

APPROVED by  
resolution of the Board of Directors of  
EN+ GROUP IPJSC

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**EN+ GROUP IPJSC**  
**ANTI-BRIBERY AND CORRUPTION POLICY**

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## TERMS

**"Anti-Corruption Laws"** means anti-bribery and anti-corruption laws, including Federal law No. 273-FZ "On Combating Corruption" dated 25 December 2008 (hereinafter – **the "Law on Combating Corruption"**), the United Nations Convention Against Corruption (adopted in New York on Oct. 31, 2003), and other applicable national laws and statutes.

**"Anti-Corruption Obligations"** are the obligations, representations and warranties to comply with the Anti-Corruption Laws voluntarily assumed by the parties to a contract involving any Group company and incorporated into the text of the relevant contract.

**"Close Relatives"** means parents, siblings, spouses, children, spouses of children, aunts and uncles, and in-laws.

**"Bribe"** refers to receipt by an official, foreign official or an official of a public international organisation personally or through an intermediary any monies, securities or other property or illegal provision of property-related services or other property rights in return for certain action/inaction inuring to the benefit of the bribe-giver or their principals, if such actions/inaction are within the powers vested in such official or the official has the discretion to facilitate such actions/inaction ex officio, or in return for general protection or connivance while acting in an official capacity (Articles 290 and 291 of the Criminal Code of the Russian Federation). All manner of "Facilitating Payments", generally defined as insignificant, informal, non-transparent payments solicited by government officials in return for completing or expediting standard official procedures to which the Group is entitled by law are also viewed as Bribes. A Facilitating Payment is, inter alia, a payment made in favour of an individual Public Official or a person designated by them, instead of the government agency itself.

**"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.

**"Public Official"** means any of the following individual:

(a) a person holding a position that involves the performance of legislative, administrative or judicial functions,

(b) a person holding a public office of the Russian Federation or a public office of a constituent entity of the Russian Federation;

(3) a federal state civil officer, a state civil officer of a constituent entity of the Russian Federation, or a municipal officer;

(4) an employee of the Central Bank of the Russian Federation;

(5) an official within the meaning of Article 285 of the Criminal Code of the Russian Federation who exercises the functions of a representative or who performs organisational, administrative and economic functions in state bodies, local self-government bodies, in the Armed Forces of the Russian Federation, other troops and military formations of the Russian Federation, in State-owned Companies;

(6) a foreign official or an official of a public international organisation;

(7) a Close Relative of any of the above-mentioned persons (subparagraphs (1) - (6));

(8) an official of a political party whose representatives have entered the legislative body of a public legal entity.

The term "Public Official" shall be used for the purposes of this Policy and shall be interpreted on a case-by-case basis, taking into account applicable law.

**"State-owned Companies"** are state or municipal institutions, state extra-budgetary funds, state corporations, state corporations, public-law companies, state and municipal unitary organisations or any business entities in whose supreme management body the Russian Federation, a constituent entity of the Russian Federation or a municipal entity holds directly or indirectly (through a controlled entity) more than fifty percent of votes, or in which the Russian Federation, a constituent entity of the Russian Federation or a municipal entity is entitled to appoint/elect the sole executive body and/or more than fifty percent of the members of its collective management body, or companies subject to a privileged right of the Russian Federation, a constituent entity of the Russian Federation or a municipal entity to take part in the management of such company ("the golden share").

**"Group", "EN+ Group", "Companies of EN+ Group"** is a set of legal entities connected by relations of economic and/or corporate dependence, with the exception of UC RUSAL IPJSC and legal entities within the UC RUSAL IPJSC Group. For the purposes of this Policy the term "Group" refers to the Company and each subsidiary, unless it is expressly stated that a certain provision applies solely to the Company or a particular subsidiary.

**"Commercial Graft"** refers to a person performing management functions in a commercial or other organisation being illegally given or such person illegally receiving monies, securities, other property or such person being rendered property-related services or other property rights/unlawfully taking advantage of any property-related services or other property rights (also when property is transferred, or property-related services are rendered, or property rights are granted to another individual or legal entity designated by such person) in return for action/inaction in favour of the giver on the strength of such person's official position or by virtue of such person having, ex officio, the power to facilitate such action/inaction (Article 204 of the Criminal Code of the Russian Federation).

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

**"Corruption"** is abuse of office, bribe-giving, bribe-taking, abuse of authority, Commercial Graft or other instances of an individual taking unlawful advantage of their official position, contrary to the legitimate interests of society and the state, for personal gain in the form of monies, valuables or other property or property-related services, or other property rights for themselves or for a third party, or unlawful grant of similar benefits to such person by other individuals. It also qualifies as corruption when the above acts are committed on behalf of or for the benefit of a legal entity (p. 1, Art. 1 of Law on Combating Corruption").

**"Bribery"** includes Bribes, Commercial Graft, facilitation for the giver and/or recipient to reach or realize an agreement between them to give and receive a Bribe or a Commercial Graft, or any offer, promise, grant or acceptance of any financial or other privilege in any other form to induce the recipient of such privilege or any other person to commit an unfair act or to act in a certain way in the discharge of their duties, or to reward such persons for an unfair act, or where the recipient is acting in bad faith in obtaining an unlawful advantage.

**"Policy"** means this Anti-Bribery and Corruption Policy.

**"Employee(s)"** are the directors, officers and other employees (whether employed under an employment contract, independent contractor agreement or otherwise) of any Group company. Employees include, without being limited to: persons who, by operation of law, any other legal or constitutional instrument of the relevant Group company are authorised to act on behalf of such Group company and/or are members of any sole or collective body of the Group company, including members of the Board of Directors.

**"Third Party"** is a legal entity or individual that, not however being part of the Group or an Employee, (1) is (or plans to be) involved in a financial transaction with a Group company and/or (2) is engaged and authorised by a Group company to provide goods or services or act on behalf of and/or for the benefit of a Group company, for example: suppliers, vendors, customers, distributors, agents, proxies, banks, financial institutions, consultants, their contractors, intermediaries, customs brokers, service providers and partners in a joint venture, irrespective of their location.

**"Authorised Person"** is an Employee of the Company whose primary and daily duties are to apply this Policy, provide training, monitor and supervise the implementation and effectiveness of the Policy, and provide answers to questions regarding its interpretation. The Authorised Person should be a senior officer with sufficient resources at their disposal, who is able to act independently of the management and has direct access to the Company's Board of Directors. The Chief Compliance Officer is the Authorised Person.

## **I. GENERAL PROVISIONS**

### **1. Introduction**

1.1. This 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 or Third Parties.

This Policy was drafted in conformance with the provisions of the applicable Anti-Corruption Laws, recommendations of local and international regulators, precepts of international law and standards of global business practice.

#### **1.2 Context**

This Policy is tailored to the context of the Group and its operations, and heeds, inter alia, the following:

- the Group's positions in the global market;
- the industries in which the Group operates;
- the Group's business geography;
- the nature, scale and complexity of the Group's production operations;
- the business models of operations;
- the business strategy, which includes commitment to the highest standards of corporate governance and social responsibility.

#### **1.3 Needs and Expectations**

This Policy is geared towards the following understanding of the Group's needs:

- emphasis on long-term, mutually beneficial co-operation and relationships with business partners that are based on respect, trust, honesty and fair play;
- the need to fully comply with Anti-corruption Law and the laws against the legalization of criminal income and financing of terrorism;
- doing business with reputable business partners that conduct business legally and derive their financial means from legal sources. Prior to entering into an agreement with a new business partner, due diligence is performed in order to make sure the partner fulfil the above criteria;
- unacceptability of making or receiving illegal payments or use unethical or unfair means to influence our business partners or competitors;
- zero tolerance for Corruption;
- eagerness to build and maintain official statutory relationships with Government Entities and Public Officials.

The Group expects its business partners to uphold the same high ethical standards. The Group upholds the values, ethical principles and standards set forth in the Code of Corporate Ethics and other internal documents.

## **2. Goals and Objectives**

### **2.1 Goals:**

- to make sure the Group's operations are compliant with the provisions of Anti-Corruption Laws by implementing this Policy's objectives;
- to prohibit and prevent the Group, Employees and Third Parties from engaging in Bribery and Corruption;
- to build a sustained commitment to the principle of zero tolerance for Corruption in any form and manifestation.

### **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.
- Make it Employees' duty to comply with the principles and requirements cemented by this Policy and enforce accountability to discourage violations.
- Eliminate the risk of Employees getting involved in corrupt practices.
- Ensure the detection, verification, suppression and prevention of corruption offences.

## **3. Scope**

This Policy applies to the Group, Employees and Third Parties without exception.

The Employees must familiarise with this 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.

The mandatory fulfilment of the Policy requirements by the Group companies is ensured by the approval by such companies of a relevant internal document or in any other way provided for by the applicable law.

Certain provisions of the Policy may be regulated in more detail by other internal instruments such as regulations, policies, instructions, etc., which shall not contradict this Policy.

## **4. Miscellaneous**

In the event of a conflict between this Policy and a provision of Anti-Corruption Law due to



amendments made to it, the provision of applicable Anti-Corruption Law shall govern.

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 anti-corruption laws of the states in which it operates. Any action or inaction of the Group, including instances involving anti-corruption, must not contravene Anti-Corruption Laws.

Anti-Corruption Laws forbid Bribery.

This Policy is designed to ensure compliance with the requirements for the prevention of Bribery and compliance with other requirements as set forth in Anti-Corruption Laws.

### **2. Zero Tolerance for Corruption**

The Group requires full compliance with the highest ethical standards and Anti-Corruption Laws applicable to the Group by virtue 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. Personal Example of the Top Management ("tone from the top")**

The management of the Group (including managers of the Company, its subsidiaries, and corporate units of the Group companies) shall comply with Anti-Corruption Laws and set a personal example of zero tolerance for Corruption in any form and shall fulfil their job and/or corporate duties prudently and in good faith, being guided by the highest professional and ethical standards.

### **4. Liability and Inevitability of Punishment**

Since the Company may be held liable for the commission of corrupt actions by Employees or Third Parties, all reasonable suspicions of such an offence 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 result in civil and administrative liability of the relevant individuals and Groups, as well as criminal liability of the relevant individuals. The Group will not reimburse Employees and Third Parties for the amount of any fines imposed on them for violating Anti-Corruption Laws.

Based on the findings of the investigation, each Group company will be obliged to impose disciplinary sanctions on the persons responsible and/or refer the files to the jurisdictional state authorities where the decision will be made whether to prosecute the persons responsible under the applicable Anti-Corruption Laws.

## **5. Risk Assessment**

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

## **6. 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 measures to be taken to realise this principle are set out in p. 6, Section IV of this Policy.

## **7. Preventing Corruption is a Priority**

The Group endeavours to prevent any conditions and causes for Corruption. To that end, the Group takes preventive steps in good time, developing and enacting control procedures aimed at preventing Corruption.

## **8. Efficiency**

Each Group company endeavours to implement such anti-corruption measures that would achieve the most significant results while being simple, transparent and easy to apply.

## **9. Awareness Raising and Training**

The Group will make plain to Employees the provisions of applicable Anti-Corruption Laws and this Policy through awareness-raising, training courses and coaching. The steps to be taken to realise this principle are set out in p. 6, Section III of this Policy.

## **10. Employee Engagement**

Employees shall perceive this Policy and related requirements not as mere recommendations, but as binding rules, and must actively participate in making them work and making them better. Employees must realise that their conduct builds and reinforces the foundations of anti-corruption conduct.

## **11. 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 p. 1, Section V of the Policy.

## **12. Confidentiality and Whistleblower Protection**

All Employees and other persons are guaranteed confidentiality when they report suspicious circumstances related to Corruption.

Counselling on private anti-corruption issues must be conducted in confidence.

Each Company in the Group guarantees that any Employees or other persons who in good faith report signs or instances of Corruption involving other Employees or Third Parties will not be subject to sanction, including termination of employment, demotion, loss of bonuses, etc.

### **13. Monitoring and control**

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.

### **14. Constant Improvement**

Each company in the Group identifies weaknesses in the system subject to further improvement, based on an assessment of the effectiveness of the anti-corruption system and an analysis of all incidents of corruption detected and prevented.

## **III. GENERAL MEASURES**

### **1. System of measures**

In order to prevent and combat corruption, the Group prioritises the following set of anti-corruption measures.

- Introduction of an unconditional prohibition of Bribery and actions that circumvent such prohibition as a general requirement in the Group
- Appointing an Authorised Person and ensuring that they have the resources and authority necessary and sufficient to implement and enforce the Policy properly.
- Anti-corruption expertise of the internal regulations of the companies of the Group
- Organising and conducting training for Employees on combating and preventing Corruption.
- The introduction of special requirements aimed at combating and preventing Corruption applicable to specific areas of the Group's activities and relations.
- Monitoring of Employees' fulfilment of the restrictions, prohibitions, and obligations established under Anti-Corruption Law and this Policy.
- Conducting audits of the effectiveness of anti-corruption measures and monitoring the business processes of the Group's companies for potential vulnerabilities and ways to improve the anti-corruption measures.
- Practical cooperation with law enforcement authorities of the Russian Federation in pursuit of anti-corruption efforts.
- Timely and proportionate response to reports of an actual or potential violation of anti-corruption laws, including objective internal audits, implementation of claims and litigation work, and interaction with state (municipal) authorities.

- Establishing mechanisms and means for Employees and/or Third Parties to report signs of corrupt practices, ensuring confidentiality. Applying protection measures for those providing information and discouraging abuse and knowingly false reporting.

## **2. Prohibition on Bribery**

Employees are prohibited from authorising, granting, offering and/or promising of any advantage of monetary or non-monetary nature (including cash, securities, other property or illegal provision of property-related services, or provision of other property rights), 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 illegally agreeing to, providing, offering and/or promising to a person performing managerial functions in a commercial or other organisation any money, securities, or other property, as well as the illegal rendering of property-related services, granting of other property rights (including n property is transferred, property-related services are rendered or property rights are granted to another individual or legal entity at the direction of such a person) for the performance of actions (or inaction) in the interest of a person performing managerial functions in a commercial or other organisation.

Employees are also prohibited from soliciting (in any form), receiving, agreeing to receive or accepting financial or other advantage, including, but not limited to, money, securities, other property, as well as the illegal use of property services or other property rights (including when property is transferred, property services are provided or property rights are granted to another person or entity at the direction of such a person) for acting (or failing to act) in favour of the giver or other persons, if said actions (or inaction) are within the official powers of such person or if he/she, by virtue of his/her official position, may facilitate the said actions (or inaction).

The prohibitions set forth in this section apply to all payments regardless of the amount.

The concept “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.

## **3. Prohibition on acting 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.

## **4. Anti-corruption expertise**

The Group is to review all internal regulations to ensure they comply with the Anti-Corruption Law and this Policy.

Internal regulations may not contain factors of corruption, which are understood as provisions of internal regulations and drafts thereof that establish:

- An unreasonably wide limits of discretion (which may be expressed, inter alia, in the following: the absence or uncertainty of terms, conditions or grounds for decision-making; the absence or incompleteness of the regulation for the procedures covered by the regulations; the existence of overlapping powers; or the extensive use of evaluative

categories without clear criteria);

- vague requirements that create the conditions for corruption to arise (including unclear and ambiguous wording; numerous blanket or reference statements in the regulations; or the use of special terms without indicating their referents).

## **5. Monitoring, Control and Evaluation of the Effectiveness of the System of Measures**

### **5.1. Anti-corruption monitoring**

The main areas of anti-corruption monitoring are:

- monitoring changes in anti-corruption legislation and reviewing the Policy and other internal regulations of the Group for compliance with the legislation;
- summarising and analysing the results of anti-corruption expert examination of internal regulations;
- surveying and studying Employees' opinions on the effectiveness of measures to prevent and combat corruption within the Group and the efficiency of the measures taken;
- analysing materials on any instances of corruption detected in the Group, assessing and forecasting corruption factors;
- assessing new and reassessing old corruption risks;
- analysing reports on any signs of corruption violations within the Group.

### **5.2. Control**

Proper compliance with the requirements of the Anti-Corruption Law and this Policy shall be monitored on an ongoing basis.

The Authorised Person or other person designated by him/her shall take immediate response measures in the event of non-compliance of the Policy or other internal regulations of the Group with Anti-Corruption Law, or if reports arise of a corruption violation or any indication of such a violation.

The specific response measures are to be determined by the Authorised Person independently depending on the actual circumstances and are to be adequate and sufficient.

### **5.3. Performance evaluation**

The companies of the Group are to carry out periodic internal and external audits (evaluation) of the effectiveness of the system of measures.

Internal auditing (assessment) of efficiency is to be performed by the Authorised Person independently or jointly with the structural unit of the Company of the Group which is responsible for internal auditing.

An external independent assessment of the effectiveness of the set of measures may be carried out by decision of the management bodies of any of the Group's companies authorised to make such a decision in accordance with the constituent or internal regulations.

An external independent assessment may be ordered, for example, if an internal audit reveals signs of corruption or significant violations of the anti-corruption measures.

The results of any internal or external audit (assessment), including any deficiencies identified, are to be formalised in the form of a report and communicated to the CEO, members of the Board of Directors, and other management bodies of the Group company authorised to review such reports in accordance with the constituent or internal regulations of the company.

Based on the results of inspections (assessments) of the effectiveness of the set of anti-corruption measures, the Authorised Person is to develop an action plan to eliminate deficiencies and improve the set of measures as a whole, including, if necessary, proposing amendments to this Policy.

#### **5.4. Updating the Policy**

This Policy is to be updated in the following cases:

- the need to bring the provisions of this Policy in line with amendments to the Anti-Corruption Laws;
- a significant change in the context of the Group and its operations;
- the need to improve the implementation of this Policy, including as a result of monitoring, control and/or a performance evaluation.

### **6. Awareness Raising and Training**

#### **6.1. Informing**

The Group shall ensure that all Employees are familiarised with this Policy. Employees hired by the companies of the Group must familiarise with this Policy and keep being informed about the legal and regulatory framework for combating corruption and liability for corruption offences.

The Group shall publish or otherwise provide unrestricted access to the text of this Policy to all Employees, and prepare visual leaflets explaining certain provisions of the Policy.

#### **6.2. Training**

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;
- coordinating and monitor financial transactions and expenditures within the Group's companies.

The training will occur at the beginning of their employment with the Group and at least annually thereafter to keep their knowledge and skills in the field of anti-corruption up to date.

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.

The Group will regularly update its training regime and training materials to reflect the current requirements of the Anti-Corruption Laws.

The training shall also include:

- individual counselling of Employees on the application (compliance) with the Anti-Corruption Laws, this Policy and specific measures by the Authorised Person;
- conducting interviews with external independent consultants, including trainings, seminars, webinars;
- creation of a specialised section on the Group's (Group companies') portal with information on prevention and combating corruption, including methodological materials, instructions, case studies, memos, etc.;
- control over the assimilation of the acquired knowledge by means of tests.

#### **IV. SPECIAL REQUIREMENTS**

##### **1. Gifts**

The Group recognises the practice of offering business courtesies in the business community as vulnerable to corruption, including the exchange of even modest gifts, entertainment, hospitality and travel expenses, which are given in exchange for benefits or dishonest acts and are not directly related to (1) the promotion, demonstration or provision of information about products or services; or (2) the performance of a contract.

To the extent possible, gifts should be inexpensive souvenirs bearing the Group's or the relevant Group company's logo that are customarily given at trade fairs, public presentations, forums and other hospitality and marketing events in which the Group or the relevant Group company officially participates.

Employees shall not be entitled to provide any type of business hospitality in favor of any person or entity.

Business hospitality must always meet all of the following criteria:

- they are timed with certain events or generally accepted holidays, such as Christmas, New Year, International Women's Day, memorial dates, or jubilees;

- are customary, reasonably justified and proportionate;
- are not a hidden reward for a service, action, omission, connivance, patronage, bestowing of rights, making of a particular decision regarding a transaction, agreement, licence, permit, etc. or an attempt to influence the recipient for any other illegal or unethical purpose, and are not provided in exchange for receiving any benefits or responses;
- not pose a reputational risk to the Group or its Employees if gifts are disclosed;
- not put in question the ability of the recipient to make objective and fair business decisions;
- not contradict the Anti-Corruption Laws, Policy and policies of the Third Parties whether they are givers or recipients;
- 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;
- their value is verifiable or may be confirmed;
- not coincide with important business decisions within the Group that depend on the giver or recipient of the gift or token of business hospitality;
- not have any elements of Bribery or Graft and may not be regarded as such by society.

In no case may the value of gifts to a single individual exceed:

- RUB 3,000 per annum in respect of Public Officials;
- RUB 5,000 per year in respect of other recipients.

It is prohibited to make gifts of any value to a Public Official in order to influence him/her in his/her official capacity or performance of official duties by him/her.

The following gifts must not be given on behalf of the Group to any third parties or received by Employees from third parties:

- cash or non-cash in any currency, cash equivalents (including cryptocurrency), securities (stock options and other securities or money market instruments) or precious metals;
- gift certificates or gift cards exceeding the limit set by the Policy;
- subscriptions to fitness centres or other activities;
- various transaction benefits (e.g., interest-free or preferential loans, personalised discounts);
- payment for medical treatment, education, or travel expenses;
- items that are clearly not souvenirs (appliances, jewellery, furniture, vehicles, etc.).

Group companies may adopt internal documents establishing gift limits, the procedure for recording



and declaring gifts, and the procedure for deciding whether to give a gift. The Group takes measures to inform Employees of the existence of such internal documents, including the current limits, if established. If relevant limits are not established, the general principles and criteria provided above should be followed.

### **1.1. 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 and is not connected with the commission of actions (inaction) in the interests of the giver or other persons, if the said actions (inaction) are within the official powers of such person or if he/she by virtue of his/her official position can facilitate the said actions (inaction). 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.

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..

### **1.2. 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 and do not contradict Anti-Corruption Laws, Policy and internal documents of the Group.

Payment must be made by wire transfer or 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.

The companies within the Group are prohibited from paying travel and accommodation expenses of Public Officials.

## **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 and other applicable laws.

Prior to making any political contribution on behalf of the Group a written approval from the Authorised Person and other persons whose approval must be obtained according to the legislation and/or or internal documents is needed.

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 and other persons whose approval must be obtained according to the legislation and/or or internal documents.

### **4. Record keeping and reporting**

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.

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 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. Due Diligence

### 6.1. Risk Assessment

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 (status) 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.

### 6.2. Due diligence of Third Parties

The Group must collect information about the Third Party, such as full legal name, beneficial owners, officers and key employees (specialists). It is necessary to screen such party and individuals against the registers of persons excluded from participation in procurement due to allegations of corruption (in particular, the registers of persons held administratively liable for illegal remuneration), the links to criminal organisations, using online services and other legitimate sources used by the Group.

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 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. The Authorised Person kept written records of all due diligence and steps taken to address identified Third Party Corruption risks.

### **6.3. Anti-Corruption Obligations**

The Group is to refrain from engaging Third Parties or participating in joint ventures, if it may lead to a violation of this Policy.

The Group reserves the right to terminate contracts or to make claims for compensation for losses caused by Third Parties if corrupt practices are detected on the latter's part.

When establishing contractual relations with Third Parties, the terms and conditions of the contracts are to include the Anti-Corruption Commitments stipulated in Appendix No. 1 to this Policy.

### **7. Mergers, acquisitions and participation in 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 (FACTORS CAUSING CORRUPTION)**

### **1. Reporting possible violations and red flags (factors causing corruption)**

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:

- by phone: 8-800-234-5640 (call is free within Russia);
- by phone: +7 495 221 33 72 (when calling from abroad);
- by e-mail: [signal@enplus.ru](mailto: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.

Signs, factors and information indicating possible preparation or commission of a corruption offence are referred to in this Policy as "**red flags**".

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.

If the investigation reveals that a report on the violation of the Anti-Corruption Law was knowingly false, the Authorised Person is to initiate, in accordance with the prevailing legislation and internal regulations, the process of making the dishonest person face the consequences.

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

If an Employee is forced to breach the provisions of this Policy because of a threat to his/her life, health or safety, the fact and circumstances of such a breach must be reported immediately to law enforcement authorities, to the Authorised Person and/or his/her line manager.

## **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.

#### **4. Whistleblower Protection**

The Group ensures that whistleblowers are protected from possible unfavourable consequences of their disclosure.

The protection measures are:

- confidentiality of the applicant's personal data;
- additional control over personnel decisions taken in relation to the whistleblower (if the whistleblower is an Employee);
- ensuring collegial proceedings regarding the application of disciplinary measures to a person who has reported corruption. The relevant procedure for imposing sanctions may be set out in a separate internal document;
- Establishing a special procedure for consideration of complaints of an applicant (if the applicant is an Employee) about reprisal actions related to disclosure of information on corruption offences;
- taking measures to restore the violated rights of the complainant in case the complaint of retaliatory actions is recognised as justified, which may include: cancellation of an unfair personnel decision, transfer of the complainant to another position, application of disciplinary measures to the persons who committed retaliatory actions.

## **Appendix No. 1 to the Anti-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:

- do not, personally or through third parties, (i) 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.

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.

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



8. In case of discrepancies between the Russian and English versions of the above, the Russian version shall prevail.

## **Appendix No. 2 to the Anti-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 venture**

In the case of establishing a new business operation, the Group may be exposed to legal liability in one of two ways: (1) 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 (2) if the joint venture violates the law following its establishment.

The Group shall therefore:

- (1) 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
- (2) 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, it is appropriate for the Group to abandon the transaction in question. If, however, it is not possible for one reason or another to avoid the transaction in question, then an attempt should be made to maximise the amount of due diligence that can be carried out 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.

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.

In the event of a transaction, the Group should conduct due diligence to quickly assess the risk areas more accurately and draw conclusions as to whether there have been illegal activities, the adverse impact of which will need to be addressed in the future, and to ensure that deficiencies and irregularities are promptly remedied and that the acquired company achieves the required level of

compliance. 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 monitoring**

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.
- 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 sole executive body, collegial executive bodies, participants or shareholders, beneficial owners, and other 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; researching reliable sources of business information (which may include Dun & Bradstreet reports); 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. 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.

## **5.4. Relationships with third parties: identifying red flags**

- 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 (no longer than 3 months) 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 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.

## **Appendix No. 3 to the Anti-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).

### **1. 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, an Employee or any other Third Party;
- 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.
- The third party is a shell company, a one-day company;
- The third party is registered or located in an offshore jurisdiction, including a money laundering jurisdiction.



## **2. 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.

## **3. 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;
- excessive entertainment spending;
- provision of business hospitality not directly related to the implementation of any legitimate commercial activity to persons who are subject to this Policy;
- provision business hospitality to any individual beyond one gift within a calendar year;
- deductions for charitable purposes in favour of an organisation affiliated with a person who is subject to this Policy.

#### **4. 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

#### **5. 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);
- 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-Corruption Policy – Facilitation Payments: Risk Management and Dealing with requests**

1. Steps that should be taken to reduce the risk related to the Bribery, including the request for Facilitation Payments, include:
  - (a) communication of the Group's blanket prohibition on Facilitation Payments to all Third Parties (in particular, minor, unofficial, non-transparent payments requested by Public Officials in order to carry out or expedite standard official procedures to which the Group is entitled under applicable law. A Facilitation Payment is, among other things, a payment made in favour of an individual Public Official or person designated by the Public Official rather than a Government Entity);
  - (b) where appropriate, take local legal advice so properly payable fees can be distinguished from disguised requests for Facilitation Payments;
  - (c) 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:
  - (a) Refuse to pay.
  - (b) Take the name of the person requesting the payment.
  - (c) Immediately report the incident to the Authorised Person and obtain authority from the Authorised Person to take appropriate action.
  - (d) Consider which of the following steps may be appropriate:
    - (i) 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;
    - (ii) inform the requesting official that all fees must be paid in accordance with the procedure established by law directly to the government office in return for an official receipt including all payment details, including the identity of officials receiving payment;
    - (iii) if it is impossible to make direct payment which, in accordance with the law, is payable directly to a government agency, due to technical reasons, request that the official provide a receipt on government letterhead;
    - (iv) 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;
    - (v) explain to the relevant parties within the requesting organization that the project/operation is in jeopardy and will fail if the demand is maintained;
    - (vi) contact law enforcement if the request to make the payment is unlawful.

- (e) 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.
  - (f) 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