

GERMAN ORGANICS

Code of Business and Corporate Ethics of the Company

VERSION 1.00

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This Code of Business and Corporate Ethics of German Organics is approved in lieu of the Code of Business Ethics of German Organics in the version of 2010 ceased to be in force.

1. BASIC LANDMARKS AND VALUES OF THE COMPANY

LEADERSHIP

We strive for leadership in all aspects of our business. We plan the future of the Company using the most original ideas and the latest technologies and avoiding damage to the society and the environment.

EFFICIENCY

We achieve our goals and set new ambitious tasks, relying on professionalism, discipline and interaction, ensuring the necessary balance of interests of each employee and the Company as a whole.

GOOD FAITH

We undertake responsibility for everything we say and do. We act consistently and openly with regard to our colleagues, clients and partners; we strictly fulfil our obligations.

SAFETY

Preservation of life and health, ensuring labour safety and environmental protection are our top priorities.

These landmarks and values of the Company require conscious activities and initiative from each employee. The Code of Business and Corporate Ethics defines the unified rules and standards of conduct during the daily operation of the Group's headquarters and companies.

The Code is an internal document binding on every manager and employee of the Company.

Compliance with these rules and standards enables us to remain a team of professionals united by common goals, culture of behaviour and traditions, and also helps to maintain an appropriate level of mutual understanding, both within the Company itself and with business partners and clients.

2. MUTUAL RESPECT, TOLERANCE AND EQUAL OPPORTUNITIES

The Company's employees constitute its main asset. Their high professionalism is the key to the Company's successful operation. That is why the Company strives to create all the necessary conditions for comfortable work and realisation of the potential of each of us.

The Company gives higher priority to the formation of a favourable psychological climate in the labour collective. Confidence is built on mutual respect and tolerance towards each other, regardless of the position, in compliance with the golden rule of morality: "treat another person the way you want to be treated".

The Company creates an atmosphere of mutual respect, where each of us is valued for their professional skills, knowledge and experience, where the conditions are created for the realisation of the creative potential of all employees. The Company strives to ensure that all employees should be distinguished by their commitment to its interests, high professionalism, good faith, desire and ability to work in a team.

The Company takes all personnel decisions in strict compliance with labour laws. The career growth, development and motivation are based on our professional merits and the results of production activities.

In whatever region of Russia and abroad the Company carries out its activities, its interaction with the population, state authorities and public organisations is aimed at achieving an understanding of social, cultural, environmental and economic peculiarities. The company acts in strict compliance with the Social Charter of Russian Business and the Universal Declaration of Human Rights, according to which everyone should have all the rights and freedoms proclaimed in it, without any distinction, regardless of race, skin colour, gender, age, language, religion, political or other beliefs, national or social origin, property, birth or other status.

The Company does not tolerate any form of harassment or discrimination. The Company respects the rights of every employee to collectively represent their interests, including the interests of trade unions, excluding any possibility of an atmosphere which is hostile, humiliating or offensive for human dignity.

3. MANAGEMENT OF THE COMPANY'S INTERESTS AND REPUTATION

Business reputation, authority, further successful and sustainable development of the Company depends on each of us. This should always be remembered when communicating with colleagues, business partners, as well as when placing information in the Internet, interacting with mass media, working with the Company's confidential information and property.

3.1. SOLICITOUS ATTITUDE TO PROPERTY AND ASSETS

The safety of the property owned by the Company and/or belonging to it on other grounds provided for by civil laws is an important component of its sustainable development and welfare. The Company's property includes production equipment, tools, office equipment, consumables, intellectual property and other production facilities used in its daily operation. We have solicitous attitude to the Company's property and assets, ensure their efficient use to achieve results with lower costs. We do not use the Company's property and assets for any purposes other than the intended purposes, as well as for personal purposes or for personal gain.

3.2. KEEPING CONFIDENTIALITY

Information containing commercial secrets, information for official use, personal data and other information about the Company's operation and development largely determine its competitiveness in the market. Disclosure of confidential information can damage the interests and reputation of the Company; therefore it is the responsibility of each of us to protect such information.

We adhere to the following rules when handling confidential information:

- ♣ Confidential information is only used in the performance of official duties and in accordance with applicable corporate procedures.
- ♣ Obligations of non-disclosure of confidential information must be fulfilled even after the completion of employment with the Company (unless there are other agreements between the employee and the Company).
- ♣ Not only corporate intellectual property is subject to careful and respectful treatment, but also information that is the property of partners, access to which we get when working with them. The use of the Company's intellectual property, including innovations developed by its employees, is only possible in the Company's interests.
- ♣ Confidential information may only be worked with by using certified technical information protection means.

3.3. INTERACTION WITH MASS MEDIA AND ACTIVITIES IN THE INFORMATION SPACE

The Company's information policy provides for the placement of all necessary information about its operation in open sources. In particular, this information is publicly available in the official website of the Company germanorganics.com. The website contains information about the Company, its management bodies, financial and annual reports, contact details etc.

Any appeal and/or initiation of an appeal to mass media representatives (Russian and foreign) in the verbal, written, electronic or other form regarding cooperation or exchange of information relating to the Company's operation must be approved by the Company's Press Secretary.

If a representative of any mass medium offers cooperation in a certain form on issues relating to the Company's operation, this must be communicated to the immediate chief and the head of the structural subdivision in charge of public relations.

The Internet provides unique opportunities for communication and information exchange. A reasonable approach to the use of the Internet by the Company's employees requires compliance with a number of rules:

- ♣ Never place work materials and/or information about the Company's activities on the Internet.
- ♣ Do not use corporate mail for personal purposes.
- ♣ Do not place photographs, audio and video recordings from corporate events, workplaces and production facilities of the Company on the Internet.
- ♣ Do not participate in the discussion of the Company's news, decisions of the management or employees, as well as information concerning the Company's business partners and clients.
- ♣ Only make statements, comments, assessments as a representative of the Company when holding the appropriate powers.

Pay attention to the authenticity of information which is published in social networks and comes from other sources. The primary source is the Company's official website.

4. INDUSTRIAL SAFETY, LABOUR SAFETY, HEALTH AND ENVIRONMENT

Industrial safety, labour safety, health and environment are among our top priorities. The Company is committed to providing a safe environment for its employees, partners and the population of the regions in which it operates. The Company makes every effort to prevent industrial accidents, emergencies and fires, and if they occur, to minimise their consequences.

During our operation, we comply with the following mandatory conditions:

- ♣ We undergo the necessary training and receive instructions on compliance with the requirements of labour safety, fire and industrial safety, provision of first aid; we confirm the appropriate qualifications and suitability to work for health reasons;
- ♣ Before starting work, we identify the existence of hazardous and harmful factors, take the necessary measures to prevent possible undesirable events;
- ♣ Before starting work, we identify actions in case of an emergency, fire;
- ♣ We obtain the necessary permits, mark the area of work with signal tapes and/or safety signs;
- ♣ We use individual and collective protective equipment, taking into account the identified hazards and the requirements for the safe performance of work at a facility;
- ♣ We do not allow the presence of unauthorized persons and persons in the state of alcoholic or narcotic (toxic) intoxication;
- ♣ We use serviceable equipment, mechanisms, tools and safety devices suitable for a specific type of work;
- ♣ We intervene in the event that work is performed unsafely, and we must inform the immediate chief about any situation that poses a threat to the life and health of people.

The Company considers human life as the highest value, pays special attention to supporting a healthy lifestyle and protecting health. The entire territory of the Company is prohibited from storing and consuming alcohol and narcotic drugs.

Our high standards for ensuring industrial and fire safety, labour safety and environmental protection are binding on all and any employees, and are also taken into account in relations with partners, including contracting organisations.

5. RELATIONS WITH INTERESTED PARTIES

A partnership that provides for long-term, fruitful, trusting and mutually beneficial relations with shareholders and investors, state authorities, the public and business partners is one of the most important resources for further development ensuring the achievement of the Company's strategic goals. At the same time, shareholders and investors, state authorities, the society and public organisations, business partners, clients and competitors are interested parties external with regard to the Company.

5.1. SHAREHOLDERS AND INVESTORS

The Company equally respects the rights of its shareholders, regardless of the number of shares they hold, maintains an effective dialogue with them, seeks to justify their confidence by fulfilling the declared development commitments and paying dividends. The Company strives to maintain a balance between short-term and long-term financial results of its operation, maintaining high positions in the credit rating and the proper level of securities liquidity. This is ensured, in particular, by the management of industrial, environmental and financial risks, compliance with laws, adherence to the rules and procedures of corporate governance and internal control. By timely publishing reliable information about its operation in a form accessible to shareholders, the Company guarantees the observance of the rights of shareholders and investors.

5.2. STATE AUTHORITIES

Operating in Russia and other countries of the world, the Company constantly interacts with state authorities, building constructive relations with them, guided by the provisions of applicable laws and high standards of corporate and business ethics. This expands the Company's capabilities and facilitates the creation of favourable conditions for business development. The Company complies with all the requirements of the laws relating to carrying out entrepreneurial activities, fully pays taxes and wages, carries out professional management in the field of personnel health, labour safety and environment. The Company does not participate in financing activities of political parties and movements. Employees inform their immediate chief about their intention to become involved in political activities.

5.3. SOCIETY AND PUBLIC ORGANISATIONS

German Organics is a socially responsible company. Building open and transparent business relations with the public in the regions of where it operates is considered to be one of the priorities in its operation.

The Company respects the cultural heritage, traditions, rights of the population and recognises the interests of public organisations in the regions where it operates.

Successful cooperation between the Company and the society has a beneficial effect on the development of territories – new jobs are created, the well-being of the local population is growing, issues of social development are resolved more successfully.

5.4. BUSINESS PARTNERS, CLIENTS AND COMPETITORS

The Company strictly complies with antimonopoly laws, provides potential business partners with open and equal access to the procedures of procurement of goods, works and services, and aims them to form the best offer in terms of quality and price. The Company guarantees equal competitive access to extracted hydrocarbons and their by-products to all clients.

In the process of market research, selection of business partners and conclusion of contracts, the Company pays special attention to ensuring that:

- ♣ A business partner should have a good reputation, sufficient experience, resources and competencies;
- ♣ The price for purchased goods, works, services and other material terms of any transaction should meet the market level;
- ♣ The terms and conditions of a contract should meet all the requirements and regulations of the laws applicable in a certain case;
- ♣ There should be no conflict of interests.

We are convinced that free competition contributes to the efficient satisfaction of the growing demands of business partners, ensures their effective demand for higher quality products at competitive prices.

The Company respects competitors and interacts with them in accordance with generally accepted standards of business ethics, complying with the requirements of the antimonopoly laws of the countries where it operates.

Employees of the Company may take part in the work of the management bodies of legal entities not affiliated with the Company, but only with the respective approval by the respective management bodies of the Company.

6. PREVENTION OF VIOLATIONS OF ACCEPTED RULES AND STANDARDS

In all regions, the Company operates exclusively in accordance with the requirements of laws.

We do not tolerate any form of illegal business conduct, bribery, corruption, trading in securities by using insider information, fraud or money laundering. During the performance of their duties, employees are guided exclusively by the Company's interests.

6.1. PREVENTION OF CORPORATE FRAUD AND CORRUPTION

In its daily operation, the Company is guided by Russian and foreign anticorruption laws, the principles of this Code, the provisions of the Company's policies in the field of combating corporate fraud and involvement in corruption activities, and also confirms its adherence to international standards in the field of combating corruption.

The Company provides for prevention of all types of corporate fraud, distortion of financial statements, corrupt practices, theft, deliberate damage and other abuse in respect of the Company's assets.

Corrupt practices shall mean an offer, giving, promise, extortion or receipt of bribes, mediation in bribery, making payments in order to simplify administrative, bureaucratic and other formalities in any form, including in the form of money, other values, services or providing / receiving unjustified material or non-material benefits from any person / organisation or to any person / organisation, representatives of the state, public authorities, private companies and politicians.

6.2. GIFTS AND OTHER BENEFITS

Gifts, hospitality invitations and the provision of all kinds of services to business partners (or by business partners) can help develop long-term business relations. However, this should not diminish our responsibility and professional requirements for cooperation with potential partners.

When deciding on the possibility to give or receive a particular gift from a business partner, we adhere to the following rules:

- ♣ We do not accept (give) gifts (including in the form of money, securities, precious metals and stones, loans, certificates and gift cards, discounts and services not provided on a general basis), and also do not attend events which may lead to the emergence of obligations;

- ♣ These rules also apply to our close relatives (a spouse, adult and minor children, including adopted children, full and half brothers and sisters, parents and adoptive parents).

6.3. PREVENTION AND RESOLUTION OF CONFLICTS OF INTERESTS

When performing our duties and striving to achieve the highest results, we are guided exclusively by the Company's interests.

A conflict of interest shall mean any situation and circumstance in which the private interests of an employee and his/her close relatives conflict or may conflict with the interests of the Company and thus affect or may affect the proper performance by the employee of his/her duties, including taking decisions in the course of performing his/her functional duties that can lead to harm, violation of rights, legitimate interests, loss of property and/or a decrease in the business reputation of the Company and/or the Group's companies.

We strive to avoid conflicts of interest in the Company. Accordingly, we must not:

- ♣ Hold participatory interests, securities of a business partner or competitor of the Company, attract a loan or a surety from them, be members of their management bodies, act as their agent or representative, have any other financial interest in the results of operation of certain organisations in violation of the requirements prescribed by the Company in respect of these issues;

- ♣ Have close relatives in immediate subordination or participate in their promotion in the Company, in assessing their activities or determining their compensation (including salaries, bonuses and other remunerations);

- ♣ Use official position for personal gain.

In all cases, the situation that has led or may lead to a conflict of interest must be resolved.

6.4. PREVENTION OF USING INSIDER INFORMATION TO RECEIVE PERSONAL BENEFIT

In the course of our work, we often come across information about the Company's operation before this information is publicly disclosed by it. Insider information shall mean accurate and specific information included by the Company on the list of information, the disclosure of which could have a significant impact on the prices for the Company's financial instruments. With this information in our possession, we should not use it for personal gain in the securities market. Besides, we must not share this information with our close relatives or any other persons.

6.5. FINANCIAL REPORTING AND MANAGEMENT ACCOUNTING

The Company is interested in strengthening its reputation as an open and conscientious market player. The Company ensures the completeness, accuracy and reliability of the data reflected in its accounting and reporting in strict compliance with Russian and international laws, as well as the principles and rules prescribed by the provisions of this Code.

The company adheres to certain standards which are primarily intended for employees in charge of maintaining and presenting data in financial reporting and management accounting:

- ♣ Business transactions shall be fully and reliably presented in financial statements and other accounting documents in accordance with the principle of transparency of the Company's operation;

♣ The reliability of maintaining and recording financial information shall be supported by strict adherence to internal control procedures;

♣ Accounting documents shall be stored and used in accordance with the requirements of current regulations and laws.

7. APPLICATION OF THE CODE

7.1. COMPLIANCE WITH THE PROVISIONS OF THE CODE

In our day-to-day business, we comply with the rules and standards prescribed in this Code. The Company's management provides active support and demonstrates commitment to legal and ethical business conduct in accordance with the principles set out in this Code, organises regular information campaigns, appropriate personnel training and other events.

Each employee shall bear responsibility for compliance with ethical standards. The procedure of applying the provisions of this Code is binding on all employees, regardless of their position and standing in the Company, and is prescribed by the Company's internal documents.

7.2. FEEDBACK

If there are any questions about the application of and compliance with the principles, rules and standards set out in the Code, we contact our immediate chief.

Each employee and any interested person who has a question about the application of and compliance with the Code can submit his/her application to e-mail address code@germanorganics.com.

If you doubt the legality of actions of employees or business partners of the Company, you should send a message to sec_hotline@germanorganics.com or call 8 800 500 25 45.

7.3. BUSINESS ETHICS BOARD

The Company's Business Ethics Board is an advisory body. Decisions of the Board relating to the formation of business and corporate ethics, compliance with laws, adherence to the rules and procedures of corporate governance and internal control shall be applied by the management bodies and employees of the Company in their daily activities. The Business Ethics Board acts on the basis of the regulation approved by the Company's Board.

The Board organises the development of the Code (amendments to it), its consideration and discussion by the Company's employees or their representatives.

The Business Ethics Board supports the structural subdivisions and the Group's companies in the application of and compliance with the provisions of the Code, takes decisions and develops recommendations for employees and officials of the Company on its use in the daily life of the Company, and also participates in resolving conflicts of interest which cannot be resolved at the level of separate Group's companies.

8. PROCEDURE OF APPROVAL OF AND INTRODUCTION OF AMENDMENTS TO THE CODE

Each employee can make their suggestions on amending the Code by sending them to e-mail address code@germanorganics.com.

All of them will be accepted for consideration by the Company's Business Ethics Board. After the approval of the Code (amendments to it) by the Business Ethics Board, it/they shall be sent for approval by the Company's Board of Directors. After the entry of the Code into force in accordance with the corporate procedures, its provisions are binding on all employees of the Company.

The text of the Code is placed in the official website of the Company germanorganics.com.