



РОСНЕФТЬ

OIL COMPANY

OPEN JOINT STOCK COMPANY

APPROVED

By Order № 215 dated April 28, 2008

Put into force on April 28, 2008

COMPANY'S POLICY

**IN THE AREA OF ENSURING UNIFORMITY OF MEASUREMENT AND
QUALITY CONTROL**

№ P4-04

VERSION 1.00

(as amended by Rosneft's Order № 525 dated 07.11.2013)

**MOSCOW
2008**

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INTRODUCTORY PROVISIONS

INTRODUCTION

THE COMPANY'S POLICY P4-04 IN THE AREA OF ENSURING UNIFORMITY OF MEASUREMENT AND QUALITY CONTROL (hereinafter – the “**POLICY**”) shall be a fundamental document in the area of ensuring uniformity of measurement, safety and quality control at all production stages (production, pretreatment, processing, sale).

This **POLICY** shall set objectives and tasks of the Company and key ways of their achievement, as well as main risks associated with the business area “Provision of uniformity of measurement and quality control”.

OBJECTIVES

This **POLICY** was elaborated for the purpose to formalize and to describe the Company's objectives and principle ways of their achievement, as well as main risks associated with the business area “Provision of uniformity of measurement and quality control” and actions undertaken to manage them.

TASKS

This **POLICY** shall ensure:

- conformance of the Company's activity in the area of ensuring uniformity of measurement and quality control to legislative and other requirements;
- conformance of the Company's activity in the area of ensuring uniformity of measurement and quality control to the nature and scales of projects, implemented by the Company and related risks;
- continuous improvement and optimization of business-processes, management system and management structure in the area of ensuring uniformity of measurement and quality control, aimed at improvement of the quality of performed works;
- the unified terminology in formalization of the business area “Provision of uniformity of measurement and quality control”.

AREA OF APPLICATION

This **POLICY** shall cover all employees of organization departments of Rosneft and its subsidiaries.

Requirements of this **POLICY** shall become binding for execution in subsidiaries after their approval in subsidiaries in accordance with their Charters and procedures.

Organization, order and local regulatory documents of the Company shall not conflict with this **POLICY**.

EFFECTIVE PERIOD AND AMENDMENT PROCEDURE

This **POLICY** shall be a permanent local regulatory document.

This **POLICY** shall be put into force by Rosneft's Order.

This **POLICY** shall be recognized as ceased to be in force in Rosneft on the basis of Rosneft's order.

Amendments to this **POLICY** shall be introduced by Rosneft's order.

Introduction of amendments to this **POLICY** shall be initiated by: senior managers of the Company, the Department of Industrial Automation, Metrology and Quality Control of Rosneft, SBY of Rosneft by agreement with the Department of Industrial Automation, Metrology and Quality Control of Rosneft.

Amendments to this **POLICY** shall be introduced in the following cases: changes in the legislation of the Russian Federation, changes in the organizational structure or powers of Rosneft's managers.

Control over implementation of this **POLICY** shall be carried out by the top manager of Rosneft, responsible for information technologies.

Responsibility for updating this **POLICY** shall be imposed on the Director of the Department of Industrial Automation, Metrology and Quality Control.

1 TERMS AND DEFINITIONS

QUALITY MANAGEMENT SYSTEM – a set of processes, rules (procedures), organization structure and resources, required for introduction and achievement of the Company’s policy and objectives with regard to the quality in the established areas of activity.

BUSINESS - PROCESS – a set of interrelated and interacting activities which convert inputs to results.

Note

1. *Process inputs are usually outputs of other processes.*
 2. *In a company processes are usually planned and implemented in managed conditions for the purpose to add value.*
- Terms “business process” and “process” shall have the same meaning.*

BUSINESS-AREA (AREA OF ACTIVITY) – a set of interconnected business - processes and their results, united by certain characteristics (achievement of a certain intermediary result of business activity, use of resources, geographic feature, etc.) for the purpose to enhance effectiveness of management.

RISKS – a probability of occurring events influencing on set objectives (result).

STATE METROLOGICAL SERVICE – a service subordinated to the Federal Agency for Technical Regulation and Metrology of the Russian Federation (Rostekhnregulirovanie) and including: state scientific metrological centers; bodies of the State Metrological Service in territories of republics of the Russian Federation, autonomous area, regions, districts, cities of Moscow and St. Petersburg.

APPROVAL OF MEASURING INSTRUMENTS (ENTRY INTO STATE REGISTER OF MI) – a decision (made by a competent state authority) on recognition of a measuring instrument as legitimized for use thereof on the basis of results of their testing by the state scientific metrological center or by any other specialized organization accredited by Rostekhnregulirovanie.

UNIFORMITY OF MEASUREMENT – the state of measurements, when their results are expressed in legal units, the sizes of which in established limits are equal to sizes of units, reproduced by primary standards, and errors of results of measures are known and with the set probability do not exceed established limits.

METROLOGICAL CONTROL AND SUPERVISION – activities, carried out by a body of the state metrological service (state metrological control and supervision) or by the metrological service of a legal entity to control observance of established metrological rules and norms.

STANDARD MEASUREMENT UNIT – a measuring tool (or a set of measuring tools), which serves for reproduction and (or) storage of a unit and transfer of its size to low-level measuring tools according to the calibration scheme and approved in the established procedure to be a standard.

MEASURING METHOD (MM) – a set of operations and rules, implementation of which ensures obtainment of results of measurements with a specified error (uncertainty).

REGULATORY DOCUMENTS (RD) – ensuring uniformity of measurements, quality control – national, branch and corporate (organizations’) standards, applied in the established procedure, international (regional) standards, rules, regulations, instructions, recommendations and MM.

LOCAL REGULATORY DOCUMENT (LRD) – a regulatory document, which for the purpose of multiple-use establishes requirements to processes (characteristics, rules of implementation, etc.) and results (characteristics, etc.) of business activity.

REGULATORY LEGAL DOCUMENT – a regulatory legal document, approved by a ministry or a department of the Russian Federation, establishing rules of a long effect, binding or recommended to organization departments and / or employees of the Company, or establishing requirements to products or services of the Company (GOST R, OST, Methodical Guidelines or Recommendations, etc.).

CHECKING OF MEASURING TOOLS – establishment by a body of the state metrological service (or any other officially authorized body, organization) of suitability of a measuring tool for use on the basis of experimentally measured metrological characteristics and conformation of their conformity to established mandatory requirements.

CALIBRATION OF MEASURING TOOLS – a set of operations, establishing a correlation between the amount of value obtained using a relevant measuring tool and a relevant amount of value determined using the standard for determination of actual metrological characteristics of this measuring tool.

ACCREDITATION – official recognition by an accrediting agency of competence of an individual or a legal entity to perform works in a certain area of conformance evaluation.

METROLOGICAL EXAMINATION – analysis and evaluation of technical solutions on selection of parameters to be measured, establishment of precision standards and provision with measuring methods and tools.

STANDARTIZATION – activity for establishment of rules and characteristics for their voluntary multiple-use, aimed to achieve order in spheres of production and product circulation and increasing competitiveness of products, works or services.

CERTIFICATION – a form of conformation performed by a certification agency with regard to objects for their conformity to requirements of technical regulations, provisions, standards, sets of rules or conditions of contracts.

QUALITY – a degree of conformity of a set of inherent characteristics with requirements.

TESTING LABORATORY (TL) – a testing (measuring) laboratory carrying out checking (calibration) of MT or measuring the composition and physical chemistry properties of substances, materials, environmental objects and testing products for their composition physical chemistry properties.

INTERLABORATORY COMPARATIVE TESTING (ICT) – organization, conduct and evaluation of testing (measurements) of one and the same or similar objects by two or more laboratories in accordance with prescribed conditions.

LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS) – a systems, which serves for automation of internal business-of processes of laboratories (collection, processing, accumulating,

storage and reflection of data on quality), integration of data on quality in a single information space, ensuring interaction of laboratories with other divisions.

METROLOGICAL SUPPORT (MS) – activities, aimed at establishment and application of scientific, legal, organization and technical frameworks, rules, norms and facilities for achievement of the set measurement uniformity level, including current measures for technical maintenance, repair, calibration, checking, graduation, testing of MT.

2 SYMBOLS AND ABBREVIATIONS

COMPANY – Rosneft, subsidiaries of Rosneft, subsidiaries of Rosneft’s subsidiaries.

SBY – subsidiaries of Rosneft, subsidiaries of Rosneft’s subsidiaries.

SENIOR MANAGERS OF THE COMPANY – Chairman of the Board of Directors of Rosneft, Management Board of Rosneft, President of Rosneft, First Vice - Presidents of Rosneft, Vice - Presidents of Rosneft in areas of activity, General Director of Rosneft’s SBY, Deputy General Directors of SBY.

METROLOGICAL SERVICE (MS) – an organization department of Rosneft, SBY or any other organization structure of SBY, which in their activities are aimed to ensure uniformity of measurement, tasks, rights and obligations provided in the “Regulations on Metrological Service”, rights and obligations of which are determined in the “Regulations on Metrological Service”, introduced under a local order document.

METROLOGICAL SERVICE of ROSNEFT – Division for Metrological Support and Quality Control of Department of Industrial Automation, Metrology and Quality Control.

MT – measuring tools.

TM – technical maintenance.

TS – technical specifications.

CMC – control of metrological characteristics.

DIAM&QCR – Department of Industrial Automation, Metrology and Quality Control Rosneft.

DMS&QC – Division of Metrological Support and Quality Control of DIAM@QCR.

ROSTEKHREGULIROVANIE – Federal Agency for Technical Regulation and Metrology of the Russian Federation.

3 KEY RISKS OF BUSINESS AREA "ENSURING UNIFORMITY OF MEASUREMENT AND QUALITY CONTROL"

This **POLICY** is aimed at determination and centralized management of the Company's risks in the area of ensuring uniformity of measurement and quality control.

Key types of risks are specified in Table 1:

Table 1 – Risk management on business area "Provision of uniformity of measurement and quality control"

№	RISK	RISK MEASUREMENT INDICATOR	CORRECTIVE AND PREVENTIVE ACTIONS
1	2	3	4
1.	Non-fulfillment of legal requirements on measurement (accounting) and quality control of produced and consumed energy resources	% non-conformities/year	Carrying out a unified technical policy in the area of measurements and quality control. Implementation of corporate target programs and plans of SBY for improvement of systems for measurement of quantity and indicators of quality of material flows throughout the whole processing chain.
2.	Poor accuracy of measurements of quantity and quality indicators in commercial and administrative accounting of oil, gas, oil products and other energy resources	Number of claims/non-conformities	Maintenance of metrological control and supervision in SBY. Application of measuring tools and systems entered into the State Register of MT. Elaboration of measurement methods. Planning, timely re-distribution of funds in SBY and adjustment of the financing plan.
3.	Human factor	Number of detected deviations	Creation of MT and product quality control services (responsible for quality) in SBY. Centralized management and performance of works in the business area. Training and attestation of employees. Metrological control and supervision, application of administrative or material penalties for willful violations of metrological rules and norms. Ensuring "transparency" of technological of processes (reduction of a number of manual measurements), automation of measurements processes. Elaboration and introduction of LIMS.
4.	Changes in state requirements to measurements, accounting and quality of products and organization of quality control	Number of remarks to documents /year	Timely obtainment of data on elaboration and updating of technical regulations and national standards. Interaction with the Ministry for Industry and Power Engineering of the Russian Federation, Rostekhnadzor, Gosenergonadzor, Transport Inspection and other state bodies. Protection of the Company's interests and influence on the process at the stage of elaboration of drafts laws and regulatory documents. Initiation of correction of current regulatory documents.

№	RISK	RISK MEASUREMENT INDICATOR	CORRECTIVE AND PREVENTIVE ACTIONS
1	2	3	4
5.	"Metrological calculation" (lack of contractual, project and normative documentation and their metrological examination)	Number of documents, passed metrological examination/year	<p>Control of projects.</p> <p>Carrying out of metrological examination of contracts for supply of energy resources. Elaboration by SBY of technical requirements (before tender) for created systems for measurements of products, testing and analytical equipment, laboratories, and expertise.</p> <p>Metrological expertise of TS and project documentation involving bodies of Rostekhregulirovanie.</p> <p>Timely elaboration of required regulatory documents.</p> <p>Standardization of measuring methods and tools (testing).</p>
6.	"Metrological failure / metrological reliability"	Number of failures/year	<p>Use of unified officially accepted technical solutions.</p> <p>Control of supplies, use of suppliers' equipment, having best statistics on metrological failures.</p> <p>Organization of duplication of key measurements for timely exclusion of metrological failures and ensuring uninterrupted operation.</p> <p>Metrological support of production activity, development of a reference data base, timely planning of an exchange fund, implementation of procedures of CMC, checking, calibration, repair, TM of measuring tools and testing.</p>
7.	Lack / excess of quality of products (release of below-standard products, or products with unfounded quality reserve)	Correlation between a number of satisfactory results and of ICT and total quantity of TL, %	<p>Certification of products.</p> <p>Management of quality of results testing, introduction of TL quality management systems.</p> <p>Accreditation of TL.</p> <p>Confirmation of competence of TL, conduct of ICT.</p> <p>Control of provision of laboratories with RD, methods, measuring tools, testing equipment, standard samples, qualified personnel.</p>

4 POLICY BASIC PROVISIONS

The primary strategic objective in the area of ensuring uniformity of measurement and quality control shall be ensuring effective activity of the Company meeting requirements of the Russian legislation and consumers with regard to the quality and quantity of products, through:

- mandatory fulfillment of the Russian laws, subordinate laws and provisions, license agreements and national standards with regard to organization of measurements, accounting of products, control of quality, enhancement of industrial safety and use of subsoil;
- enhancement of operating efficiency, rational organization of metrological support and development of the quality control system on the basis of reliable and legitimate results of measurements at all production stages;
- ensuring an acceptable level of expenses in a business area, enabling the Company to derive steady profit through introduction and implementation of managerial technologies, ensuring precision of measurements, including of measurements of parameters, influencing on the quality of products and production effectiveness;
- enhancement of the scientific and technical level of production, including processes of measurements, control and testing of products, safety, reliability, competitiveness of products.

A methodological basis of **THE COMPANY'S POLICY P4-04 IN THE AREA OF ENSURING UNIFORMITY OF MEASUREMENT AND QUALITY CONTROL** shall be formed of requirements of the Laws "On technical regulation", "On ensuring uniformity of measurements", "On energy saving", "On licensing of individual types of activity", fundamental standards in the area of ensuring uniformity of measurement and quality control, international standards GOST R ISO 9001:2001 "Quality management systems. Requirements" and GOST R ISO 9000:2001 "Quality management systems. Key provisions and glossary", recommendations on inter-state standardization ISR 29-99 "Metrology. Key terms and definitions", methodical guidelines of ministries and departments of the Russian Federation.

THE COMPANY'S POLICY P4-04 IN THE AREA OF ENSURING UNIFORMITY OF MEASUREMENT AND QUALITY CONTROL shall be implemented in accordance with the legislation of the Russian Federation.

The Company's Policy in the area of ensuring uniformity of measurement and quality control shall set the following overall objectives and tasks:

- observance of the legislation in the area of measurements and identification of properties of products, characterizing their quality;
- a comprehensive approach to the systems ensuring uniformity of measurement and quality control;
- rationality of using resources in the Company, improvement accuracy, reliability, effectiveness of technological production processes, processes of measurement, control and testing products;
- reduction of risks of increasing technological losses, formation of deficiencies (surpluses) and release of poor quality products improving accuracy of measurements;
- enhancement of reliability of accounting operations of fuel and raw material flows through improving accuracy of measurements, minimizing influence of the "human factor" on results of measurements (testing);
- registration of results of measurements of quantity and quality of products and characteristics of technological processes, their storage in accordance with legal requirements and / or concluded contracts.
- reduction of risks of failure of technological processes and occurrence of emergency situations due to inaccuracy (lack) of measurements of technological parameters;

- establishment and maintenance in the Company of the effective management system in the area of uniformity of measurement and quality control, ensuring planning of operating and capital investments, control of pricing, solution of the Company's most important tasks in the area of uniformity of measurement and quality control, improvement of the system for material support and quality management of TL.

Policy's tasks on quality management in business areas shall be achieved through:

- ensuring reliability of results of measurements and testing;
- legalization of activities of metrological and quality services of SBY: licensing and accreditation of metrological services, accreditation of laboratories in quality control;
- fulfillment in the Company of works in the area of ensuring uniformity of measurement accredited by Rosneft's metrological;
- elaboration of medium- and long - term programs for improvement of processes of measurements and identification of properties of products, characterizing their quality;
- implementation of measures for optimization of established measurements and raw material quality control systems, as well as for introduction of new technical solutions;
- increasing a degree of unification, standartization, automatization of processes of measurements (testing) and accounting of products;
- organization of elaboration of technical requirements (before qualification selection) for established measurement systems, testing and analytical equipment, testing laboratories;
- carrying out metrological examination of contracts for supply of energy resources, technical tasks and project documentation;
- maintenance of working capacity of the instrumentation pool and use of equipment, having the best statistics in metrological failures;
- organization and development of the system for metrological support of production and service maintenance of measuring tools and systems (checking, calibration, repair, maintenance of measuring, reference and testing equipment);
- prevention of involvement in service works of any enterprises, which have no appropriate licenses and do not ensure fulfillment of the Company's standards, as well as fulfillment of works in a business area by non-core sub-divisions of Rosneft and SBY;
- metrological control and supervision of condition and use of quantity and quality measuring tools, reference measuring tools, state reference standards, pattern equipment, testing laboratories, accounting of products applying certified measurement methods;
- organization and conduct of inter-laboratory comparative tests.

Policy's tasks on budget implementation are focused on effective use of the Company's resources and shall be achieved through:

- planning of budgets, timely distribution of funds in SBY and adjustment of the financing plan;
- control over implementation of approved budgets;
- planning of works and control of work schedules fulfillment.

Policy's tasks on management of SBY's risks shall be achieved through:

- observance of requirements of laws and regulatory documents;
- carrying out of the unified technical policy in the area of ensuring uniformity of measurement and quality control;
- establishment of metrological and quality control of services in SBY;
- training and attestation of specialists;
- planning and implementation of corporate target programs and plans of SBY;
- exclusion of the human factor in accounting operations, introduction of automated measurement systems, laboratory information management systems;

- organization of duplication of key measurements for timely prevention of metrological failures and ensuring uninterrupted operation of measuring tools, organization of the multilevel system to control the quality of performed works;
- metrological control and supervision;
- application of administrative and material penalties for wilful violations of metrological standards and rules;
- participation in and influence on the process of elaboration of draft laws and regulatory documents;
- interaction with the Russian Ministry for Industry and Power Engineering, Rostekhnregulirovanie, Rostekhnadzor, Gosenergonadzor, Transport Inspection and other state bodies;
- improvement of the system for metrological support and service.

For achievement of the set objectives the Company shall assume the following obligations:

- ensuring observance of requirements of the federal, regional and local legislation applicable to the Company in the area of uniformity of measurement and quality control;
- carrying out the investment activity aimed at improvement and development of processes of measurements (testing), overall development of business areas;
- ensuring effective production activity in Rosneft and its SBY;
- taking all affordable and practicable measures to prevent emergency situations in the area of ensuring uniformity of measurement and quality control, and if occurred – taking measures to mitigate their consequences for health of personnel, environment and property;
- reducing occupational hazards in current and planned activities related both to production and servicing;
- attracting the Company's employees to active participation in activities for identification and management of risks in the area of ensuring uniformity of measurement and quality control, and for this purpose - providing them with incentives, training and professional growth;
- continuous improving, optimizing and enhancing effectiveness of the quality management system and business processes in the area of ensuring uniformity of measurement and quality control;
- informing concerned parties (supervisory bodies, general public, executive authorities, population, etc.) about the Company's activity in the area of ensuring uniformity of measurement and quality control.

5 REFERENCES

This Standard contains references to the following legislative and local regulatory documents:

This Standard contains references to the following legislative and local regulatory documents:

1. Law of the Russian Federation № 4871-1 dated 27.04.93 “On ensuring uniformity of measurements”.
2. Federal Law № 28-FZ dated 03.04.96 “On energy saving”.
3. Federal Law № 184-FZ dated 27.12.02 “On technical regulation”.
4. Federal Law № 128-FZ dated 08.08.01 “On licensing of individual types of activity”.
5. GOST R ISO 9001:2001 “Quality management systems. Requirements”.
6. GOST R ISO 9000:2001 “Quality management systems. Key provisions and glossary”.
7. ISR 29-99 “Metrology. Key terms and definitions”.
8. GOST R 51000.4-96 “General requirements to accreditation of testing laboratories”.