**ANTI-CORRUPTION POLICY**

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1. GENERAL PROVISIONS

1.1. The Regulations reflects the adherence of LLC Newteck Well Service and its Management to high ethical standards for conducting open and honest business to improve the corporate culture, follow best practices of corporate management and support the goodwill of the Company, and also determines the key principles and requirements aimed at corruption prevention and compliance with applicable anticorruption law observed by the Company, employees, and other persons who can act on behalf of the Company.

1.2. Anticorruption measures of the Company are aimed at:

- prevention of corruption, including identification, followed by elimination of the corruption causes (corruption prevention);

- detection, prevention, suppression, disclosure and investigation of corruption offences (combatting corruption);

- minimization and/or liquidation of corruption after-effect (consequences).

1.3. Anticorruption policy of the Company is the basic document that determines the main tasks, principles and areas of anticorruption activity, whose purpose of creation is coordination of the employees operations, when implementing anticorruption measures aimed at prevention, detection and suppression of corrupt practices in the Company.

1.4. All employees of the Company must be guided by the Regulations and strictly abide by the principles and requirements of the Regulations.

1.5. Responsibility for organization and effectiveness of all measures aimed at implementation of the principles and requirements of the Anticorruption Policy, including appointment of the persons responsible for development of anticorruption procedures, their implementing and control, shall lie with Director General.

1.6. Director General shall approve the Regulations, consider and approve he amendments to it, track the general results of implementation and application of Regulations.

1.7. Fundamental regulatory legal act in the field of counting corruption is Federal law as of December 25, 2008 No 273-FZ “On Countering Corruption” (hereinafter, Federal law No 273-ФЗ).

In accordance with Article 13.3 of Federal law No 273-FZ measures on corruption prevention used in the Company can include the following:

1. determination of departments or officials responsible for corruption and other offences prevention;

2. cooperation of the Company with law enforcement authorities;

3. development and practical application of procedures and standards aimed at ensuring fair operations of the Company;

4. acceptance of Code of Ethics and Business Conduct of Employees of the Company;

5. prevention and settlement of the conflict of interests;

6. avoidance of preparing unofficial reporting and use of forgery papers.

7. the Regulations are aimed at implementation of these measures.

2. TERMS AND DEFINITIONS USED IN REGULATIONS

Corruption is the abuse of official position, giving a bribe, acceptance of a bribe, abuse of authority, commercial bribery, or any other illegal use by an individual of his/her official position contrary to the legal interests of the Company and state, with the view to acquire a benefit in the form of money, valuables, other property or monetized services, other proprietary rights for himself/herself or for third parties, or illegal provision of such a benefit to mentioned person by other individuals. Corruption is also the wrongdoing above committed for the account or benefit of a legal entity (clause 1, article 1 Federal law as of December 25, 2008 No 273-FZ “On Countering Corruption”).

Anticorruption Enforcement is the activity of federal state authorities of constituent entities of the Russian Federation, local government, civil society institutions, organizations and individuals within their authority limits (clause 2, article 1, Federal law as of December 25, 2008 No 273-FZ “On Countering Corruption”) :

а) on corruption prevention, including detection of corruption followed by elimination of corruption causes (corruption prevention);

b) detection, prevention, suppression, disclosure, and investigation of corrupt practices (combatting corruption);

c) minimization and/or liquidation of the consequences of corruption offenses.

Corruption Prevention is the activity of the Company aimed at introduction of the elements of corporate culture, organizational structure, rules and procedures regulated by internal regulatory documents, that ensure prevention of corruption offences.

Company - a legal entity, irrespective of the ownership form, business legal structure and industry classification of the Company.

Contractor – any Russian or a foreign legal entity/individual with which the Company enters into contractual relationship, save for labor relations.

Bribery is receiving of money, valuables, other property or in the form of illegal proprietary services, providing other proprietary rights for acts/omissions committed in favor of a bribe giver or the persons represented by the bribe giver, by an official, a foreign official or by an official of international public organization, personally or through an intermediary, in case acts/omissions are a part of an official authorities or in case it can contribute to such acts/omissions by the reason of their official status, as well as for general protection or connivance at work.

Commercial bribery – illegal transfer of money, valuables, other property to the person performing managerial functions in a commercial or another organization, or illegal proprietary services, providing other proprietary rights for acts/omissions committed in favor of a bribe giver in connection with the position occupied by this person (part 1, article 204, Criminal Code of RF).

Conflict of interests – a situation when personal interest (direct or indirect) of the employee (company representative) influences/can influence the proper performance of job duties by the person and when a contradiction arises/can arise between personal interest of the employee (company representative) and the rights and legal interests of the company that can result in a harm inflicted to the rights and legal interests, property and/or business reputation of the company where he works (represents).

Personal interest of the employee (company representative) is the interest of an employee (company representative) related to the possibility of receiving an income in the form of money, valuables, other property or proprietary services, other proprietary rights for himself/herself or for third parties, when he performs job duties.

3. MAIN PRINCIPLES OF ANTICORRUPTION EFFORTS OF THE COMPANY

Systems of measures to fight corruption in the company are based on the following key principles:

1. Principle of compliance of Corporate Policy with current law and generally accepted standards.

Compliance of implemented anticorruption measures with Constitution of the Russian Federation, international contracts signed by the Russian Federation, Russian law and other regulatory legal acts applicable to the Company.

2. Principle of personal example of Management.

The key role of the Company Management involves formation of the culture of corruption intolerance and creation of in-house system of corruption prevention and fighting.

3. Principle of employees’ involvement.

Awareness of the Company employees of anticorruption law provisions and active participation of employees in forming and implementing of anticorruption standards and procedures.

4. Principle of proportionality of anticorruption procedures and risk of corruption.

Development and performance of measures that allow for reducing possibility of involvement of the Company, its managers and employees in corruption practices is completed considering the corruption risks existing in the business activity of this Company.

5. Principle of efficiency of anticorruption procedures.

Use of such anticorruption measures that are low-cost and ensure easiness of implementation in the Company, bringing a considerable result.

6. Principle of responsibility and unavoidability of punishment.

Unavoidability of punishment for the Company employees, regardless of occupied position, employment history and other terms, in case they commit corruption offences related to performance of job duties, as well as personal responsibility of Management of the Company for implementation of in-house anticorruption policy.

7. Principle of business openness and transparency.

Informing contractors, partners and society of anticorruption standards of doing business accepted in the Company.

4. APPLICATION OF REGULATIONS AND PERSONS FALLING WITHIN THE SCOPE

Main people falling within the scope of the Regulations are the employees of the Company who are in labor relationship with the Company, regardless of occupied positions or performed duties. The Regulations will cover the persons performing some work for the Company or providing services under civil law and apprenticeship contracts.

5. ASSIGNING OFFICIALS OF THE COMPANY RESPONSIBLE FOR IMPLEMENTATION OF THE REGULATIONS

The person responsible for fighting and countering corruption in the Company shall be appointed by Director General’s order, based onset tasks, specifics of business activity, staff headcount, organization structure and material resources.

Obligations of the responsible person will include, particularly:

• development of local regulatory acts of the Company, aimed at implementation of corruption prevention measures (anticorruption regulations, code of ethics and business conduct of employees, etc.);

• holding supervisory measures of control, aimed at detecting corruption offences committed by the Company employees;

• organization of assessment of corruption risks;

• acceptance and considering the notices on corruption in the interest or on behalf of another company, and on cases of corruption offences committed by the employees, contractors of the Company or other persons;

• organization of training events on corruption prevention and fighting and individual consulting of employees;

• rendering assistance to authorized representatives of supervisory and law-enforcement bodies, when they audit the Company business activity for corruption prevention and fighting;

• rendering assistance to authorized representatives of law-enforcement bodies, when they hold events on corruption prevention and investigation of corruption offences, including special investigative activities;

• assessment of the results of anticorruption work and preparation of relevant reports for the Management.

6. DETERMINATION AND ASSIGNING DUITES OF THE COMPANY AND EMPLOYEES IN CONNECTION WITH CORRUPTION PREVENTION AND FIGHTING

6.1. Duties of employees in connection with fighting and preventing corruption are general obligations for all employees of the Company.

6.2. General obligations of employees in connection with fighting and preventing corruption are as follows:

• omit to commit and/or participate in corruption offences for the account or benefit of the Company;

• avoid the behavior that can be interpreted by the other as readiness to commit or participate in committing a corruption offense for the account or benefit of the Company;

• immediately inform line manager/supervisor who is responsible for implementing Anticorruption Policy /Management of the Company of the cases of corruption;

• immediately inform line manager/supervisor who is responsible for implementing Anticorruption Policy /Management of the Company of information on corruption by other employees. Company’s contractors or other persons that got known to the employee;

• immediately inform line manager/or another responsible person of likelihood /developed conflict of interests.

6.3. The officials of the Company must form ethical standard of uncompromising attitude to any forms of corruption and corruption practices at all levels, giving personal example and familiarizing the Company employees with anticorruption policy.

6.4. The Company В Обществе establishes the principle of corruption rejection on any form and practices (principle of “zero tolerance”) when doing every day work and strategic projects, including interaction with investors, contractors, representatives of authorities , local government, political parties.

7. LIST OF CONDUCTED ANTICORRUPTION MEASURES

7.1. Regulatory affairs, establishing standards of conduct and declaration on intents:

- development and acceptance of Code of Ethics and Business Conduct of Company Employees;

- development and implementation of Regulations on Conflict of Interests;

- development and acceptance of rules regulating issues of engaging business gifts and hospitality signs;

7.2. training and informing the employees:

- familiarization of employees with normative documents, regulating issues on corruption prevention and fighting in the company;

- training events on corruption prevention and fighting;

- individual consulting for employees on the issues of use (observance) of anticorruption standards and procedures.

7.3. assure compliance of the corporate system of individual control and audit with the requirements of anticorruption policy of the Company:

- Regular control over compliance with internal procedures;

- Regular control over accounting data, availability and accuracy of primary accounting documents;

- Regular control over economic validity of expenditures in spheres with high corruption risk: exchanging business gifts, representation costs, charitable donations, awards for external consultants.

7.4. Involvement of experts:

- Periodical external audits;

- Involvement of external independent experts when doing the business operations of the Company.

7.5. The Company declares that none of employees will be exposed to sanctions (including dismissal, downgrade, deprivation of bonuses, in case he/she informed of the supposed fact of corruption, in accordance with clause 6.2 of these Regulations, or if he/she refused to give a bribe, to commit a commercial bribery or render assistance in bribe taking, even if in case of such refusal the Company incurred, in particular, lost profit or if commercial or competitive advantages were not received.

7.6. The Company requires from its employees to observe the regulations, informing them of the key principles, requirements, and sanctions for violations.The Company arranges for safe, confidential, and available means of informing management («hot electronic line») on the facts of bribery committed by the persons providing services for the account and benefit of a commercial organization. The person responsible for implementation of anticorruption policy can receive proposals on improvement of anticorruption measures and control, as well as requests from employees and third parties via a hot line (stopcrime@newteckws.com).

7.7. In case of doubts in the legality or compliance of his/her actions and also acts/omissions or proposals of other employees, contractors or other persons interacting with the Company with goals, principles and requirements of the Regulations, any employee or another person can inform of that, calling the hot line of the Company (stopcrime@newteckws.com), or his/her line manager/supervisor who, if required, will provide recommendations and clarifications regarding the situation.

7.8. The Company will place this Anticorruption Policy on the corporate website, with free access to it, avow zero tolerance to corruption, greet and encourage observance of the principles and requirements of anticorruption policy by all contractors, its own employees, members of authorities and other persons.

8. RESPONSIBILITY OF EMPLOYEES FOR FAILURE TO OBSERVE THE REGULATIONS REQUIREMENTS

8.1. Director General and all the employees of all business units of the Company, irrespective all occupied positions and jobs, shall bear responsibility for observance of the principles and requirements of anticorruption policy of the Company, as well as for acts/omissions of subordinate persons violating these principles and requirements.

8.2. Responsibilities for corruption practices shall be understood to mean the measures of administrative, criminal and disciplinary responsibility in accordance with Russian law and measures of corporate enforcement actions in accordance with legal acts of the Company.

8.3. The Company can conduct official functional audits for each reasonable suspicion or established fact of corruption within the limits permitted by applicable Russian law.

9. PROCEDURE FOR REVIEW AND AMENDMENTS TO THE REGULATIONS

The Regulations can be reviewed and amended in case of changes in Russian law. Some aspects of the Regulations on Combatting Corruption can be specified by means of amendments and attachments to this act.