt about the application or interpretation of any legal requirement, the employee should refer the matter to his or her supervisor or manager who, if necessary, should seek the advice of the Group Financial Controller or Group Finance Director or General Counsel.
10. The use of the assets of the company for illegal or unlawful purposes is prohibited.

BRIBERY AND CORRUPTION

11. An absolute zero-tolerance approach to bribery and corruption is something that Volga Gas expects its employees and those with whom it does business to adopt.
12. Volga Gas has a responsibility to be pro-active in the fight against bribery and corruption and will implement and periodically review policies and training that will enable us to do so as well as ensure that Volga Gas complies with the strict requirements of the UK Bribery Act 2010.
13. The Code of Conduct describes in detail Volga Gas's policies on:
 - the persons to whom the Code applies, including application to Associated Persons;
 - gifts and hospitality;
 - dealings with public officials;
 - specific areas or situations which may present the risk of bribery and fraud occurring, as ascertained by regular evaluation and assessment, by reference to the countries in which Volga Gas operates, its business operations and business practices; and
 - dealing with specific business issues in a transparent and business ethical manner.
 - the procedures for approval, recording and accounting of payments, gifts and hospitality;
 - the sanctions and penalties that may apply to individuals and/or to Volga Gas in the event of breaches of the rules, including disciplinary sanctions that may be imposed.

ANTI-BRIBERY DUE DILIGENCE PROCEDURE

14. The Board of Directors of Volga Gas is committed to the conduct of business to the highest standards without corruption or bribery in any form wherever Volga Gas operates its business and wherever business is operated by its associates and on its behalf.
15. Before business is conducted, Volga Gas will undertake appropriate risk assessment and due diligence of organisations and individuals who wish to do business with Volga Gas. No element of corruption, bribery or facilitation payment will be tolerated.
16. Our employees receive training and are individually accountable to conduct our business with integrity and to recognise and report issues of concern to the Group Compliance Officer and to undertake our business within a continuing culture of honesty, fairness and legal compliance.



17. On-going business relationships are regularly monitored and reviewed by the Board to ensure Volga Gas continues to work only with those who share our commitment to lawful business without corruption. All Volga Gas business units are required to comply with the standards set out in the Anti-Bribery Due Diligence Procedures.
18. The Anti-Bribery Due Diligence Procedures are designed to ensure that our ethical standards are applied where Volga Gas is doing business through Associated Persons and in connection with transactions entered into by Volga Gas, whether acquisitions, joint ventures, partnerships or other major contracts.
19. The Due Diligence Standards include requirements for:
 - consultation with corporate and business unit legal counsel before engaging an Associated Person, entering into a joint venture or partnership, acquiring a company, business or significant asset, or
 - agreeing to a major contract;
 - the elements of the due diligence process that should be undertaken;
 - the way in which the due diligence process should be documented;
 - the form and substance of the representations or warranties that may be appropriate to address bribery and fraud in any such contract;
 - following implementation of this Policy and periodically thereafter reviews by business units of arrangements with Associated Persons or counterparties;
 - identifying 'Red Flag' issues giving rise to potential bribery or fraud concerns; and
 - specific issues such as entering into success fee arrangements with Associated Persons.

INTEGRITY

Relationship of Volga Gas employees with third parties – gifts and hospitality

20. Gifts and hospitality given or received with the intention of inducing improper performance of an employee's function are not permitted.
21. The relationship between Volga Gas employees with third parties, should at all times be such as to preserve the integrity and reputation of Volga Gas. Any gifts received should be disclosed to Volga Gas and entered into the accounting records as appropriate. Employees may not offer or accept any gifts or entertainment from any person who furnishes or seeks to furnish products or services to Volga Gas through that employee other than gifts or entertainment of modest value that are in accordance with normal and acceptable business practice. "Gifts and entertainment" include things such as tickets to sporting and cultural events, meals, beverages, travel, accommodation, and other goods and services for which the recipient does not pay fair market value. As a general guideline, entertainment and meals are acceptable as long as they are infrequent and within the boundaries of reason and moderation.
22. Each employee must exercise good judgment in determining if a particular gift or entertainment falls within normal and acceptable business practice. Some useful considerations are: (a) could the gift or entertainment be perceived to unfairly influence a business decision? (b) is the gift or entertainment moderate, reasonable and in good taste? (c) would the gift or entertainment stand up to public scrutiny (e.g. would it cause any embarrassment to you, the other party or Volga Gas if you were required to disclose the giving or receiving of the gift in front of other customers, suppliers, employees, family members or other members of the public)? If you have any doubt about the acceptability or legality of any particular gift or entertainment, you should consult your manager.
23. Any offer of hospitality and gifts offered over the value of £100 per head by or to employees of Volga Gas, including payment of any third party's travel expenses, must be notified in accordance



with Volga Gas policy and entered into the Register for Gifts and Hospitality which is maintained by the Group Compliance Officer.

Conflicts of interest

24. Employees should avoid situations in which their personal interests conflict or might conflict with their duties to Group companies. An employee could be considered to be in a conflict of interest situation if he or she had a financial interest, or is a director, partner, officer, employee or agent, of a corporation, partnership or other organization that supplies, is a prospective supplier, does business with a Group company or Group companies, or is a competitor of the Group. A conflict will also arise if an employee of a Group company participates in any activities or acquires any interests that would tend to deprive the employee of the time or attention required to perform his or her duties properly.

Group resources and personal interests

25. The Group has valuable resources both in the form of tangible assets such as materials, equipment and cash, and intangible assets such as computer programs, trade secrets and confidential information. These resources may not be used for personnel gain or otherwise than for the proper advancement of the business of the group. Employees of Group companies will take steps to protect any copyrights of Group companies, or any trademarks and other intellectual property and any customer lists and will respect the property rights of other persons.

Confidentiality

26. Group company employees must protect the group's confidential information as well as that of its customers, suppliers, shareholders, fellow employees, and parties who have disclosed information to Volga Gas in confidence. Such confidential information includes, as a minimum, all of the following, unless specifically excluded under local laws, and any additional data or information that local laws may require:

- pricing and financial data;
- research and development information;
- marketing and sales programs;
- employment records;
- potential contracts or ventures; and
- customer data.

27. It also includes internal correspondence, regulatory reports, and computer passwords or software. Materials that contain confidential information, such as memos, notebooks, computer disks, and so on, must be stored securely and shared only with those persons with a need to know. Employees should be especially careful not to inadvertently disclose confidential information through the ever-growing electronic media, such as e-mail, telephone voice mail or the Internet.

Insider Trading

28. Volga Gas is committed to protecting security holder investments and expects all employees to comply with the applicable reporting obligations and trading restrictions.

29. Insider trading relates to using, disclosing to third parties or passing on privileged and material non-public price-sensitive information with the intent of making profit or avoiding loss particularly with respect to trading publicly listed securities. Many laws and regulation prohibit insider trading and a violation could lead to imposition of criminal sanctions, including fines and, in certain cases, imprisonment.



30. Employees should refrain from trading in Volga Gas securities and the securities of any other company regarding which they have material non-public price-sensitive information during “close periods” as defined under the London Stock Exchange rules. Employees should also avoid disclosing non-public inside information to third parties, including family members and close associates. Internal disclosure of privileged, confidential and non-public inside information should be restricted and only made on confidential and need-to-know basis. Employees should make themselves familiar with the Volga Gas Company Share Dealing Code a copy of which is in the Employee Handbook and available from the Company Secretary and to ensure compliance with the numerous requirements relating to insider trading should not deal in Volga Gas securities without first checking with the Company Secretary or the Chief Executive Officer.

Group documents & records

31. The documents and records (in any form or media) of Group companies are part of the group’s assets, and employees are charged with maintaining their accuracy and safety. Employees are required to use record-management skills by recording information accurately, completely and honestly, and retaining records as long as necessary to meet business objectives and government regulations. As required and directed, all employees are obliged to diligently search their files for any requested records.
32. Financial records must accurately reflect all financial transactions of the group. No false, artificial or misleading entries shall be made in the books and records of the group for any reason.

Commissions & fees

33. Commissions and fees can be made by the company provided they are commensurate with the service performed by the recipient. Any payments that do not meet these criteria should be made with Volga Gas Board approval.

Internal controls and the accounting system

34. All employees must comply with the procedures and controls described in this manual. These procedures and the company’s accounting systems will enable the directors to control the business and to make informed decisions.

Corporate opportunities

35. Employees are prohibited from taking for themselves, personally, opportunities that are discovered through the use of corporate property, information or position. Employees may not use corporate property, information, or position for personal gain, or to compete with Group companies. Employees owe a duty to the group to advance its legitimate interests whenever the opportunity to do so arises.

Fair dealing with suppliers

36. Dealings with the group’s suppliers, competitors and employees and with other persons with whom Group companies do business must be fair. Employees of Group companies should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Public officials

37. Good relations with governments, regulators and public officials are essential to the operation of our business.



38. In the course of our work we frequently interact with government agencies, officials and international agencies and we do so with integrity and the highest standards of personal and professional behaviour at all times.
39. Volga Gas is committed to open and two-way engagement with government and we will co-operate with every legitimate government request for information or co-operation in regulatory investigations while ensuring that appropriate steps are taken to protect confidentiality of the information.
40. We work with governments and local authorities to develop and support projects that benefit the communities associated with our operations. We do not make donations to any political party, political organization, politician or candidate for public office. Gifts to or entertainment of government representatives should be limited, should not breach any laws or compromise any individuals. We ensure that charitable donations are not used as a substitute for political payment.
41. Our dealings with governments, local authorities and their officials must at all times be beyond reproach. We analyse and express the views of Volga Gas on issues that affect our interests and operations.
42. Personnel may participate in the political processes on their own account provided that this work is undertaken outside of working hours (or leave is taken to carry out the duties) and it is made clear that they are not representing Volga Gas in any way.

Accountability for job

43. Employees of group companies are responsible for knowing and executing the responsibilities of their respective jobs. This means that the individual is held accountable for the quality of the work he or she produces and for the accuracy of the applicable documentation. For example, this policy of personal accountability prohibits an employee from signing off on a process or a control without properly performing it, or from representing the work of another employee as his or her own.

RESPECT FOR PEOPLE

Health and Safety

44. Volga Gas seeks to provide each employee with a clean, safe, and healthy place to work. To achieve that goal, all employees must understand the shared responsibilities of abiding by all safety rules and practices, taking the necessary precautions to protect oneself and co-workers, and reporting immediately any unsafe conditions, practices or accidents. The contents of the Employee Handbook must be read, understood and where applicable compliance with the requirements of that Handbook is mandatory.

Conduct in the Workplace

45. Ethical personal conduct on the job means treating oneself and others with respect and fairness. Workplace harassment is any unwelcome or unwanted attention or discriminatory conduct based on an individual's race, creed, religion, national origin, gender, marital status, age disability, or any illegal or inappropriate basis. It can include verbal, nonverbal, or physical abuse. Something that is considered harmless by one individual may be perceived as harassment by another. Employees are expected to conduct themselves in a manner appropriate to the workplace and, to keep all work environments free of harassment. The contents of the Employee Handbook must be read, understood and where applicable compliance with the requirements of that Handbook is mandatory.



Quality policy

46. Achieving the highest level of quality requires employees of Volga Gas to focus on continuous improvement of work activities. This includes enhancing value to internal and external customers through new and improved products and services; reducing errors, defects and waste; improving responsiveness to the customer; and improving productivity and effectiveness in the use of all resources. To this end, all employees are expected to know, understand, and comply with the procedures and controls contained in this Manual.

Reporting a potential violation

47. Each employee is responsible for conducting him or herself according to legal and ethical standards. Employees are required to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. In addition, everyone has a responsibility to report in a timely fashion any violations of this Code of Business Conduct. Any report or allegation of a violation of applicable laws, rules, regulations or this Code need not be signed and may be sent anonymously to any member of management.
48. All reports of violations of this Code, including reports sent anonymously, will be promptly investigated and, if found to be accurate, acted upon in a timely manner. If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our Company's system of internal controls, a copy of the report will be promptly provided to the Audit Committee of the Board of Directors, which may participate in the investigation and resolution of the matter.
49. Questions or concerns about any ethical or legal issue may be raised without concern for disciplinary action as long as they are made in good faith. Employees will not be subject to reprisals for reporting or supplying information about potential violations. The group expects employees to fully cooperate in any investigation of a potential violation. If possible, all such reports will be held in confidence.

DISCIPLINE

50. Failure to comply with this Code may lead to disciplinary action being taken, including termination of employment, unless the failure relates specifically to an act that is excluded by or not included in local laws which would have the effect of making termination legally unenforceable. Managers, Officers and Directors may also be subject to disciplinary action if they condone misconduct or do not demonstrate the appropriate leadership to ensure compliance with the Code. If a concern arises over the conduct of a Director or the CEO in relation to this Code, the Chairman will serve as an independent authority for overseeing the review and disciplinary process of the involved individual.