

Approved
by the resolution of the Board of Directors
of Evropeyskaya Elektrotekhnica PJSC
(Minuets No. 7-СД/2018 dated September 03, 2018)

ANTI-CORRUPTION CORPORATE POLICY
of the Public Joint-Stock Company
Evropeyskaya Elektrotekhnica

Moscow, 2018

1. GENERAL PROVISIONS

1.1. This Anti-Corruption Policy of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica (hereinafter also referred to as the Policy) is the basic document of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica and the Group of Companies Evropeyskaya Elektrotekhnica, which defines the key anti-corruption principles and requirements, as so as compliance of activities of Evropeyskaya Elektrotekhnica PJSC and the Group of Companies Evropeyskaya Elektrotekhnica with the applicable anti-corruption legislation.

1.2. This Policy is valid for the whole scope of business activities of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica and other members of the Group of Companies Evropeyskaya Elektrotekhnica. Restrictions, prohibitions and protective measures set forth in this Policy shall be strictly observed by every employee of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica and other members of the Group of Companies Evropeyskaya Elektrotekhnica.

1.3. Counterparties of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica and other members of the Group of Companies Evropeyskaya Elektrotekhnica shall be obliged to comply with the provisions of the Policy, provided that it is directly indicated in an agreement concluded with a counterparty.

2. TERMS AND DEFINITIONS

2.1. **Policy** - Anti-Corruption Corporate Policy of the Public Joint-Stock Company Evropeyskaya Elektrotekhnica.

2.2. **Company** - Public Joint-Stock Company Evropeyskaya Elektrotekhnica.

2.3. **Group of Companies** - The Company and its affiliated and related entities.

2.4. **Employees** – individuals, including executive officers, who are in labor relations with the Group of Companies.

2.5. **Anti-Corruption Legislation** – a set of anti-corruption laws and regulations, including the Criminal Code of the Russian Federation, the Code of Administrative Offences of the Russian Federation, the Anti-Corruption Federal Law dated 25.12.2008 No. 273-Φ3 and other regulations, aimed at prohibition of bribery, passive bribery, commercial bribery and mediation in bribery.

2.6. **Corruption** – abuse of official position, giving a bribe, accepting a bribe, abuse of power, commercial bribery or other illegal use by an individual of his or her official position contrary to legitimate interests of the society and the state in order to obtain benefits in the form of money, valuables, other property or services of a proprietary nature, other property rights for oneself or third parties, or illegal provision of such benefits to a person specified by other individuals, as well as commission of the above named acts on behalf of or in the interests of a legal entity.

2.7. **Corruption Risk** – a possibility of unlawful corrupt acts performed by the Employees of the Group of Companies or by third parties.

2.8. **Corruption Offense** – a committed unlawful corruption-related act, for performance whereof the legislation of the Russian Federation establishes civil, disciplinary, administrative or criminal liability.

2.9. **Commercial Bribery** – illegal transfer of money, securities, other property to a person performing management functions in a commercial or other organization, provision such individual with property services or other property rights for actions (inaction) in the interest of the briber in connection with the official position held by this person.

2.10. **Accepting a Bribe** – receipt by an acting official*, a foreign acting official, or an official of a public international organization, directly or through an intermediary, of a bribe in the form of money, securities, other property or in the form of illegal provision of services of a proprietary nature, provision of other property rights (including when on request of an official a bribe is transferred to another individual or legal entity) for committing actions (inaction) in the interest of the briber or the persons he represents, if the specified actions (inaction) are part of the official powers of the recipient or if, by virtue of his or her official position, he or she can contribute to the specified actions (inaction), as well as for general patronage or connivance.

* In accordance with the Criminal Code of the Russian Federation, acting officials are persons who permanently, temporarily or by special authority perform functions of a representative of the authorities or perform organizational and management, administrative and economic functions in state bodies, local authorities, state and municipal institutions, state corporations, state companies, state and municipal unitary enterprises, joint-stock companies, the controlling stake whereof belongs to the Russian Federation, constituent entities of the Russian Federation or municipal formations, as well as in the Armed Forces of the Russian Federation, other troops and military formations of the Russian Federation.

2.11. **Giving a Bribe** - giving a bribe to an acting official, a foreign acting official or an official of a public international organization, directly or through an intermediary (including when a bribe is transferred to another natural or legal person on request of an official).

2.12. **Counterparty** - any Russian or foreign entity or individual, with whom the Group of Companies enters into contractual relationships, with the exception of labor relations.

2.13. **Anti-Corruption Actions** – activities of the Employees of the Group of Companies, members of the corporate management of the Group of Companies within their powers to prevent corruption.

3. OBJECTIVES OF THE POLICY

3.1. To confirm, in accordance with general requirements of the applicable legislation, basic principles and requirements imposed on activities of the Group of Companies, its Corporate Management and Employees in order to secure compliance with high ethical standards and principles of open and honest business conduct, maintaining business reputation of the Group of Companies at the proper level, as so as compliance with the requirements of the legislation of the Russian Federation.

3.2. To provide for uniform understanding by the members of the Group of Companies, its Corporate Management and Employees of the Company's Anti-Corruption Policy.

3.3. To reduce risks of involving the Employees and/or members of the corporate management of the Group of Companies in corruption activities.

3.4. To name, summarize and explain general requirements of the anti-corruption legislation.

3.5. To oblige the Employees of the Group of Companies to know and comply with the principles and requirements of this Policy, key norms of the applicable anti-corruption legislation, as well as reasonable anti-corruption measures.

4. PRINCIPLES OF THE POLICY

4.1. Legitimacy

The Group of Companies carries out its activities in strict accordance with the current anti-corruption legislation of the Russian Federation and the applicable laws of other countries in which the Group of Companies operates.

4.2. Non-Acceptance of Corruption in Any Form Whatsoever

The Group of Companies hereby declares non-acceptance of corruption in any form whatsoever and prohibits its Employees, members of the corporate management of the Group of Companies and other persons acting on behalf of the members of the Group of Companies or in their interests, directly or indirectly, personally or through intermediaries, to participate in corrupt practices, including offering, promising, giving, asking and receiving bribes (subject of commercial bribery) or making payments to simplify administrative, bureaucratic and other processes in any form, including money, valuables, services or other benefits of proprietary and non-proprietary nature, to any persons and from any persons or organizations, including commercial and non-profit organizations, authorities and local governments, government officials, including foreign ones, in order to obtain benefits for themselves, for members of the Group of Companies or for third parties.

4.3. Personal Example of the Management

Corporate management of the Group of Companies shall form an ethical standard of uncompromising non-acceptance of corruption at all levels, setting an example of their personal behavior.

4.4. Business Transparency

Evropeyskaya Elektrotekhnik PJSC is a public company. Policies and basic information on activities of the Company, including financial data, statements and other information subject to disclosure, are posted in the public domain on the official website of the Company.

4.5. Regular Risk Assessment

The Company regularly seeks, analyzes and evaluates potential external and internal corruption risks typical for activities of the Group of Companies in general and members of the Group of Companies in particular, using all available information.

4.6. Anti-Corruption Procedures Efficiency and Adequacy

The Company designs and implements in its activities and the activities of other members of the Group of Companies, proportionately to the evaluated risks, a set of adequate and effective anti-corruption procedures, and controls their complete observance.

4.7. Due Diligence

In order to minimize the risks of involvement in corruption activities, the Company together with other members of the Group of Companies carries out complex analysis of the Counterparties, analyzing their reliability, availability of their own anti-corruption procedures, absence of conflicts of interest, as so as seeks for their commitment to comply with the principles reflected in this Policy and to provide assistance during investigation of mutual agreements` infringements.

4.8. Employees` Involvement in Anti-Corruption Practices

Formation of personal attitude of non-acceptance of corruption in any form whatsoever in each of its Employees is a task of primary importance to the Company. Therefore, the Company takes all necessary measures to implement the Policy in the Group of Companies and bring its content to the knowledge of all of the Employees, as well as other interested parties. The Company contributes to raising the level of anti-corruption culture in the Employees through regular training in basic provisions of the Policy and its practical application.

4.9. Monitoring and Control

The Company regularly monitors, controls and evaluates implemented anti-corruption procedures, and, if necessary, revises and improves them.

4.10. Non-Response and No Sanctions

The Company protects interests of those Employees who conscientiously report, including speaking on condition of anonymity, about the facts of theft, embezzlement, fraud, bribery, commercial bribery, conflict of interest and other offenses in the Group of Companies, as well as the Employees who refused to commit such offenses or participate in committing them as an intermediary. Disciplinary sanctions shall not be applied to such Employees for the above reasons.

5. ANTI-CORRUPTION MEASURES

5.1. Limitations on Giving/Acceptance of Gifts and on Hospitality Expenditures.

The Company acknowledges that exchange of business gifts and implementation of reasonable business hospitality expenditures are integral to the conduct of business and are a generally accepted business practice. However, this practice carries certain risks of corruption, since when giving expensive gifts and spending excessive hospitality amounts, reasonable suspicions may arise that the Company and/or other members of the Group of Companies are in pursue of vested interests. The Company adhere to the principles of legality and business transparency, so it establishes the following provisions for all the Employees of the Group of Companies when receiving, donating, exchanging gifts and performing hospitality expenses (operations):

- provisions of the Russian anti-corruption legislation and relevant legislation of the state in which the operation is performed, as well as the provisions of the Code of Conduct of Evropeyskaya Elektrotekhnik PJSC, other local regulations and organizational and administrative documents of the members of the Group of Companies shall be fully observed;
- it is prohibited to carry out the operations in question for the purpose of directly or indirectly influencing decision-making by persons holding government positions, municipal

positions, civil servants, municipal employees, employees of the Bank of Russia, Counterparties and other persons in the interest of the Group of Companies;

- cost of a gift to persons holding government positions, municipal offices, civil servants, municipal employees, employees of the Bank of Russia shall not exceed 3,000 (three thousand) rubles and shall not be associated with official of the recipient;

- cost of a gift received or given (except for those specified in the previous paragraph) shall not exceed 10,000 (ten thousand) rubles;

- it is prohibited to give or receive gifts in the form of cash or non-cash funds, securities, and their equivalents. If an Employee has doubts about legitimacy of his actions in performing certain operations, for resolution of this issue he or she shall address his or her immediate supervisor or the person responsible for monitoring compliance with the Policy.

5.2. Appropriate Terms of Interaction with Official Representatives of the State and with Public Organizations

Interaction of the Group of Companies with law enforcement, regulatory and other state authorities, municipal authorities, their representatives, as well as with public organizations and their representatives shall be carried out strictly within the framework of the current legislation. The Company does not make illegal payments to the aforementioned bodies, organizations, their representatives and other persons, including through intermediaries, including payment for recreation, entertainment, transportation and other expenses, in order to obtain or maintain business advantages.

5.3. Appropriate Terms of Interaction with the Counterparties and Other Persons

The Company along with other members of the Group of Companies strives to develop business relations with those Counterparties who support the principles of this Policy and employ their own effective anti-corruption measures. The Company along with other members of the Group of Companies refrains from financial encouragement of representatives of the Counterparties, including through provision of services, payment of funds, and giving gifts, in order to influence their decisions in favor of the members of the Group of Companies. Employees of the Group of Companies are prohibited from engaging intermediaries, agents and other persons to perform any transactions that contradict requirements of the current legislation, this Policy and other local regulatory documents of the members of the Group of Companies.

5.4. Consistent Account Keeping

The Group of Companies strictly adheres to requirements of the legislation and standards for maintaining accounting documentation. Each economic action is subject to registration in a primary accounting document. Distortion or falsification of accounting data, management and other types of accounting or supporting documents is strictly prohibited. All financial transactions are consistently, accurately and thoroughly reflected in accounting books. Employees whose competence includes keeping records are responsible for preparation and provision of complete and reliable reports within the prescribed time frame. Intentional distortion or falsification of reporting data is not allowed and is punishable by law.

5.5. Avoiding a Conflict of Interest

The Company implements a set of measures to prevent a conflict of interest. Conflict of interest-related business relations shall be regulated by independent local regulatory, organizational and administrative policies of the members of the Group of Companies.

5.6. Control and Audit

The Company regularly conducts external and internal audits of financial and economic activities, monitors compliance by the Employees of the Group of Companies with provisions of the current anti-corruption legislation, this Policy and other local regulations of the members of the Group of Companies.

5.7. Appointment of Bodies or Officers Responsible for Ant-Corruption Activities

In order to effectively implement provisions of this Policy, the Company assigns divisions and officers responsible for prevention of corruption in the Group of Companies.

6. ANTI-CORRUPTION-RELATED OBLIGATIONS OF THE EMPLOYEES AND OTHER PERSONS

6.1. Employees of the Group of Companies shall consider with this Policy and sign a document, obliging them to observe it. Such obligation shall be an integral part of each employment agreement.

6.2. An Employee's compliance with this Policy shall taken into account when assessing the Employee's business qualities, including the case of his or her appointment to a higher position, as so as for solving other personnel issues.

6.3. Employees and not employed members of the corporate management of the Group of Companies are obliged to strictly comply with restrictions and requirements provided for by the Policy, including those related to donation, receipt of gifts; implementation of hospitality expenses; interaction with representatives of the state and public organizations, with Counterparties, intermediaries, third parties; avoidance of conflicts of interest; reporting.

6.4. Employees and not employed members of the corporate management of the Group of Companies are prohibited from participating in corrupt practices, including offering, promising, giving, asking and receiving bribes (subject of commercial bribery) or making payments to simplify administrative, bureaucratic and other operations in in any form, including in the form of monetary funds, valuables, services or other benefits of proprietary and non- proprietary nature, to any persons and from any persons or organizations, including commercial and non-profit organizations, authorities and local government bodies, civil servants , including foreign ones, in order to obtain benefits for themselves, for members of the Group of Companies or for third parties.

6.5. Employees and not employed members of the corporate management of the Group of Companies are obliged to comply with anti-corruption requirements and restrictions established by other local regulatory and organizational and administrative documents of the members of the Group of Companies (in the part that does not contradict this Policy).

7. LIABILITY FOR FAILURE TO PERFORM (IMPROPER PERFORMANCE) OF THIS POLICY

7.1. All Employees, not employed members of the corporate management of the Group of Companies, regardless of their position, are personally liable for non-performance (improper performance) of provisions of the Policy.

7.2. Heads of independent structural units of the members of the Group of Companies are responsible for provision for compliance with the Policy by their subordinates.

7.3. In case of suspected corruption actions an official revision shall be carried out, results whereof shall be communicated to the Chief Executive Officer of Evropeyskaya Elektrotehnika PJSC.

7.4. A person violating provisions of the Policy may be subject to disciplinary sanctions depending on his or her guilt, nature and level of offense risk, as so as on damage or potential damage amount suffered by the members of the Group of Companies, including damage to business reputation, and other significant circumstances.

7.5. The Company and other members of the Group of Companies reserve the right to apply to the court with civil requirements against a person who violated the provisions of this Policy, if there is damage done to the Company and/or other members of the Group of Companies.

7.6. The Company and other members of the Group of Companies reserve the right to apply to law enforcement agencies in order to impose administrative or criminal liability on a person in cases where his or her actions were interpreted by the Company or be the members of the Group of Companies as an administrative or criminal offense.

7.7. The Employees are subject to criminal liability in case of violation of anti-corruption laws by authority of law enforcement or regulatory agencies.

8. FINAL PROVISIONS

8.1. The Board of Directors of the Company approves this Policy and all amendments and additions thereto.

8.2. Before approval, the Policy is submitted for preliminary consideration by the Audit Committee under the Board of Directors of the Company.

8.3. The structural division of the Company performing risk management and internal control shall perform updating of the Policy by introduction of amendments thereto.