



AKKUYU NUCLEAR JSC

ORDER

Moscow

31 July 2015

No. 63

**On approval and enactment of
the Corporate Code of Conduct and
the Regulation on Settlement of Conflict of Interests in
AKKUYU NUCLEAR JOINT STOCK COMPANY**

In order to improve the Company's image, protect its reputation, improve its investment appeal, raise the level of corporate culture and establish a framework to govern one's behaviour in complex ethical situations

IT IS HEREBY ORDERED:

1. To approve and enact:
 - 1.1. the Corporate Code of Conduct (Appendix 1);
 - 1.2. the Regulation on Settlement of Conflict of Interest (Appendix 2);
2. Human Resources Directorate shall bring this Order to the attention of heads of structural units and Company employees against signature.
3. Deputy CEO for Safety and Compliance Mr. A.K. Antropov shall be assigned to follow up this Order.

Acting CEO

/signature/

A.K. Antropov

Drawn up by V.N. Shcherbakov
Tel. 10-89

Appendix No. 1 to Order of
AKKUYU NUCLEAR JOINT STOCK COMPANY
dated 31.07.15 no. 63

CORPORATE CODE OF CONDUCT OF AKKUYU NUCLEAR JOINT STOCK COMPANY

The Corporate Code of Conduct of AKKUYU NUCLEAR JOINT STOCK COMPANY (hereinafter - the Company) is a local Company policy that establishes a set of moral and ethical standards of behaviour and communication (ethical standards) for the Company employees. The Code establishes the Company's corporate values and determines essential rules of business conduct based on such values and approved by the Company.

1. GENERAL PROVISIONS

1.1. Objectives of the Code:

- to improve and protect the Company's reputation (image);
- to improve the Company's investment appeal;
- to establish a framework to govern one's behaviour in complex ethical situations;
- to raise the level of corporate culture.

1.2. The scope of the Code:

- relationships between the Company employees and the Company;
- behaviour within the team;
- relationship between the Company's structural units;
- interaction with investors, partners and competitors;
- interaction with representatives of public authorities and the media;
- giving and receiving gifts and benefits.

The Code was developed on the basis of universally recognized principles and norms of international law, the law of the Republic of Turkey and the Russian Federation, the main local Company policies.

By adopting the Code, the Company confirms its commitment to a high level of corporate culture, undertakes to comply with its provisions, to implement them and to follow them in its daily activities.

The Company employees must be guided in their activities by the principles and rules contained in the Corporate Code of Conduct.

Each Company employee shall commit him/herself to comply with this Code from the time the Code is first brought to their knowledge.

Adoption, amendment of and addenda to the Code shall take place by a Company order.

1.3. Abbreviations used:

Code: the Company's Corporate Code of Conduct.

Coordination Board: the Company's Coordination Board for compliance risks and settlement of conflict of interests

Company: AKKUYU NUCLEAR JOINT STOCK COMPANY.

2. CORPORATE VALUES

The Company's corporate values are:

“One Step Ahead”

“We are always one step ahead in technologies, knowledge and our employees' professionalism. We are able to anticipate the things that will come tomorrow and we are ready for them today. We are constantly developing and learning. Every day we endeavour to be working better than we did yesterday.”

“Responsibility for the End Result”

“Each of us is personally responsible for the end result and the quality of our own work before the state, the industry, the colleagues and the customers. As we work, we set our own bar very high. What matters is the result achieved rather than the efforts made. Successful result is a basis for our new achievements.”

“Efficiency”

“We always find the best solutions for challenges. We are effective in all we do. When pursuing our goals, we make the most efficient use of the Company's resources and constantly improve the workflows. There are no obstacles that may hinder us to find the most effective solution.”

“One Team”

“All of us make up one Rosatom. We have common goals. Working in a team of like-minded people enables us to achieve unique results. Together we are stronger and able to achieve the highest goals. The success of our staff is our Company's success.”

“Respect”

“We respect the partners and suppliers. We always carefully listen to, and hear, each other, regardless of one's position and workplace. We respect our industry's history and traditions. Achievements of the past inspire us to gain new victories.”

“Safety”

“Safety is the highest priority. In our work, we care to ensure complete safety for people and the environment. There are no secondary details in safety. We are aware of safety rules and we follow them. We tolerate no violations of safety rules.”

3. RELATIONSHIP BETWEEN THE COMPANY AND THE EMPLOYEES; HEALTH AND SAFETY MATTERS

The relationship between the employees and the Company are based on trust and mutual understanding.

The Company ensures transparency and openness of staff management, continuously improves management methods, provides the employees with suitable labour conditions, the possibility to improve their qualifications and maximise their potential. The Company also keeps confidential the personal data of its employees.

The remuneration system is based on results and achievements and is intended to facilitate staff recruitment, raise staff motivation and increase staff retention among the employees whose qualification and achievements ensure the fulfilment of the Company's strategic plans.

The Company extends various benefits to its employees, so as to raise the prestige of working for the Company and to provide comfortable and safe working conditions for the employees.

The Company assists young staff members with smooth adaptation to the team, growing their skills and efficiency at work.

Any change in the Company must take into account the need for adaption of each employee to new responsibilities, functions and tasks, as well as to a new team. Every action must be geared towards gaining a high-level efficiency quickly upon implementing the changes.

The Company guarantees that its employees are protected against any forms of discrimination, as defined by the applicable law of the Republic of Turkey and the Russian Federation and the norms of international law. In the implementation of its human resources policy, remuneration policy, benefit policy, the Company exercises strictly no preferences based on nationality, sex, age, etc.

Any Company employee who believes that he/she is not provided with protection against discrimination may seek help by contacting the Coordination Board.

The Company appreciates its employees' professionalism, responsibility, determination, initiative, resourcefulness, modernity, commitment to development, integrity, openness, fairness, and respect for a high level of corporate culture.

The Company treats its employees as equals and builds relationship with them based on long-term cooperation, respect and reliable fulfilment of mutual obligations.

In resolving any problems encountered at work, the Company employees primarily seek to uphold the Company's interests, justice and rules set forth in the Code and in the Company's local policies.

When communicating on business issues, employees are not allowed to exert personal influence, as well as to implement solutions that do not meet the ethical standards.

The Company particularly values teamwork skills; however, this does not relieve the employees from personal liability for violation of the norms stipulated herein.

Cohesion and involvement of the Company employees enables them to resolve problems quickly and at low cost, thus increasing the Company's competitive power and its standing in the business environment.

The basis for the Company's creation, development and effective operation lies in the existence of a broad information environment that allows the Company employees to communicate on business matters and ensures operational efficiency, completeness of exchange and provision of information to each employee. Therefore, enhanced participation of the employees in the information exchange within the Company, personal meeting

attendance and exchange of views on significant matters are encouraged. This exchange is expected to strengthen the Company's corporate culture and to increase Company's performance.

The Company employees are free to settle their workplace problems informally (without documenting their conflicts) if it contributes to enhancing the efficiency.

The Company welcomes various forms of communication between employees - joint implementation of projects, discussion and resolution of current issues, mapping new areas of development, as well as conducting cultural or athletic events jointly.

The Company employees undertake to make reasonable efforts to ensure that their actions do not harm others, to fulfil the requirements of the law of the Republic of Turkey and the Russian Federation, including HSE requirements, and to comply with generally accepted ethical standards.

The Company does not welcome appointment, to any position level, of persons that are close relatives or connections (parents, spouses, children, brothers, sisters and children of spouses), if one of them is directly subordinated to, or controlled by, another, or if such employees are members of other companies governing bodies, unless otherwise agreed with the Company CEO. The Company employees must inform the Company CEO about their membership in the governing bodies of other companies when they take up their employment (continue as the Company employees).

4. RELATIONSHIPS WITH INVESTORS AND COUNTERPARTIES

The Company's external relationships are built on the basis of principles of mutual respect, openness, commitment and responsibility.

The Company is interested in building and developing sound business relations with its investors, partners and competitors. A vital part of such interaction is committed and reliable performance of one's obligations. The Company is after establishing long-term and effective cooperation with its partners, customers and investors.

The Company values its reputation and image.

In all areas of its activity, the Company is committed to partnership, to fair, free and open competition.

In order to create a smooth business environment, to ensure that the Company receives timely supplies of required goods at appropriate price and of adequate quality and reliability, to ensure that the Company uses its procurement funds efficiently and to prevent corruption and other abuses, the Company selects its contractors in accordance with Rosatom State Corporation Uniform Industry Procurement Standard (Procurement Regulation) (hereinafter: the Standard).

The Company is committed to doing business with partners who have an impeccable reputation and follow the international law and generally accepted standards of corporate ethics.

The Company endeavours to follow the principles set forth herein and to have the entities within the Company perimeter adopt this Code.

5. RELATIONSHIP WITH THE STATE AND THE MEDIA

Interaction with the state and the community is a special focus for the Company.

The Company pays attention to both the economic and the social aspects of its activities.

The Company's charitable activity supports a revival of the nation's spiritual and cultural values, various cultural, scientific and educational projects, advancement of science and technology, promotion of healthy lifestyle.

The Company is not involved in political activity and does not finance political organisations. The Company is sponsoring various NGOs in accordance with the policy approved by the Company's governing bodies and as part of charity programmes.

The Company employees may engage in public, religious or political activities.

The Company constantly interacts with the media and follows the principles of openness and transparency. The Company's media contacts are exercised through the Company's special unit in charge of its information policy.

Only the Company CEO and his/her deputies or their authorised representatives are entitled to speak in public before the media or at events attended by the media. The Company employees who do not have such powers must avoid making any representations or statements which may be interpreted as the Company's official position. Unauthorised submission of information and documents to the media is a violation of corporate ethics and entails risks of damaging the Company's reputation.

6. GIFTS

A gift is any valuable item in tangible or intangible form received without an obligation to pay its regular price. Gifts include cash, securities and other property, valuable benefits and services (works, services, entertainment, recreation, transport costs, loans, discounts, property lease, including housing, charitable contributions, etc.) received in connection with one's employment at the Company.

Gifts received by employees may arouse a negative reaction on the part of other employees or other persons (including the shareholder, the counterparties, the state and the public authorities, etc.) even if such employee and the party who gives the gift both act reasonably and in good faith.

The Company sets a limit to gifts that may be accepted. Receiving cash gifts in any form is strictly prohibited, regardless of the amount.

The Company employees are not allowed to accept any third parties' gifts:

- for any actions (omissions) related to their work at the Company;
- worth over \$ 50 or its equivalent in another currency;
- in the form of cash or cash equivalents.

When presenting gifts, the Company employees shall endeavour to use the Company corporate merchandise whenever possible.

Restrictions on acceptance of gifts set forth herein do not apply to apparent family relationships between an employee and the gift giver (gifts presented by an employee's parents, children, spouse) or other close personal relations that do not depend on one's work

at the Company, nor do such restrictions apply to gifts in the form of corporate merchandise: pens, notebooks, diaries, etc.

Any prohibited gifts must be rejected. If rejecting a gift is not advisable due to business practices, such gift is to be accepted and the Coordination Board must be immediately notified about it and asked to determine its future.

If in doubt as to whether a gift is acceptable or as to other matters related to gift handling, the employee must seek advice in the manner specified in Article 10 hereof.

7. CONFLICT OF INTERESTS

Conflict of interests is a situation in which the employee's personal interest affects or may affect impartial and objective performance of his/her duties, and in which there is or may be a discrepancy between the employee's personal interest and the Company's legitimate interests that may cause damage to the Company.

The Company employees must avoid having a conflict of interests.

If a conflict of interests exists and cannot be eliminated, the Company interests have priority.

Should a conflict of interests arise, employees must inform their immediate supervisor; if required, they are to inform the Coordination Board, which is the authority in charge of matters of business ethics.

Conflict situations are to be resolved by the Coordination Board; if required, they are to be resolved by the Company CEO.

Conflicts of interests shall be resolved by upholding the principles of professionalism, transparency, fairness and integrity.

No interested party transaction entails a conflict of interests if it has been duly approved by the Company's governing bodies (Board of Directors/Supervisory Board, General Meeting of Shareholders/Members) as an interested party transaction.

8. ANTICORRUPTION ACTIVITIES

Corruption herein means abuse of one's official position, bribery, bribe-taking, abuse of powers, commercial bribery or other illegal use by an individual of his/her official position contrary to the legitimate interests of the Company and the state in order to obtain benefits in the form of money, valuables, other property or valuable services, other property rights for him/herself or for third parties, or illegal provision of such benefits to the said person by other individuals.

The Company has established and maintains an attitude of zero tolerance towards corruption.

The Company employees follow the requirements and limitations set forth in accordance with the international anticorruption law.

When facing any solicitation to commit corruption offenses, the Company employees must report it to their immediate superior, to the Coordination Board and to Security and Compliance Division.

9. IMPLEMENTATION OF THIS CODE

The Coordination Board shall be in charge of the follow-up activities and of monitoring compliance with this Code.

Members of the Coordination Board and its Chairman shall be appointed in accordance with the Statute of the Coordination Board for Compliance Risks and Settlement of Conflict of Interests, approved by a Company order.

The Coordination Board, on the basis of incoming appeals, shall take action in order to:

- clarify to employees the provisions hereof and the procedure of their implementation;
- prevent or eliminate a conflict of interests.

If it be impossible to remove a conflict of interest, the Coordination Board shall endeavour to mitigate such conflict of interest and (or) its consequences and to ensure that the Company's interests are not damaged in the event of such a conflict.

The Company employees may address the Coordination Board by forwarding a written message in the manner prescribed by the Company's local policies.

The Coordination Board shall adopt its resolutions at meetings held by personal attendance or by correspondence. Resolutions shall be made in writing and shall be passed by a simple majority vote of the attending members. Coordination Board resolutions shall be included in the text of the Coordination Board meeting records.

If a Coordination Board member protests a resolution even after it has been passed, the matter may be referred to the Company CEO.

The Company guarantees that no employee who reports a violation of this Code will have his/her identity disclosed or have his/her career adversely affected thereby.

10. COMPLIANCE

All Company employees, regardless of their position, are required strictly to follow the norms and requirements set forth in this Code.

The Company employees must render all assistance to investigation of violations of ethical standards and provide materials and documents necessary to conduct such inquiries.

Retaliation to any Company employee who reports a violation of this Code shall be deemed a violation hereof.

11. LIABILITY FOR BREACHING THIS CODE

The Company employees' compliance with this Code is an important part of comprehensive and objective assessment of their personal and professional skills.

Any Company employee who is critiqued by their colleagues because of an alleged violation of business ethics is entitled to request an objective internal inquiry into their

violations of this Code. At the request of such employee or if so determined by their immediate supervisor, such investigation may be carried out confidentially.

In the event of an offense that undermines the Company's and the employee's own reputation, the Company CEO may request a reconsideration of whether such employee is fit for their position, may forward his/her opinion to the appropriate manager in order to initiate a disciplinary action and forward his/her opinion to the Attestation Committee in order to have it filed with other materials to be reviewed at such employee's next scheduled performance assessment.

Corporate culture and relationship ethics are a priority and a responsibility of each Company employee, to an equal extent.

Violations of this Code are deemed actions incompatible with the status of the Company employee.

Appendix No. 2 to Order of
AKKUYU NUCLEAR JOINT STOCK COMPANY
dated 31.07.15 no. 63

REGULATION ON SETTLEMENT OF CONFLICTS OF INTERESTS AT AKKUYU NUCLEAR JOINT STOCK COMPANY

1. GENERAL PROVISIONS

1.1. This Regulation was developed in accordance with the current law of the Republic of Turkey and the Russian Federation, the Company's Articles of Association and local policies of AKKUYU NUCLEAR JOINT STOCK COMPANY (hereinafter: the Company).

1.2. This Regulation sets forth the procedures for prevention and settlement of corporate conflicts, timely detection and prevention of conflicts of interests and effective coordination of all concerned parties in the event of an actual or potential conflict of interests.

1.3. The Regulation is approved by a Company order.

2. TERMS AND ABBREVIATIONS

Conflict of interests: a situation in which the employee's personal interest affects or may affect impartial and objective performance of his/her duties, and in which there is or may be a discrepancy between the employee's personal interest and the Company's legitimate interests that may cause damage to the Company.

Coordination Board: the Company's Coordination Board for Compliance Risks and Settlement of Conflict of Interests.

Corporate behaviour: behaviour of a party involved in a process that follows the principles and standards set forth by the Company's local policies.

Corporate conflict: a discrepancy between two or more parties involved in a process, if such discrepancy concerns the parties' corporate behaviour (subject matter of the conflict).

Company: AKKUYU NUCLEAR JOINT STOCK COMPANY.

Regulation: Regulation on Settlement of Conflicts of Interests at the Company.

Subject matter of conflict: corporate behaviour (including lack of action) of one or more parties which causes real or apparent damage to another party (parties) involved in the same process.

Principles and standards of corporate ethics: principles and standards enshrined in the norms of law of the Republic of Turkey and the Russian Federation and the Company's local policies.

Professional mediator: an independent entity who helps several participants involved in a process to come to agreement.

Result of settlement of corporate conflict: agreement signed by the parties to a dispute and by a professional mediator, if necessary.

Agreement: a document containing the following details:

- date and place of execution (for each party);
- name(s) of the parties to the dispute and their professional mediator;
- description of the subject matter of the dispute and the agreement;
- description of the parties' agreement, including their mutual obligations and control procedures;
- statement of the parties' satisfaction with the outcome of the procedure.

Parties to corporate conflict: participants involved in a process who consider themselves interested in the subject matter of the conflict and acknowledge both their interest and their discrepancy with the other parties.

Participants involved in a process: the Company employees, the Company, the governing bodies, counterparties.

3. OBJECTIVES AND GOALS

3.1. Identification of causes of corporate conflicts and conflicts of interests.

3.1.1. Conflicts of interests may arise between the Company and its employees as a result of:

- breaches of requirements of the law and the Company's local policies;
- failure to comply with the norms of business communication and principles of corporate ethics;
- existing financial interests in another company with which the Company maintains business relations;
- a manager's or officer's part-time employment in another company or membership in its governing bodies;
- providing business opportunities to other companies to the detriment of the Company's interests because of personal interests.

3.1.2. Conflicts of interests that may arise between the Company's governing bodies, employees and counterparties as a result of:

- failure to comply with the law, the Company's constituent documents and internal policies;
- failure to uphold the priority of the Company's interests over those of the Company's counterparties;
- failure to comply with the norms of business communication and principles of corporate ethics;
- the Company's or and its counterparties' default on contractual obligations.

3.1.3. Conflicts of interests may arise between the Company and its employees as a result of:

- breaches of requirements of the law and the Company's internal policies;
- failure to comply with the norms of business communication and principles of corporate ethics;

- existing financial interests in another company with which the Company maintains business relations;

- a manager's or officer's part-time employment in another company or membership in its governing bodies;

- providing business opportunities to other companies to the detriment of the Company's interests because of personal interests.

3.2. Conflicts of interests may arise between the Company's governing bodies, employees and counterparties as a result of:

- failure to comply with the law, the Company's constituent documents and internal policies;

- failure to uphold the priority of the Company's interests over those of the Company's counterparties;

- failure to comply with the norms of business communication and principles of corporate ethics;

- the Company's or and its counterparties' default on contractual obligations.

3.2. Prevention of corporate conflicts and conflicts of interests.

3.2.1. In order to prevent corporate conflicts and conflicts of interests, the Company's governing bodies and employees must:

- comply with statutory and regulatory requirements, the Company's Articles of Association and local policies;

- refrain from actions and decisions that may lead to conflict situations;

- prevent having the Company's involved in unlawful activity;

- ensure the highest possible performance in one's professional activity;

- carry out internal and external control in accordance with the Company's Articles of Association and local policies;

- have Security and Compliance Division check the terms and conditions of the Company's transactions;

- ensure compliance with the procedure of making transactions as provided for in the applicable law and regulatory enactments;

- disclose information about the Company's activities in accordance with the applicable law;

- ensure accuracy of accounting statements and other published information provided to counterparties, regulatory and supervisory authorities, as well as other parties concerned;

- develop and improve methods of preventing private use of the Company's information by persons that have access to such information;

- timely evaluate the reliability and objectivity of negative information about the Company that appears in the media and other sources and timely respond to each instance when such information comes up;

- participate in identification of risks and deficiencies of the Company's system of internal control.

3.2.2 In order to prevent conflicts of interests between the Company and its employees in the performance of their official duties, the employees must:

- observe the norms of business communication and principles of corporate ethics;

– promptly inform their supervisor about any circumstances that may cause a conflict situation;

– inform their supervisor about taking up a part-time job in another company while keeping a job in the Company, by the first day of such part-time job.

3.3. Settlement of corporate conflicts and conflicts of interests.

3.3.1. In order to enhance the efficiency of preventing and settling corporate conflicts and conflicts of interests, the Company seeks to create mechanisms for their timely and complete detection and for smooth coordination of all interested parties' actions that intend to resolve such conflicts.

3.3.2. In order to settle the conflicts, the Company's governing bodies and employees shall perform procedures that lead to finding a mutually acceptable solution that is both lawful and reasonable and that is to the Company's benefit.

3.3.3. The Coordination Board shall be in charge of identifying and resolving conflicts and shall function as a coordinating entity in this respect. Company unit managers shall carry out a preliminary assessment of a conflict, prepare an internal memo on the essence of the matter and submit it to the Coordination Board.

3.3.4. Any Company employee who receives information about a conflict situation from the Company's counterparties or from other sources must immediately inform his/her supervisor. If a conflict cannot be settled within the structural unit, the unit manager must, within one working day, submit to the Coordination Board information about the conflict, about its causes and the action taken. The Coordination Board will make every effort to settle the conflict.

4. COMPLIANCE

4.1. This Regulation must be followed by all Company employees.

4.2. Each Company employee shall commit him/herself to comply with this Regulation from the time the Regulation is first brought to their knowledge.

5. FINAL PROVISIONS

5.1. If investigations made in relation to a conflict reveal that amendments of the Company's existing internal documents are to be developed or introduced, the CEO shall determine whether a document must be prepared or appropriate amendments introduced.

5.2. The above list of actions is not exhaustive. In each specific case, other forms of conflict settlement of may be used (applied), depending on the specific situation and the suitability of actions taken for the objective of conflict resolution.