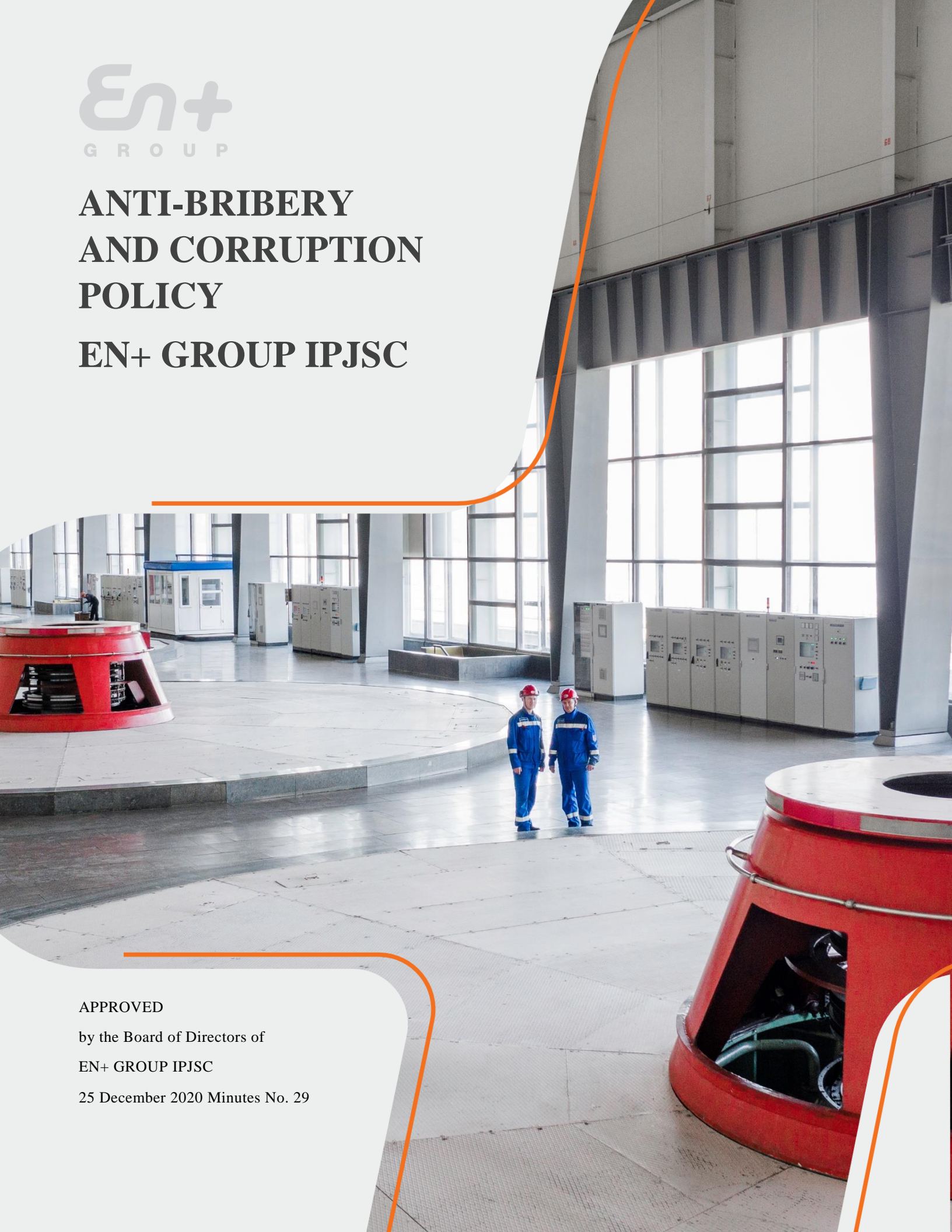




# ANTI-BRIBERY AND CORRUPTION POLICY

## EN+ GROUP IPJSC



APPROVED

by the Board of Directors of

EN+ GROUP IPJSC

25 December 2020 Minutes No. 29

# Contents

TERMS .....	4
I.GENERAL PROVISIONS .....	6
1. Introduction.....	6
2. Goals and Objectives .....	6
3. Scope.....	6
4. Miscellaneous .....	6
II.KEY PRINCIPLES .....	7
1. Legal Compliance .....	7
2. Zero Tolerance for Corruption.....	7
3. Liability and Inevitability of Punishment .....	7
4. Risk assessment .....	7
5. Due Diligence .....	7
6. Communications and Training.....	8
7. Transparency.....	9
8. Monitoring and Review .....	9
III.GENERAL REQUIREMENTS .....	10
1. Prohibition on Bribery .....	10
2. Prohibition to Act through Third Parties .....	10
IV.SPECIFIC REQUIREMENTS .....	11
1. Restrictions on the Exchange of Gifts and Business Hospitality.....	11
2. Facilitation Payments.....	13
3. Charitable Activities, Sponsorships and Political Contributions .....	13
4. Records and Accounting .....	14
5. Conflict of Interest .....	15
6. Covenants, Representations and Warranties.....	15
7. Mergers & Acquisitions and Joint Ventures.....	15
V.REPORTING VIOLATIONS AND RED FLAGS .....	16
1. Reporting Potential Violations and Red Flags.....	16
2. Consequences of Non-Compliance.....	17
3. Collaboration with Law Enforcement Agencies.....	17
Anti-corruption obligations.....	18
Anti-Corruption Guidelines for Mergers, Acquisitions and Joint Ventures.....	20
1. Introduction.....	20
2. Joint Ventures .....	20

3. Due Diligence .....	21
4. Post-Transaction Controls.....	22
5. Checklist for Anti-Corruption Due Diligence.....	22
6. Checklist for compliance with anti-corruption laws post transaction.....	25
Red flags .....	27
7. Red flags relating to relationships with persons being subject to this Policy: .....	27
8. Red Flags Relating to Financial Controls: .....	27
9. Red Flags Relating to Hospitality, Charitable Contributions and Sponsorships: .....	28
10. Red Flags Relating to Use of Third Parties: .....	28
11. Other Red Flags: .....	29
Facilitation Payments: Risk Mitigation and Dealing with Requests .....	30

## TERMS

“**Anti-Corruption Laws**” means anti-bribery and anti-corruption laws, including but not limited to the Federal law No. 273-FZ “On Combating Corruption” dated 25 December 2008 (hereinafter – the “Law on Combating Corruption”), the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act, 1977 and all applicable local laws and regulations in every country in which the Group does business.

“**Authorised Person**” means an employee of the Company who has primary and day-to-day responsibility for implementing this Policy, training, monitoring and reviewing its use and effectiveness and dealing with any queries on its interpretation. The Authorised Person should be a senior officer who is properly resourced, who can act independently of management and who has a direct access to the Board of Directors of the Company. Authorised Person is the Chief Compliance Officer.

“**Bribery**” means a bribe as defined in Article 290 of the Criminal Code of the Russian Federation, commercial bribery as defined in Article 204 of the Criminal Code of the Russian Federation, as well as any other form of offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly or in a certain way in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the improper advantage.

“**Close relative**” means parents, siblings, spouses, children, aunts and uncles, and in-laws.

“**Company**” means EN+ GROUP International public joint-stock company, a Russian legal entity.

“**Corruption**” means the commission of actions set out in Article 1(1) of the Law on Combating Corruption, involvement in Bribery, as well as any other abuse of entrusted power or position or negligent or other improper attitude to entrusted power for private gain or for creating conditions for private gain.

“**Employee(s)**” means director(s), officer(s) and other employee(s) (working on the basis of an employment or personal hire agreement or on any other basis) of any company within the Group.

“**Facilitation Payments**” means generally small, unofficial, non-transparent payments, demanded by Public Officials in some countries to take or expedite routine official actions to which the company within the Group is entitled under applicable law. To qualify as a Facilitation Payment, a payment must be made to an individual Public Official or person specified by such Public Official, not to a Government Entity.

“**Government Entity**” means any federal, Russian Federation constituent entity’s, municipal or similar governmental body, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such governmental body or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions at the federal level, at the level of constituent entities of the Russian Federation (federation subjects), or at a municipal level.

“**Group**” means the Company and its subsidiaries other than UC Rusal, IPJSC and its subsidiaries.

“**Policy**” means this Anti-Bribery Corruption Policy.

**“Public Official”** means (1) an individual who: (a) holds a position that involves the performance of legislative, administrative or judicial functions of any nature, or acts on behalf of such a person, (b) performs a public function for or on behalf of a government, a municipal entity, a government, municipal institution or agency, or (c) is a government or municipal official or agent of an international organisation; (2) a federal public servant or a civil public servant of a subject (constituent entity) of the Russian Federation within the meaning of Article 10 of Federal Law No. 58-FZ dated 27 May 2003 “On the System of Public (State) Service of the Russian Federation”; (3) a public official, a person holding a public office of the Russian Federation or a person holding a public office of a subject (constituent entity) of the Russian Federation within the meaning of Article 285 of the Criminal Code of the Russian Federation; (4) a member of the management bodies of an organisation that is owned or controlled by the state; (5) a person who is a Close relative of the individual referred to in paragraphs (1), (2), (3) or (4) or an individual who previously conformed to the description in paragraphs (1), (2), (3) or (4), and continues to have a direct impact on the performance of public functions even after the official withdrawal from office; and (6) any official of a political party or candidate for political office.

In each particular case the exact meaning of the term “Public Official” may differ depending on the relevant applicable law.

**“State-Owned Companies”** means business or commercial enterprises where the government or state has control through full, majority or any other ownership allowing the government or state to influence the decision of any such enterprise’s managing bodies.

**“Third Party”** means entities and individuals that are not part of the Group and are not Employees that (1) participate (or plan to participate) in a financial transaction with any company within the Group and/or (2) are retained and authorised by the Group to provide goods or services or to engage in business activities on behalf of the Group, such as suppliers, vendors, customers, distributors, agents, representatives, banks, financial institutions, advisors, consultants, sub-consultants, subcontractors, third-party intermediaries, customs brokers, service providers, and venture partners, wherever they are located.

# I. GENERAL PROVISIONS

## 1. Introduction

The Policy establishes the key principles, procedures and specific measures aimed at combating Corruption and ensuring compliance with the requirements of the Anti-Corruption Laws by the Group, Employees and Third Parties.

## 2. Goals and Objectives

### 2.1. Goals:

- + ensure awareness and compliance of the Group with the Anti-Corruption Laws and this Policy;
- + prohibit and prevent the Group, Employees and Third Parties from engaging in Bribery and Corruption;
- + create a consistent perception of the Group and Employees as committed to the principles of zero tolerance for Corruption in all forms and manifestations.

### 2.2. Objectives:

- + make the Group, Employees and Third Parties aware of the prohibitions set out in Anti-Corruption Laws, so that the Group, Employees and Third Parties can recognize potential problems and address them appropriately;
- + establish comprehensible, easy-to-understand and applicable principles, procedures and specific measures aimed at countering Corruption;
- + assign responsibilities to ensure awareness and compliance by the Group, Employees and Third Parties with the above.

## 3. Scope

The Policy is applicable to the Group, Employees and Third Parties, regardless of citizenship, residency, position, or other circumstances.

The Employees must familiarise with the Policy and follow its provisions. The Employees must contact the Authorised Person for instructions in the case of doubts about the legality of certain actions.

The Employees shall be personally liable for noncompliance with the requirements specified in the Policy, and for the actions (inactions), intentional or unintentional that breach these requirements.

## 4. Miscellaneous

Conversion of any amount denominated in foreign currency into roubles, if necessary, shall be performed at the conversion rate set by the Bank of Russia for the relevant date.

---

## II. KEY PRINCIPLES

### 1. Legal Compliance

The Group strictly complies with the laws of the countries where it operates. Any action or inaction of the Group, including instances involving anti-corruption, must not contravene Anti-Corruption Laws.

Anti-Corruption Laws prohibit Bribery.

The Policy focuses on compliance requirements to prevent Bribery and Facilitation Payments and to help ensure accurate reporting under applicable Anti-Corruption Laws.

### 2. Zero Tolerance for Corruption

The Group requires full compliance with the highest ethical standards and Anti-Corruption Laws applicable to it in the conduct of its business. The Group values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by Employees or by Third Parties.

Unauthorised payments, or acts that create the appearance of promising, offering, giving, receiving or authorising payments, whether the recipient is a Public Official or a private person or entity, are prohibited by this Policy, and will not be tolerated.

### 3. Liability and Inevitability of Punishment

Since the Group may be held liable for the commission of corrupt actions by Employees, or Third Parties, all reasonable suspicions of such actions will be thoroughly investigated.

The Group shall ensure an impartial investigation of any activities that contravene the Policy.

Violations of this Policy may result in disciplinary action up to and including termination of employment or engagement without regard to the position held, the employment period within the Group and other circumstances. In addition, violations of Anti-Corruption Laws may subject individuals and the Group to civil and criminal penalties. The Group will not reimburse Employees and Third Parties for the amount of any fines imposed on them for violating Anti-Corruption Laws.

### 4. Risk assessment

The Group shall, on a regular basis, identify and periodically update the corruption risks associated with its operation and individual business processes.

### 5. Due Diligence

In order to minimize the risks of engaging in corrupt practices, the Group shall perform due diligence on Third Parties before making a respective decision on the commencement, continuation or resumption of business relations with them.

The Group needs to make sure that the relationships that it establishes with Third Parties do not give rise to a risk of Bribery or Corruption. Therefore, all Employees must consider, understand and, where appropriate, take action to address the risk of Bribery and Corruption presented by all those with whom they deal.

The risks that must be considered and understood include:

- + **country risk:** Is the other party or the transaction located in or connected to a high risk country (for example, a country with perceived high levels of corruption or an absence of effective anti-bribery legislation)?
- + **sector risk:** Is the other party or the transaction connected to a high risk sector?
- + **relationship risk:** Is the nature of the proposed relationship inherently high risk? For example, the use of local agents as intermediaries is generally considered as relatively high risk. Likewise, consortia, joint ventures, and projects involving foreign public officials or politically exposed persons may all present particular corruption risks. For instance, joint ventures may present a heightened risk where a Third Party is to control the joint venture company.
- + **Third Party risk:** Does the nature of the Third Party suggest higher risk? For example, does the Third Party have a history of Corruption and does it have appropriate anti-corruption procedures? Dealings with Public Officials may involve higher risks than with others.

In all dealings with Third Parties, it is necessary to understand these risks and to respond to them appropriately. Therefore, all Employees must comply with the general directions that are implied in the Policy or in other internal documents of the companies within the Group. Where there is any doubt, the Authorised Person must be consulted and appropriate steps agreed with him or her.

The Group must collect information about the Third Party, such as full legal name, beneficial owners, officers and key employees. It is necessary to screen such party and individuals against applicable sanctions lists and to check whether such party and individuals have connections with criminal organisations, using online services the Group subscribes to.

Such screening should be conducted in addition to any other checks that are performed in accordance with the other internal policies of the Group.

The reason of such screening is to determine whether a party (i) is listed on any sanctions lists, and/or (ii) has a history of illegal or improper activities, including Corruption. If the screening results show any matches, further actions with the applicable party must be stopped until the matches are resolved.

If the risks cannot adequately be addressed, then the Group may not deal with the relevant Third Party. It is the responsibility of each Employee and the Authorised Person to keep written records of all due diligence and steps taken to address identified Third Party Corruption risks.

## 6. Communications and Training

The Group will clarify to the Employees the requirements of the applicable Anti-Corruption Laws and the Policy through communication, consultations and trainings.



The Group will update its training and education materials on a regular basis to reflect up to date requirements of the Anti-Corruption Laws.

This training will be provided to Employees to ensure full understanding of the requirements, including whistleblowing (reporting violations). The training will be risk-based to address the responsibilities of Employees in high-risk positions, such as Employees:

- + contacting commercial or government customers in order to obtain or retain business;
- + interfacing with Public Officials (e.g. customs, immigration, or tax officials, inspectors, law enforcement agencies, regulators) in order to obtain or retain certificates, licenses, permits, registrations, or other results necessary for the Group's operations;
- + engaging and/or overseeing Third Parties;
- + approving or authorising payments to, transactions with, or expense reimbursements of the aforementioned Employees and/or Third Parties;
- + approving or authorising payments, provision of entertainment, gifts, travel or other expense reimbursements to Public Officials.

The training will occur at the beginning of their employment with the Group and at least annually thereafter.

Training programs will encompass, at a minimum, the following:

- + applicable provisions of the Anti-Corruption Laws;
- + the requirements and the procedures set out in the Policy;
- + how to identify and resolve red flags;
- + the consequences for the Group and Employees of Anti-Corruption Laws violation;
- + the role of the Authorised Person;
- + identification of non-compliance and what to do if non-compliance is suspected; and
- + recordkeeping requirements.

## 7. Transparency

Each company within the Group strives to disseminate widely information about its commitment to the principle of zero tolerance for Corruption. Each company within the Group shall endeavor to familiarize Third Parties as well as other stakeholders with the Policy and applicable anticorruption procedures that they may be subject to in relation to the actions taken by them for and/or on behalf of each company within the Group.

In order to enable Employees, Third Parties, or other stakeholders to express their concerns regarding signs of Corruption or non-compliance with the requirements set forth in the Policy, and to provide recommendations to improve the anti-corruption mechanisms, the Group operates a Hotline. Details on the Hotline are provided in Section V of the Policy.

## 8. Monitoring and Review

Each company within the Group conducts regular monitoring of the effectiveness of the applicable procedures, and monitors compliance with the Policy.

The Authorised Person has primary and day-to-day responsibility for implementing this Policy, training, monitoring and reviewing its use and effectiveness and dealing with any queries on its interpretation.

---

## III. GENERAL REQUIREMENTS

### 1. Prohibition on Bribery

Employees are prohibited from authorising, granting, offering and/or promising of any advantage of monetary or non-monetary nature, whether directly or through Third Parties, in favor of any Public Official (irrespective of his/her location) with the intention to influence the actions or inaction of this Public Official, reward or induce the Public Official to commit actions contrary to the law, fair or impartial behavior or actions that undermine the confidence associated with the position of such Public Official.

Employees are prohibited from authorising, granting, offering and/or promising of any advantage of monetary or non-monetary nature, directly or through Third Parties, in favor of any other person with the intention to reward or induce that person to perform improper activities to be executed in the course of that person's employment.

The prohibitions in this Section shall apply to all payments, regardless of the amount.

Employees are also prohibited from requesting (in any form), receiving, agreeing to receive or accepting any financial or other benefits of monetary or non-monetary nature, including money, gift, item of value or other advantage for themselves or for other persons in exchange for performing improper actions or inaction related to their employment duties.

In this case:

- + “improper performance” means performance which is in breach of the reasonable expectation of good faith, impartiality or trust in that person;
- + a “financial or other advantage” may be subject to broad interpretation and should be considered to include not only direct monetary benefits but also less obvious benefits (advantages) that cannot easily be expressed in monetary terms, such as business hospitality, assistance at school or university, professional advancement or promotion of business interests.

### 2. Prohibition to Act through Third Parties

It is prohibited to attempt to evade the requirements of this Policy by providing financial or other benefits to relevant persons indirectly, also through Third Parties.

---

## IV. SPECIFIC REQUIREMENTS

### 1. Restrictions on the Exchange of Gifts and Business Hospitality

The Group recognizes that the responsible provision of business hospitality, such as exchange of modest gifts, entertainment, meals, refreshments, and travel expenses, which are not in return for anything and are directly related to: (1) the promotion, demonstration, or explanation of products or services; or (2) the execution or performance of a contract, is common practice in the business community.

At the same time, the Group recognizes this practice as vulnerable in terms of engaging in corrupt activities, especially when providing high-value business hospitality.

Employees shall not be entitled to provide any type of business hospitality in favor of any person or entity or accept any type of business hospitality from any person or entity, except as provided below.

#### 1.1. General Requirements

Business hospitality must always meet all of the following criteria:

- + not contravene the Anti-Corruption Laws, the Policy or other internal documents of the companies within the Group;
- + be directly related to the lawful business activities of a relevant company within the Group, e.g., presentation of the Employees or the Group's products or services, the holding of conferences, successful completion of contracts, improving the Group's image, establishing or maintaining cordial relations with business partners;
- + be reasonably justified and appropriate;
- + not involve hidden payment for any service, act or omission, connivance, patronage or protection, granting of rights, favorable decision regarding a transaction, agreement, license, consent, etc. or an attempt to exert influence on the taker for any of the above or any other unlawful or unethical purpose;
- + not expose the business reputation of the Group, Employees or any other persons to risk in the event that details of such hospitality become public knowledge.

It is not permitted to offer and receive gifts and hospitality in the form of money, whether cash or otherwise, and in exchange for specific action or granting of a specific favor.

## 1.2. Special Requirements

### Gifts

Where possible, gifts should be in the form of inexpensive souvenirs displaying the corporate logo of the Group or of a relevant company of the Group, of the type available at trade fairs, public presentations, forums and other corporate and promotional events in which the Group or the relevant company of the Group is officially involved.

It is also acceptable to give gifts at appropriate times during the year (public holidays), where to do so is customary, justified and reasonable.

In any event, the value of gifts given to a single individual must not be more than:

- + 3,000 roubles per year in the case of Public Officials, and
- + 5,000 roubles per year in the case of all others.

A gift must never be given to a Public Official in order to influence him/her in his/her position as such or in his/her performance of his/her duties.

### Meals and Entertainment

Employees may give and accept reasonable and appropriate meals and entertainment for legitimate business purposes subject to restrictions listed in this Policy. Meals and entertainment may only be offered or accepted if they are occasional, business related and reasonable. There is no rule that fits all situations. Employees should use their judgment and when in doubt seek guidance from the Authorised Person.

The value and frequency of meals and entertainment should be under strict control of the Authorised Person as both of the above aspects can lead to suspicion in Corruption.

If the Employees are not present at the event, it is to be considered a gift, and the rules for gifts under this Policy must be followed.

Employees are prohibited from participating in joint events with Public Officials if such participation may adversely affect the Group's reputation.

Meals or entertainment must never be provided to a Public Official in order to influence him/her in his/her position as such or in his/her performance of his/her duties.

### Travel Costs and Accommodation

The companies within the Group may pay reasonable travel and accommodation expenses that are not lavish, are not in return for anything and are directly related to: (1) the promotion, demonstration, or explanation of products or services; or (2) the execution or performance of a contract.

The companies within the Group should not pay per diem expenses unless they are expressly required by a written contract.

Payment must be made by card and not by cash and should be made directly to the service provider, e.g., hotel or travel provider, whenever possible.

It is a general policy that travel costs or accommodation expenses for individuals who are not the Employees should not be paid by the companies within the Group in cases where such costs/expenses are not subject to contractual relations with the relevant companies within the Group.

Whenever an Employee is not sure if the approval of certain gifts, meals and entertainment and/or travel costs and accommodation is appropriate, he/she should contact the Authorised Person in advance for approval.

## 2. Facilitation Payments

Employees are not allowed to make any Facilitation Payments. Employees should promptly report any request for or offer, in any form, of a Facilitation Payment to the Authorised Person.

Facilitation Payments are a form of Bribery of a Public Official, and therefore cannot and will not be tolerated. Annex No. 4 sets out (a) steps that should be taken to reduce the risk that Facilitation Payments may be requested and (b) steps that should be taken if an Employee is asked to make a payment, which is or is likely to be a Facilitation Payment.

## 3. Charitable Activities, Sponsorships and Political Contributions

The Group may contribute to the social and economic development of society and in areas where the Group has a footprint and participates in implementation of socially significant events, which includes charity, donations and sponsorships.

The Group prohibits financing of charity projects, donations, and sponsorships, as well as any political activity in order to influence the decisions made by representatives of Government Entities and State-Owned Companies, Public Officials or other persons, if such decisions affect retention or expansion the Group's activities, or if such assistance could be perceived as an attempt to exert such influence.

Political contributions are only allowed when explicitly permitted by and made in compliance with the Anti-Corruption Laws.

Written approval from the Authorised Person should be obtained prior to making any political contribution on behalf of the Group.

In order to ensure transparent expenditure of funds and to prevent any abuse, the Group exercises strict control over these projects. Such projects must be preliminarily assessed by the Group and must be entered into only if the projects are legitimate and possess inherent social value. Such assessment requires a sufficient amount of supporting documents to be provided to the Group.

Charitable contributions are generally included in companies' within the Group annual budgets, which requires approval by a resolution of the applicable company's within the Group board members.

Prior to making any charitable contribution that is not included in the annual budget, Employees must obtain prior written approval from the Authorised Person.

## 4. Records and Accounting

The Group strictly complies with the requirements of applicable laws, including but not limited to Anti-Corruption Laws and rules for compiling accounting records.

The Group has Employees who are personally responsible for preparation and submission of complete and accurate financial statements in accordance with applicable laws.

Each financial and business transaction shall be recorded in a primary accounting document. Distortion or falsification of accounting, management accounting and other types of accounting data or supporting documents shall not be permitted.

Keeping detailed, accurate descriptions of all payments and expenses is crucial for Anti-Corruption Laws.

Accordingly, Employees must follow applicable standards, principles, laws, including but not limited to Anti-Corruption Laws and Group's practices for accounting and financial reporting. In particular, Employees must be timely and complete when preparing all reports and records required by management.

In connection with dealings with Public Officials, Employees must obtain all required approvals from the Authorised Person/legal department of the applicable company within the Group and, when appropriate, from Government Entities. Prior to paying or authorising a payment to a Public Official, Employees or Third Parties should be sure that no part of such payment is to be made for any purpose other than that to be fully and accurately described in applicable company's within the Group books and records.

No undisclosed or unrecorded accounts of applicable company's within the Group are to be established for any purpose. False or artificial entries are not to be made in the books and records of applicable company within the Group for any reason. Under no circumstances may accounts be kept "off-book" to facilitate or conceal improper payments. Finally, personal funds may not be used to accomplish what is otherwise prohibited by this Policy.

Accordingly, records of transactions and commercial relationships that may be subject to Anti-Corruption Laws must be maintained in the applicable company's within the Group files for at least a period of five (5) years, unless local applicable laws set out different (longer) terms. Examples of records that should be maintained for such transactions and commercial relationships include:

- + customer contracts;
- + invoices, purchase orders, shipment records and financial records;
- + books of account;
- + correspondence.

Employees must obtain written permission from the Authorised Person/ legal department of the applicable company within the Group before discarding or destroying records subject to this Policy within five (5) years of the completion of the transaction or the termination of the commercial relationship, unless local applicable laws set out different (longer) terms.

Financial transactions involving heightened corruption risks, including those related to relations with Government Entities, State-Owned Companies, Public Officials, or charitable and political contributions, donations, sponsorship payments, any forms of hospitality, including gifts and hospitality expenses, shall be recorded in the applicable company's within the Group accounting and reporting system with the greatest possible number of details.

The existing expense forms must be accompanied by appropriate primary accounting documents (contracts, invoices, receipts, payment orders, etc.) and must contain at least the following information:

- + amount of the expense incurred;
- + purpose of the expense incurred;
- + names of individuals to whom the expense relates.

## 5. Conflict of Interest

Timely identification and settlement of conflicts of interest in the activities of the Group is important for preventing Corruption. Thus, each company within the Group shall comply with the Group's Conflicts of Interest Policy.

## 6. Covenants, Representations and Warranties

The Group shall refrain from engaging Third Parties and from participating in joint ventures performing any actions that violate the requirements of this Policy.

The Group hereby reserves the right to terminate contracts and to demand compensation for any and all damage caused to it by Third Parties if it is discovered that they have been engaged in corrupt practices.

The terms of contracts entered into with Third Parties shall include anti-corruption obligations as specified in Annex No. 1 to this Policy.

To ensure compliance of the Employees with the requirements of this Policy, each company within the Group shall ensure that their Employees familiarise with this Policy.

## 7. Mergers & Acquisitions and Joint Ventures

When planning and making deals on mergers and acquisitions and participating in joint ventures the Group shall:

- + carry out proper anti-corruption audits before and after the relevant transaction;
- + voluntarily disclose to the relevant Government Entities information about signs of corruption-related violations that have become known to the Group;

- + ensure implementation of the respective anti-corruption policies and procedures at the acquired company.

The Employees must comply the Anti-Corruption Guidelines for Mergers, Acquisitions and Joint Ventures as specified in Annex No. 2 of this Policy.

---

## V. REPORTING VIOLATIONS AND RED FLAGS

### 1. Reporting Potential Violations and Red Flags

The Group encourages open communication. Reports of violations (or suspected violations), or any doubts, questions or concerns the Employees have about Corruption issues, should be addressed, in the first instance, to the Authorised Person.

The Authorised Person can be reached through the Group’s Hotline:

- + Telephone: **8-800-234-5640**
- + Email: **signal@enplus.ru**

The Group aims to encourage openness and will support anyone who raises genuine concerns. Such reports will be treated seriously and confidentially provided they are made in good faith. The Group will not tolerate any retaliation (including dismissal, disciplinary action, threats or other unfavorable treatment) against any Employee for refusing to take part in any activity that may be a breach of this Policy or for reporting in good faith their suspicion that an actual or potential breach has taken place, or may take place in the future.

Any Employee who receives a proposal or request to engage in Corruption or other activities contrary to this Policy shall immediately report such instances to the Authorised Person.

In their day-to-day activities, the Employees must devote attention to warning signs, or “red flags” suggesting that Corruption or other improper activities are or may be taking place.

A non-exhaustive list of common red flags is given in Annex No. 3 to this Policy.

Employees who detect any red flags, signs of preparation, commission of corrupt actions or other activities contrary to this Policy, also by other Employees or Third Parties, shall immediately report them to the Authorised Person.

When in doubt as to whether a certain action is corrupt, improper, or contrary to this Policy, Employees should contact the Authorised Person for assessment and necessary recommendations.



The Group shall do its utmost to maintain confidentiality of the messages received to the extent permitted by the applicable laws.

## 2. Consequences of Non-Compliance

Failure to comply with applicable Anti-Corruption Laws may result in significant criminal, civil, and administrative penalties, including imprisonment and fines. These penalties may apply to both the Group and the individuals involved. Violations of Anti-Corruption Laws may not be covered by the Group's insurance and individuals shall not be indemnified by companies within the Group for such violations. Also, failure to comply with Anti-Corruption Laws may negatively impact the Group's public image, reputation, business opportunities, and market position.

The Group takes its obligations to comply with Anti-Corruption Laws applicable to its business seriously and requires Employees and Third Parties to act as necessary to maintain its compliance with these laws. Any Employee who fails to act in accordance with the Group's policies and procedures, whether expressly stated in this Policy or otherwise, may be subject to adverse employment action, including, where warranted, dismissal.

## 3. Collaboration with Law Enforcement Agencies

Cooperation with law enforcement agencies is an important indicator of the Group's actual commitment to the declared anti-corruption behavior standards. Such cooperation may take various forms. In any case the Group shall:

- + report all known cases involving corruption offenses to the appropriate law enforcement agencies;
- + provide assistance to authorised representatives of regulatory, supervisory and law enforcement agencies in conducting their inspections of the Group's anti-corruption activities;
- + provide assistance to authorised representatives of law enforcement agencies in conducting various activities to prevent or investigate corruption offenses;
- + not interfere in the performance of official duties by officials of judicial and law enforcement agencies.

The Authorised Person, or another person determined by the Authorised Person, shall be assigned the task of ensuring cooperation with authorised representatives of regulatory, supervisory and law enforcement agencies.

## Annex No.1 to the Anti-Bribery and Corruption Policy

---

# Anti-corruption obligations

1. When performing their obligations, the Parties<sup>1</sup>, their affiliates, employees or persons, acting in their name and (or) on their behalf:
  - + (i) do not, personally or through third parties, perform, offer, request, pursue, authorise, give consent to providing or receiving rewards in the form of money, securities, other property, performance of services of proprietary nature, providing property rights directly or indirectly to any persons, including but not limited to, commercial organizations and their representatives, governmental and local authorities, state and local governmental officials, in order to influence actions or decisions of these or other persons in order to receive inappropriate advantage or to reach unlawful aims; and (ii) do not assist in performance of the such unlawful actions;
  - + do not abuse and do not neglect their powers to gain profit and advantage for themselves or other persons or to harm other persons;
  - + do not perform actions which contradict requirements of the applicable laws and international acts on fighting legalization (laundering) crime proceeds.
2. In case any Party has suspicions that a breach of any anti-corruption obligation has taken place or may take place, it shall notify the other Party thereof in writing.
3. In the written notice the Party shall refer to the facts or to provide materials proving with certainty or giving basis for suspicion that a breach of any anti-corruption obligation, by a counterparty, its affiliates, employees or intermediaries, has taken place or may take place and that such a breach is in the form of actions that under the applicable laws qualify as giving or receiving a bribe, commercial bribe, or in the form of actions, breaching requirements of the applicable laws and international acts on fighting legalisation (laundering) crime proceeds.
4. The Parties take reasonable efforts to minimise the risk of commencement of business relations with counterparties, involved in corruption, and cooperate with each other in order to prevent corruption. The Parties undertake to ensure uninterrupted functioning of the system of internal control, to comply with regulations and policies on overview, prohibitions and prevention of any actions that may be considered as a breach of anti-corruption laws.
5. The Parties admit that their possible unlawful actions and breach of anti-corruption requirements can entail undesirable consequences including degrading the counterparty's creditability rating and even significant restrictions in terms of interaction with the counterparty, including contract termination.

---

<sup>1</sup> Note: This term refers to the parties to the respective agreement.

6. The Parties guarantee performance of suitable investigation into the discovered facts in compliance with the confidentiality principles and application of effective measures of eliminating practical difficulties and preventing possible conflict situations.
7. The Parties guarantee full confidentiality in performance of anti-corruption requirements, including absence of negative consequences for the informing Party as a whole and for its particular employees, informing about the breach, as well.
8. In case of discrepancies between the Russian and English versions of the above, the Russian version shall prevail.

## Annex No.2 to the Anti- Bribery and Corruption Policy

# Anti-Corruption Guidelines for Mergers, Acquisitions and Joint Ventures

## 1. Introduction

These guidelines address anti-corruption considerations that Employees assigned to conduct M&A activities should take into account when assisting any company within the Group in conducting a merger or acquisition or in forming a joint venture. A merger, acquisition or joint venture is a major corporate event that will come under scrutiny of relevant internal departments of the companies within the Group and usually of the external advisors as well. These guidelines are designed to highlight basic issues that may arise in the course of work on such projects and to which responsible Employees engaged in such transactions should devote attention and take into account as a priority during the process.

These guidelines are designed to assess the possibility that a target business / joint venture involving the Group has or may violate Anti-Corruption Laws and to help the Group to take appropriate actions based on the results of such assessment.

## 2. Joint Ventures

Under the applicable Anti-Corruption Laws, participation in joint ventures may expose the Group to liability for anti-corruption violations in a number of ways.

One of two basic situations applies: either the Group is establishing a joint venture with an external partner to establish a new business operation, or the Group is merging with, acquiring or forming a joint venture to own a stake in an existing business operation.

### 2.1. New Operations

In the case of establishing a new business operation, the Group may be exposed to legal liability in one of two ways:

- + if the joint-venture partner violates the law under circumstances in which the Group may be responsible for or have knowledge of the actions, or
- + if the joint venture violates the law following its establishment.

The Group shall therefore:

- + preliminarily evaluate the proposed joint venture partner to assess the likelihood that the partner will engage in corrupt activity in furtherance of the joint venture's business, and

- + establish adequate policies and procedures at the joint venture to prevent or detect corrupt activity within that entity.

The assessment of the integrity of a joint venture partner is similar to the process of performing due diligence on a Third Party prior to retaining it. A factual investigation shall be undertaken and any red flags identified shall be addressed by the Group.

## 2.2. Existing Operations

If the Group is merging with, acquiring or purchasing a stake in an existing operation, then it may face liability in circumstances where the illegal activity occurred before the Group gained an interest in the relevant business.

This may happen in one of two ways.

First, in a merger or acquisition, the Group assumes the risk of liability for the previous actions of its partner in the joint venture or the joint venture itself. If the business violated applicable Anti-Corruption Laws, then that business has incurred a liability that will be carried over to the Group when it purchases the business.

Second, in a merger, acquisition or after joining a new joint venture, the Group faces liability if it allows the business to continue to engage in an illegal course of actions that began prior to the transaction, even if the action was not illegal (for jurisdictional reasons) prior to the transaction. The Group may also be held liable for continuing to receive the benefits of past illegal activity even if the activity itself has ceased.

## 3. Due Diligence

Given the above considerations, pre-transaction due diligence of existing operations by the Group shall focus not only on the target company or joint venture partners but also on the business being acquired and on whether that target company has engaged in prior conduct that could be classifiable as a legal violation. In the absence of direct evidence or discovery of violations, the analysis will attempt to identify “red flags” that suggest a high likelihood that corrupt or improper activity has occurred or will occur.

In many cases, however, it will not be possible to perform complete anti-corruption due diligence, since:

- + in an auction scenario, no additional information is available due to restrictions in its dissemination;
- + the seller refuses to allow meaningful anti-corruption due diligence without providing a rationale;
- + the seller has deficient records or compliance systems; or
- + supplementary due diligence is not permitted under public tender offer rules.

In such situations, the Group should attempt to maximize the amount of due diligence it is able to conduct by:

- + negotiating where possible for increased time and access to conduct satisfactory levels of due diligence at the initial stage;
- + conducting due diligence between the initial agreement and closure, to the extent necessary and possible;
- + conducting due diligence with a focus on the main potential risks; and
- + conducting final due diligence after closure and remedial work to help to ensure that any violations are resolved quickly and that the target company quickly achieves necessary compliance.

The outcome of this due diligence may only be evidence of potential corrupt activity rather than definitive proof of such activity. The information gathered in this manner will help the Group determine whether to proceed with the transaction at all and, if so, on what terms.

The due diligence will also enable the Group after the transaction to quickly assess any identified risk areas in more depth and make a determination regarding whether illegal conduct has occurred whose effects going forward need to be addressed. In certain cases, the Group may need to suspend certain operations or contracts of a target company while the Group makes a final determination regarding their legal compliance.

In negotiating confidentiality agreements with the Third Party at the outset of the transaction, Employees should keep in mind that the Group may need to submit to the Government Entities an initial report on the results of its due diligence and structure the confidentiality agreement accordingly. Often, however, especially in auctions with multiple bidders, the target or partner may refuse to allow such disclosures, putting the Group at a competitive disadvantage and forcing it to review its involvement in the transaction.

## 4. Post-Transaction Controls

After the transaction, the Group should take immediate steps to address any compliance deficiencies that have been identified during the pre-transaction due diligence and to engage in further risk-based due diligence of those areas for which it was unable to perform sufficient due diligence prior to the transaction. These steps should be incorporated into the plan of action for the new investments (acquisitions).

The Group should also do its utmost to ensure that the target company adopts the Policy and procedures that are reasonably sufficient to prevent or detect compliance violations. If the Group owns a majority stake in the target company, then the Group will be expected to be successful in its attempts to impose anti-corruption policies and procedures on the target company level. If the Group only controls a minority stake in the target company, then government regulators are aware that the Group influence will be reduced; nevertheless, the Group is still obligated to attempt to influence the compliance program going forward.

Some elements of an adequate compliance program that the Group should attempt to have the target company adopt are listed in paragraph 5 of this Annex.

## 5. Checklist for Anti-Corruption Due Diligence

This checklist sets out suggested anti-corruption elements of the due diligence of companies in connection with merger, acquisition and joint venture transactions.

## 5.1. Target Company Overview:

- + understanding who the target company is, what it does and where;
- + determine in what countries the target and its affiliates do business. Any jurisdiction with a rating of 39 or lower on Transparency International’s Corruption Perceptions Index is a High risk factor for corruption;
- + assess the risk profile of the industry or business activity in which the target company is involved. The industry or activity is considered high risk if it involves (a) frequent interactions with Public Officials or Government Entities; (b) an industry or activity over which Public Officials exercise significant influence; (c) an industry that involves government contracts and subcontracts of significant value; or (d) privatization of state-owned assets. Businesses active in industries with any of these characteristics will usually be considered high risk;
- + assess the specific risk profile of the target company, as well as the risk profile of its senior management, board members, major shareholders and other primary representatives (“**Principals**”). A target company poses a high risk if it has recently been accused of unethical or illegal conduct or if it was formerly a state-owned entity. A Principal poses a high risk if he or she is a former Public Official, is the family member of a current Public Official or has recently been accused of unethical or criminal conduct.

The risk profiles of companies and individuals can be assessed through various means, which include: consulting other sources in the jurisdiction that the Company trusts; conducting public records and Internet searches; reviewing reports from Dun & Bradstreet and other business-information sources; and, in serious cases, retaining a private investigative firm to conduct a background check on the target company or its Principals.

## 5.2. Business operations: understanding how the target company does business:

- + review all material contracts and third-party agreements entered into by the target company that will remain in effect post-acquisition to identify any red flags, to understand what the target company’s ongoing payment obligations will be, and to understand what oversight the Company will be able to exercise over the target company’s counterparties;
- + review sample material past contracts and third-party agreements to identify any terms or arrangements that elicit red flags;
- + review a list of the target company’s principal customers or clients;
- + follow up on any customer or client that raises a red flag owing to an apparent relationship with a relevant third party;

- + review the agreements relating to any joint ventures in which the target company participates (or the documents establishing the target company if it is itself a joint venture) to identify any red flags, to understand what the target company's ongoing joint venture obligations will be and to understand what oversight the Company or any other company within the Group will be able to exercise over the target company's joint venture activities;
- + for any red flag, follow up to attempt to determine whether prohibited conduct has actually occurred.

### **5.3. Compliance Program: Understanding the Target Company's Commitment to Compliance:**

- + conduct interviews with the target company's employees responsible for the anti-corruption compliance program to determine how it was created, implemented, enforced and assessed.
- + review any written anti-bribery and corruption policies and procedures;
- + review any training materials related to anti-bribery and corruption and certifications or attendance lists associated with such training;
- + review gift and meal payment forms and other written records of program execution, to assess the level of compliance and identify any red flags;
- + conduct interviews with senior business people in high risk operations to determine the extent of their anti-corruption knowledge and commitment;
- + review any reports or other reviews of the target company's actual anti-bribery compliance, including reviews prepared by any parent company or shareholder entity, if available;
- + if the Group is to acquire its interest from an existing shareholder (as opposed to making a direct investment in the target company), ask to discuss the target company with a compliance person at the seller, and to review any internal audit reports or memos that the seller has prepared with respect to the target company.

### **5.4. Financial controls: assessing the accuracy of books and records and the strength of internal controls:**

- + review procedures for authorising, approving and reimbursing expenses related to hospitality, charitable donations, political donations and payments to third parties;
- + conduct sample testing of journal entries and other records relating to the above activities, to identify any red flags;
- + interview relevant finance and accounting personnel concerning the creation, implementation, performance and assessment of financial controls;
- + inquire about existing bank accounts to ensure that all existing accounts have a legitimate function;
- + evaluate the certification process for the target's financial statements.



## 5.5. Relationships with relevant third parties: identifying specific areas for concern

- + compile a list of the principal Government Entities, State-Owned Companies and Public Officials with whom the target company interacts. Compare this list against the names of target company agents, its contractual counterparties and other payees to assess whether any Public Officials, their family members or close relatives might have a financial relationship with the target company;
- + compare a broader list of the names of other officials and prominent private individuals engaged in business in each country to the list of the target company's payees;
- + interview managers and employees of the target company who may have had contact with relevant third parties capable of influencing the target company's business. Ask those individuals about the nature of their contacts; whether they involve the provision of hospitality (gifts, meals, entertainment, travel or accommodations, etc.); whether they involve charitable or political contributions; and whether there are any third parties who mediate the relationship. Follow up on any red flags.

## 6. Checklist for compliance with anti-corruption laws post transaction

The checklist in this paragraph sets out several elements of a successful anti-corruption compliance program. It is designed for the Group after completing a transaction to ensure that the acquired company implements the necessary elements of a compliance program as quickly as possible after the transaction, in order to reduce the Group's legal risks.

### 6.1. Substantive Elements:

- + the company has an anti-bribery and corruption policy;
- + the company has a policy on hospitality (gifts and representation expenses);
- + the company has a policy on charitable and social contributions;
- + the company has a policy on the engagement of third parties.

### 6.2. Procedural Elements:

- + the company's anti-corruption policy is clearly articulated and available to its employees;
- + the company's senior management provides visible and strong support for the anti-corruption policy;
- + the company's policy is applicable to all agents and representatives;
- + the company conducts an annual Bribery and Corruption risk assessment to help implement its policy and procedures as effectively as possible;
- + the company reviews its compliance program and updates it as necessary in light of external standards;

- + responsibility for and monitoring of implementation of the compliance program is vested in a senior officer who is properly resourced, who can act independently of the management and who has a direct access to the board of directors;
- + the company has established systems regarding its books and records and external controls to prevent its assets from being used for Bribery;
- + the company provides periodic training to its officers, directors and employees on anticorruption policy and procedures and obtains certifications from them that they have received training;
- + the company has a channel through which officers, directors, employees and agents can obtain urgent advice regarding compliance with the Policy;
- + the company has procedures for its employees and counterparties to make confidential reports of corrupt activity;
- + the company has procedures for its internal audit function to review compliance with its anti-corruption policy, and the company provides an access to the internal auditors to perform that function.

## Annex No.3 to the Anti- Bribery and Corruption Policy /

# Red flags

The following is a non-exhaustive list of common red flags. If an Employee becomes aware of a red flag in the Group or a Third Party, or any other suspicious circumstance, he/she should immediately report it to the Authorised Person through the Hotline (Section V of this Policy).

## 7. Red flags relating to relationships with persons being subject to this Policy:

- + payments or promises are made by the Third Party to a person being a subject to this Policy, or family member or a Close relative thereof;
- + payments or promises are made by the Third Party on behalf of a person being a subject to this Policy;
- + the justification for hiring a new Third Party is that it/he/she can “get things done” or words to that effect;
- + using a Third Party with minimal skills, education or experience for work described in contract or invoices;
- + hiring a Third Party to perform tasks that require no special knowledge or skills and could have been performed directly by the Employees;
- + lack of documentation of work to be performed or services rendered by a Third Party (e.g., no written contract, or invoices stating only: “For services rendered”). No summary report or deliverables summarizing the work;
- + no one can explain why a Third Party was hired or what it/he/she was paid to do;
- + a Third Party was hired at the suggestion or request of a Government Entity, a State-Owned Company or a person being a subject to this Policy;
- + a Third Party is partly owned by a person being a subject to this Policy or a family member or Close relative thereof;
- + a Third Party is a former Public Official dealing with his/her former agency or a former agent or employee of a person being a subject to this Policy dealing with his/her former client or employer;
- + a Third Party is a family member or Close relative of a person being a subject to this Policy;
- + family members or Close relatives of a person being a subject to this Policy are on the payroll of the Third Party;
- + financial relationship with a Public Official, such as a contractual relationship of any kind, a co-investment or political or charitable contributions.

## 8. Red Flags Relating to Financial Controls:

- + excessive use of cash; significant payments made in cash;
- + lack of documentation or vagueness of documentation for particular transactions;
- + lack of transparency for particular transactions;
- + transactions that contain numerous intermediaries or are otherwise non-transparent;
- + sloppy bookkeeping and poor financial controls over disbursements;
- + use of “off the book” bank accounts;
- + unexplained bonuses of unusual quantity and timing;
- + use or discussion of false invoices or other fraudulent documentation;
- + payment classified as expenditure to a legal entity or State-Owned Company or Government Entity is made to an individual;
- + payment classified as expenditure to a State-Owned Company or Government Entity is made in cash;
- + cash payments are made for which there is no clear, reasonable or appropriate purpose;
- + lack of supporting documentation for payments;
- + payments are not confirmed by sufficient supporting documentation;
- + high levels of use of, and weak controls over, petty cash;
- + payments made or sent outside the country where the business operates;
- + incorrect accounting for transactions involving Government Entities, State-Owned Companies or persons being subject to this Policy.

## 9. Red Flags Relating to Hospitality, Charitable Contributions and Sponsorships:

- + travel expenses paid to family members or Close relatives of a person being a subject to this Policy or a Public Official;
- + large gifts provided to a person being a subject to this Policy;
- + lack of willingness by a Public Official to disclose receipt of a gift to a superior or to accept publicly a gift given or promised;
- + excessive entertainment spending, particularly on Public Officials;
- + provision of hospitality to a person being a subject to this Policy, where it is not clearly related to lawful business activities;
- + provision of hospitality to any individual during a calendar year amounting to more than one gift;
- + charitable contributions made to any organization having any affiliation with a person being a subject to this Policy;
- + charitable contributions made on behalf of or at the request of a person being a subject to this Policy.

## 10. Red Flags Relating to Use of Third Parties:

- + engagement of Third Parties to interact with Government Entities to an excessive extent;
- + engagement of Third Parties who lack the required expertise to perform their functions;

- + engagement of Third Parties based on those parties' relationships with Government Entities, State-Owned Companies and Public Officials;
- + engagement of Third Parties who themselves use third parties to interact with Government Entities, State-Owned Companies and Public Officials;
- + engagement of Third Parties without conducting pre-contractual due diligence.

## 11. Other Red Flags:

- + lack of cooperation by Employees in providing answers related to questionable payments;
- + unexplained increases in sales or profits in particular region or business line;
- + inbound payments made from out-of-country sources or outbound payments made to out-of-country bank accounts;
- + a Third Party requests fee or commission that seems excessive, or unusual payment terms (e.g., large upfront payment, payment via intermediary);
- + use of new sub-agent by a Third Party for dealings with Government Entities or State-Owned Companies;
- + a Third Party has a reputation for Bribery or other illegal practices;
- + refusal of a Third Party to accept anti-corruption obligations in contract.

## Annex No.4 to the Anti- Bribery and Corruption Policy /

# Facilitation Payments: Risk Mitigation and Dealing with Requests

1. Steps that should be taken to reduce the risk that Facilitation Payments may be requested, include:
  - + communication of the Group’s blanket prohibition on Facilitation Payments to all Third Parties;
  - + where appropriate, take local legal advice so properly payable fees can be distinguished from disguised requests for Facilitation Payments;
  - + seek to build realistic time periods into project planning, so that stages with a higher risk of requests for Facilitation Payments (such as shipping, delivery and customs) are not encountered on compressed timescales.
  
2. If you are asked to make a payment which is or is likely to be a Facilitation Payment, you should do the following:
  - 2.1. Refuse to pay.
  - 2.2. Take the name of the person requesting the payment.
  - 2.3. Immediately report the incident to the Authorised Person and obtain authority from the Authorised Person to take appropriate action.
  - 2.4. Consider which of the following steps may be appropriate:
    - + inform the requesting official that making the payment requested is prohibited by this Policy, is illegal and could lead to the loss of your employment if made;
    - + inform the requesting official that all fees must be paid directly to the government office in return for an official receipt including all payment details, including the identity of officials receiving payment;
    - + if it is logistically impossible to make direct payment to a government office, request that the official provide a receipt on government letterhead;
    - + make use of existing relationships to identify a more senior person in the requesting organization whom you can approach instead in order to explain the problem;
    - + explain to the relevant parties within the requesting organization that the project/operation is in jeopardy and will fail if the demand is maintained.
  - 2.5. Make a written report to the Authorised Person setting out the circumstances and details of the request and whether payment was made and, if so, why, how much and to whom.
  - 2.6. Cooperate with the Authorised Person so that proper action can be taken to inform the appropriate authorities and perhaps others in the country concerned.

3. We recognize that occasionally payments may be demanded under duress. Duress may occur where there is actual or threatened violence, imprisonment or other personal threat intended to coerce someone to make a payment against their will. We do not expect Employees to compromise their safety or security or that of others, but we do require that they make a written report of any such incident to the Authorised Person so that appropriate action can be taken to prevent any recurrence.