

Approved by resolution
of the Board of Directors of “Lenenergo”, PJSC
of June 30, 2020
(Minutes No. 5 of July 02, 2020)



“LENENERGO”, PUBLIC JOINT-STOCK COMPANY

“LENENERGO”, PJSC
CORPORATE POLICY

PK-12.04-003-2020

**Anti-Corruption Policy
of “Rosseti”, PJSC and its Affiliates**

(Rev. 2)

Saint Petersburg
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Introduction

This Anti-Corruption Policy of “Rosseti”, PJSC and its Affiliates was developed basing on Minutes No. 405 of Meeting of the Board of Directors of “Rosseti”, PJSC, of April 20, 2020.

Preparation and putting into effect

1. DEVELOPED by “Lenenergo”, PJSC
2. APPROVED under resolution of the Board of Directors of “Lenenergo”, PJSC of June 30, 2020 (Minutes No. 5 of July 02, 2020).
PUT INTO EFFECT by order No. ... of... of “Lenenergo”, PJSC

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Introduction

The Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates (the “Anti-Corruption Policy”) was drafted in accordance with the main Russian national anti-corruption regulation (Federal Law No. 273-FZ of December 25, 2008 *On Combating Corruption*, hereinafter, the “Anti-Corruption Law”).

In accordance with Article 13.3 of the Anti-Corruption Law, this Anti-Corruption Policy sets out: practices for “Rosseti”, PJSC (the “Company”) and its subsidiaries and affiliates (the/its “affiliates”) with respect to creating units responsible for preventing corruption and other offenses; procedures for cooperation with law enforcement authorities in combating corruption; practices for developing and implementing integrity standards and procedures; measures to adopt the conduct (ethics) code, to prevent or resolve conflicts of interest, and to prevent unofficial reporting and the use of false documents.

In accordance with the National Anti-corruption Plan 2018-2020 (approved by Russian Executive Order No. 378 of June 29, 2018 by the Russian President), this Anti-Corruption Policy aims at addressing the following objectives: develop and implement a range of organizational, awareness-raising, and other measures for employees to comply with Anti-corruption prohibitions, restrictions, and requirements set to combat corruption, unify Anti-corruption standards for employees of the Company and its affiliates, ensure control over the application of legal liability as provided for by law in each case of breaching such Anti-corruption prohibitions, restrictions, or requirements, including measures to prevent and/or resolve conflicts of interest, and continue the efforts to foster zero tolerance to corruption among employees.

First and foremost, this Anti-Corruption Policy covers all employees of “Rosseti”, PJSC and its affiliates, as well as partners and counterparties of “Rosseti”, PJSC and its affiliates, and other persons by virtue of mutual obligations between them and “Rosseti”, PJSC and its affiliates, including Anti-corruption obligations and other Anti-corruption agreements.

In implementing its Anti-Corruption Policy, the Rosseti Group ensures that its anti-corruption measures are public and actively introduces standards and procedures to ensure the integrity of its engagements with partners and counterparties.

“Rosseti”, PJSC has signed the Anti-Corruption Charter of Russian Businesses, has been included in the Consolidated Register of Anti-Corruption Charter Entities, and has initiated the joining of its affiliates to the Anti-corruption Charter.

The provisions of the Anti-Corruption Charter of Russian Businesses have been adapted and included in this Anti-Corruption Policy.

“Rosseti”, PJSC and its affiliates follow Anti-corruption standards that promote open and honest business and minimize corrupt practices in the electric grid sector, which affects the company’s business reputation, relations with its partners and counterparties, and, consequently, its performance against targets set for Rosseti Group by the country’s leadership.

Terms and definitions

Article 13.3 of the Anti-Corruption Law	Article 13.3 of Federal Law No. 273-FZ <i>On Combating Corruption</i> , of December 25, 2008, provides for the obligation of organizations to take measures to prevent and combat corruption
Anti-corruption clause	A section/clause in agreements, contracts and amendments of “Rosseti”, PJSC and its affiliates stating that “Rosseti”, PJSC and its affiliates will pursue the Anti-Corruption Policy and preventing corruption and other offenses/
Anti-Corruption Policy	A system of interrelated principles, procedures, practices, and specific measures aimed at preventing and combating, corruption at “Rosseti”, PJSC and its affiliates documented as a single corporate ground rule document.
Anti-Corruption Commitments	Commitment on the part of a procurement entity within “Rosseti”, PJSC and its affiliates to comply with and fulfill the principles and requirements of the Anti-Corruption Policy, including the obligation not to commit corrupt acts or other offenses and to provide complete and reliable information on the chain of title, including beneficiaries, including ultimate beneficiaries, and on the membership of executive bodies, accompanied by supporting documents.
Anti-Corruption Monitoring	Collection, analysis, and consolidation of information on measures implemented by “Rosseti”, PJSC and its affiliates to prevent and combat corruption in order to assess the effectiveness of such measures, assess and forecast corruption factors and signals; analyze and assess data obtained through monitoring; prepare forecasts of the future status and development trends for such measures.
Corruption Risk Owner	The governing body or the head of the function/structural unit of the Company responsible for all aspects of corruption risk management, including through reducing the probability of risk realization and/or reducing the potential implications of risk realization. Corruption risk owners include the governance bodies or managers in charge of business lines that have objectives that are directly affected by this risk.
Russian Civil Code	The Civil Code of the Russian Federation
Article 291 of the Russian Criminal Code	Bribing an official, a foreign official, or an official of a public international organization, personally or through an intermediary (including when the bribe is given to another individual or legal entity as instructed by such official). “Foreign official” means any person appointed or elected to hold any position in a legislative, executive, administrative, or judicial body of a foreign state, or any person performing any public function for a foreign state, including for a public agency or public enterprise; “official” of a public international organization means an international civil servant or any person who is authorized by such organization to act on its behalf.

Rosseti Security Department	A structural unit responsible for preventing corruption offenses, combating corruption, and implementing the principles and requirements of the Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates.
Law on Personal Data Protection	Federal Law No. 152-FZ <i>On Personal Data</i> , of July 27, 2006
Abuse of authority	<p>Use of powers by a person performing managerial functions for a commercial or other organization contrary to the legitimate interests of such organization and to derive benefits and advantages for himself/herself or for other persons, or to cause damage to other persons, if such action has inflicted substantial damage to the rights and legitimate interests of individuals or organizations, or to legally protected interests of society or the state.</p> <p>A person performing managerial functions for a commercial or other organization, as well as for a non-commercial organization, which is not a state body, local government body, state or municipal institution means a person performing the functions of the chief executive officer, a member of the board of directors or other collective executive body, as well as a person performing organizational and administrative or administrative and economic functions at such bodies permanently, temporarily, or by special mandate (Article 201 of the Russian Criminal Code).</p>
Foreign public officials and officials of public international organizations	<p>In accordance with the UN Convention against Corruption of October 31, 2003, a “foreign public official” is defined as any person holding a legislative, executive, administrative, or judicial office of a foreign country, whether appointed or elected; and any person exercising a public function for a foreign country, including for a public agency or public enterprise.</p> <p>In accordance with the recommendations of international organizations and foreign competent authorities, including the Financial Action Task Force on Money Laundering, the following foreign nationals may be included in this category:</p> <ol style="list-style-type: none"> 1. Persons who carry out (or carried out previously, less than one year ago) important state duties, namely: heads of state (including reigning royal dynasties) or governments, ministers, their deputies and assistants, senior government officials, officials of the “highest instance” judicial authorities (Supreme Court, Constitutional Court) whose decision is not subject to appeal, the public prosecutor and his or her deputies, senior military officials, heads and members of boards of directors of National Banks, ambassadors, heads of state corporations, members of Parliament or other legislative bodies. 2. Persons having the public trust, in particular: heads and deputy heads of international organizations (UN, OECD, OPEC, Olympic Committee, World Bank, etc.), Members of the European Parliament, heads and members of international judicial organizations (Court of Human Rights, the Hague Tribunal, etc.). <p>An official of a public international organization means an international civil servant or any person who is authorized by such an organization to act on its behalf.</p>

Code of Administrative Offences	Code of Administrative Offences of the Russian Federation
Commercial Bribery	Illegal transfer of money, securities, other property, as well as illegal rendering of monetizable services, granting of other property rights to a person performing managerial functions for a commercial or other organization (including when property is transferred or benefits are given that are property, assets or similar items, or property rights are granted to another individual or legal entity as instructed by such person) for committing acts (omission) in the interests of the briber or other persons, if such actions (omission) are within the competence of such a person or if they can enable such acts (omission) by abusing their office (Article 204 of the Criminal Code)
compliance	Compliance of the organization's activities with the applicable requirements of Russian and foreign laws, local regulatory acts, and other binding regulatory documents.
counterparty	Any Russian or foreign legal entity or individual with whom the organization enters into contractual relations that establish a certain amount of rights and obligations except for labor relations), and which are not united by a common goal.
conflict of interest	A situation in which personal interests (direct or indirect) of an employee of "Rosseti", PJSC, including its affiliates, affect or may affect proper, objective, and impartial performance or exercise of his or her official duties or powers, respectively.
corruption offense	An unlawful guilty action (or omission) that can be qualified as corruption, with respective disciplinary action or criminal, civil, or administrative liability prescribed by law.
corruption risk(s)	Risk(s) that a corruption offense would be committed by a Company employee.
Commercial Corruption	Bribery, abuse of authority, Commercial Bribery, or any other illegal use by employees of their position contrary to the lawful interests of "Rosseti", PJSC and its affiliates in order to obtain benefits in the form of money, valuables, other property, or monetizable services, or other property rights for themselves or for third parties, or the illegal provision of such benefits to such person by other individuals, and the performance of such actions on behalf or in the interests of a legal entity.
personal interest	Potential receipt of income in the form of money, other property, including property rights, monetizable services, results of work performed, or any benefits (advantages) by an employee of "Rosseti", PJSC and (or) persons closely related to such employee by blood or marriage, or individuals or entities with which such employee of "Rosseti", PJSC and (or) persons closely related to such employee by blood or marriage have property, corporate, or other close relations.
Close Relatives (persons closely related to a manager/employee by blood or marriage)	Parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, and children of spouses, and spouses of children.

material benefit	Benefit in cash or in kind that can be assessed and qualified as income under Russian tax laws.
Ministry of Labor Guidelines	Guidelines on the development and adoption by organizations/entities of measures to prevent and combat corruption developed by the Ministry of Labor and Social Protection of the Russian Federation approved on November 8, 2013.
illegal reward on behalf of a legal entity	<p>Illegal transfer, offer, or promise of money, securities, or other property on behalf of a legal entity or in the interests of a legal entity, or in the interests of a related legal entity to an official, a person performing managerial functions for a commercial or other organization, a foreign public official, or an official of a public international organization, or provision of monetizable services or granting of property rights to any of them (including if by order from a public official, a person performing managerial functions for a commercial or other organization, a foreign public official or a public international organization, such money, securities, or other property are transferred, offered, or promised, or if such monetizable services or property rights are provided to another individual or legal entity) for performing any action (omission) to such related to his or her official position to such official, person performing managerial functions for a commercial or other organization, foreign public official, or official of a public international organization, related to his or her official position (Article 19.28 of the Code of Administrative Offenses).</p> <p>Officials are persons who permanently, temporarily, or by special mandate perform the functions of a governmental representative or perform organizational and administrative, or administrative and economic functions for governmental authorities, local government authorities, state and municipal institutions, state corporations, state companies, state and municipal unitary enterprises, joint-stock companies, the controlling interest in which belongs to the Russian Federation, constituent entities of the Russian Federation, or municipalities, as well as in the Armed Forces of the Russian Federation, other military branches or units of the Russian Federation (Notes 1 to 3 to Article 285 of the Russian Criminal Code).</p>
illegal employment/contracting of state or municipal officers employees or a former state or municipal officers	Involvement by an employer or customer of works (services) of a state or municipal employee who holds a position included in the list set out in regulatory legal acts, or a former state or municipal employee who held such position in a violation of the Anti-Corruption Law, in labor activities under an employment contract or in the performance of work or delivery of services under an independent contractor agreement (Article 19.29 of the Code of Administrative Offences).
“Rosseti”, PJSC and its affiliates	Public Joint-Stock Company Rosseti and its affiliates
organization	A legal entity, regardless of its form of ownership, legal status, or industry affiliation.
partner	Any Russian or foreign legal entity or individual with whom the organization enters into a contractual relationship to achieve a common goal.

receiving a bribe	Receipt by an official, a foreign official, or an official of a public international organization, personally or through an intermediary, of a bribe in the form of money, securities, other property, or through illegal provision to him or her of monetizable services, granting of other property rights (including when a bribe is given to another individual or legal entity as instructed by such official) for the performance of actions (omission) for the benefit of the bribe giver or persons represented by him or her, if such actions (omission) fall within the official competence of the official or if he or she may contribute to such actions (omission) due to his or her official position, as well as for general support or condonation in their official capacity (Article 290 of the Russian Criminal Code).
mediation in bribery	Handing over a bribe on behalf of the briber or the bribe taker or otherwise assisting the briber and/or the bribe taker in reaching or implementing an agreement between them on taking and giving a significant bribe, as well as promising or offering to mediate in bribery (Article 291.1 of the Russian Criminal Code).
pre-conflict situation	A situation where employees of “Rosseti”, PJSC and its affiliates, as well as the Customer/Procurement Organizer or their representatives, have a personal interest while performing their official or professional duties, which could lead to a conflict of interest.
solicitation of a bribe, Commercial Bribery, or secret commission related to procurement of goods, works, or services for state or municipal needs	An attempt to give an official, a foreign official, an official of a public international organization, a person performing managerial functions for commercial or other organizations, or a person referred to in Part 1 of Article 200.5 of the Russian Criminal Code, without their consent, money, securities, or other property, or provide other monetizable services, or granting other property rights in order to artificially create evidence of an offence or to blackmail (Article 304 of the Russian Criminal Code).
corruption prevention (practices)	The entity’s efforts aimed at introducing elements of a corporate culture, organizational structure, rules and procedures governed by local internal regulations to prevent corruption offences.
combating corruption	The organization’s activities aimed at identifying and eliminating factors causing corruption.
Strategy for the Development of the Electric Grid Sector of the Russian Federation	The Strategy for the Development of the Electric Grid Sector of the Russian Federation, approved by Instruction No. 2014-r of the Russian Government, of April 3, 2014.
Russian Criminal Code	The Criminal Code of the Russian Federation
RMS	The risk management system at the Company
Russian Labor Code	Labor Code of the Russian Federation
Procurement entity	Any legal entity or several legal entities, acting on the side of a procurement entity, regardless of their organizational and legal status, form of ownership, or any individual or several individuals, acting on the side of a procurement entity, including sole proprietor or several sole proprietors, acting on the side of a procurement entity, who meets the requirements set by the customer in accordance with the procurement regulations

1. General Provisions

1.1. Underlying regulations

The Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates has been developed in accordance with:

1. Russian governmental regulations:
 - Constitution of the Russian Federation of December 12, 1993;
 - Civil Code of the Russian Federation;
 - Code of Administrative Offences of the Russian Federation;
 - Labor Code of the Russian Federation;
 - Criminal Code of the Russian Federation;
 - Federal Law No. 115-FZ *On anti-money laundering and combating the financing of terrorism*, of August 7, 2001;
 - Federal Law No. 273-FZ *On combating corruption*, of December 25, 2008;
 - Federal Law No. 224-FZ *On counteracting the misuse of insider information and market manipulation and on amendments to certain statutory acts of the Russian Federation*, of July 27, 2010;
 - Federal Law No. 230-FZ *On monitoring the matching between expenditures of governmental officials and other persons and their revenues*, of December 3, 2012;
 - Federal Law No. 79-FZ *On the prohibition for certain categories of persons to open and have accounts (deposits), keep cash and valuables with foreign banks located outside the Russian Federation, and to own and (or) use foreign financial instruments*, of May 7, 2013;
 - Executive Order No. 309 of the President of the Russian Federation, *On measures to implement certain provisions of the Federal Law ‘On Combating Corruption’*, of April 2, 2013.
 - Executive Order No. 613 of the President of the Russian Federation *Issues related to combating corruption* of July 8, 2013;
 - Executive Order No. 378 of the President of the Russian Federation, *On the national plan to combat corruption for 2018–2020*, of June 29, 2018;
 - Resolution No. 568 of the Government of the Russian Federation, *On extending restrictions, prohibitions, and obligations established by the Federal Law “On Combating Corruption” and other federal Anti-Corruption Laws to certain categories of individuals*, of July 5, 2013;
 - Resolution No. 613 of the Government of the Russian Federation, *On submission by individuals applying for positions at organizations established to perform tasks set for the Government of the Russian Federation and employees filling positions at such organizations of information on their income, expenditures, property, and property-related obligations, and on verifying the reliability and completeness of the information provided and employees’ compliance with the requirements for professional conduct*, of July 22, 2013;
 - Resolution No. 10 of the Government of the Russian Federation, *On the procedure for reporting by certain categories of persons of gifts received by them in connection with their official position or performance of their official duties, delivery and evaluation of gifts, sale (redemption) and transfer of proceeds from their sale*, of January 9, 2014;
 - Resolution No. 29 of the Government of the Russian Federation, *On approving the rules for notification by the employer of the signing of an employment contract or independent contractor agreement for performing work (providing services) with an*

individual who held a state or municipal service position, included in the list of positions set out in regulatory legal acts of the Russian Federation, of January 21, 2015;

- The Strategy for the Development of the Electric Grid Sector of the Russian Federation, as approved by Instruction No. 511-r of the Government of the Russian Federation, of April 3, 2014;

- Other legal acts on preventing and combating corruption.

2. Minutes/reports and instructions of Russian government authorities:

- Minutes No. A-60-26-8 of the Commission for the Development Strategy of the Energy Sector and Environmental Security under the President of the Russian Federation, of July 10, 2013;

- Instructions of the Government of the Russian Federation No. VP-P13-9308 of December 28, 2011 and No. VP-P24-1269 of March 5, 2012 on disclosing information on the ownership structure of counterparties, providing information on the income, property and property-related obligations of management, and on preventing and identifying conflicts of interest and other abuses related to positions held at “Rosseti”, PJSC and its affiliates;

- other management decisions.

3. Guidelines on Developing and Taking Measures to Prevent and Combat Corruption at Organizations, developed by the Ministry of Labor and Social Protection of the Russian Federation and approved on November 8, 2013.

4. Guidelines on Corruption Risk Management and Internal Control Processes to Prevent and Combat Corruption, as approved by the Federal Agency for State Property Management (Rosimushchestvo) in its Order No. 80 of March 2, 2016.

5. The Corporate Governance Code approved at the meeting of the Russian Government on February 13, 2014, approved by the Board of Directors of the Bank of Russia on March 21, 2014, and recommended for application by joint-stock companies (the “Corporate Governance Code”).

6. The Anti-Corruption Charter of Russian Businesses, as approved by the Russian Chamber of Commerce and Industry on September 21, 2012, the Russian Union of Industrialists and Entrepreneurs, the All-Russia Public Organization “Business Russia”, and the All-Russia Public Organization “OPORA Rossii” (Certificate No. 496 of “Rosseti”, PJSC, of September 23, 2014).

7. International legal standards.

8. Local regulations of “Rosseti”, PJSC and organizational and regulatory documents of “Rosseti”, PJSC:

- Articles of Association of “Rosseti”, PJSC

- Code of Corporate Ethics of “Rosseti”, PJSC;

- other local regulations and organizational and administrative documents of “Rosseti”, PJSC.

1.2. Anti-Corruption Policy principles, goals, and objectives

1.2.1. The Anti-Corruption Policy principles include:

- Compliance of the Anti-Corruption Policy with the applicable legislation and generally accepted norms;

- Respect for legal rights and interests, protection of business reputation of employees, clients, partners, and counterparties, and other persons; observance of commercial

secrecy in implementing anti-corruption measures;

- Tone-at-the-top approach by the management to fostering a culture of intolerance to corruption and creating an internal framework for preventing and combating corruption;
- Employee involvement: awareness of the organization’s employees about the provisions of Anti-Corruption Laws and their active engagement in creating and implementing Anti-corruption standards and procedures;
- Adequacy of Anti-corruption procedures to the amount of potential damage and the likelihood of corruption risks for “Rosseti”, PJSC and its affiliates;
- Effectiveness of Anti-corruption procedures, which should provide for anti-corruption measures that are easy to implement and yield meaningful results;
- Accountability and non-discriminatory liability for employees at “Rosseti”, PJSC and its affiliates, regardless of their position, length of service, or other conditions, should they commit corruption offenses in connection with the performance of their job duties;
- Transparency in conducting business: informing partners, counterparties, and the public of the Anti-corruption business standards adopted by “Rosseti”, PJSC and its affiliates;
- Continuous supervision and regular monitoring of the effectiveness of adopted Anti-corruption standards and procedures, as well as follow-up of their enforcement.

1.2.2. Anti-Corruption Policy goals

The Policy aims to ensure a uniform approach to implementing the requirements of Article 13.3. of the Anti-Corruption Law concerning the obligation of “Rosseti”, PJSC and its affiliates to develop and take measures to prevent and combat corruption, namely: identify and eliminate factors causing corruption; detect, prevent, and suppress corruption and other offenses; minimize and/or eliminate the consequences of corruption and other offenses, including those under Article 19.28 of the Russian Code of Administrative Offences.

The Anti-Corruption Policy is the foundational Anti-corruption document of “Rosseti”, PJSC and its affiliates and provides for a range of interrelated principles and procedures set out in Article 13.3 of the Anti-Corruption Law, as well as specific measures outlined in the national official regulations titled Ministry of Labor Guidelines (Appendix – List of anti-corruption measures at “Rosseti”, PJSC and its affiliates).

The Anti-Corruption Policy is an element of the Company’s internal control and risk management system that provides for a range of measures designed to prevent corruption and reduce corruption and reputation risks, as well as the risks of the Company being held liable for bribery of officials.

The Anti-Corruption Policy aims to implement the requirements of paragraph 260 of the Corporate Governance Code related to identifying measures required to establish elements of corporate culture, an organizational structure, and rules and procedures to prevent corruption. The reliability of procedures for combating illegal actions, abuse, and corruption shall be assessed as part of assessing the internal control system based on clause 269 of the Corporate Governance Code.

1.2.3. Anti-Corruption Policy Objectives:

- Identify key areas for implementing the requirements of the Article 13.3 of the Anti-Corruption Law;
- Create an effective and enforceable mechanism to implement measures to prevent and combat corruption (including an Anti-corruption program);

- Set requirements and restrictions for engagements with governmental bodies whose competence includes Anti-corruption matters;
- Prevent corruption and other offences and ensure accountability;
- Ensure that shareholders, partners, counterparties, members of governance and supervision bodies, and employees clearly understand that “Rosseti”, PJSC and its affiliates have zero tolerance towards corruption in any form;
- Minimize the risks of “Rosseti”, PJSC and its affiliates being involved in corruption.

1.2.4. Measures to prevent corruption at “Rosseti”, PJSC and its affiliates

- Consolidating the functions of structural units responsible for preventing the causes of corruption and other offenses;
- Developing and implementing a range of standards and procedures to ensure integrity;
- Adopting a code of ethics and business conduct of employees;
- Identifying and assessing corruption risks;
- Developing and applying measures to respond to corruption risks;
- Preventing and managing conflicts of interest;
- Cooperating with law enforcement authorities in combating corruption;
- Preventing cases of unofficial reporting and the use of falsified documents.

1.2.5. Persons covered by the Anti-Corruption Policy

The principal range of persons covered by this Anti-Corruption Policy includes employees of “Rosseti”, PJSC and its affiliates, regardless of their position or functions, as well as partners and counterparties of “Rosseti”, PJSC and its affiliates, and other persons by virtue of mutual obligations between them and “Rosseti”, PJSC and its affiliates, including Anti-corruption obligations and other Anti-corruption agreements.

2. Practices and tools

2.1. Functions assigned to units and officials responsible for preventing corruption offenses and combatting corruption

2.1.1. The Board of Directors of “Rosseti”, PJSC and the boards of directors of its affiliates, Director General of “Rosseti”, PJSC and sole executive bodies of its affiliates, Deputy Director General for Security of “Rosseti”, PJSC, and persons responsible for preventing corruption at “Rosseti”, PJSC and its affiliates, the Security Department of “Rosseti”, PJSC and structural units responsible for Anti-corruption compliance procedures at its affiliates shall ensure compliance with the fundamental principles, objectives, and requirements, implement focus areas of this Anti-Corruption Policy across “Rosseti”, PJSC and its affiliates, and follow up the effective implementation of the Anti-Corruption Policy.

2.1.2. The Board of Directors of “Rosseti”, PJSC and the boards of directors of its affiliates shall:

- determine the key strategic areas of the Anti-Corruption Policy;
- approve the Anti-Corruption Policy as an internal document of the Company (and its affiliates);
- follow up the results of implementing and enforcing the Anti-Corruption Policy;
- define the key principles of, and approaches to, the organization of the Company’s corruption risk and internal control management processes related to preventing and combating corruption;

- approve the list of corruption risks indicating owners of corruption risks (heads of functions and structural units of the Company);

- in order to implement the above principles and approaches, exercise overall control over their implementation, implementation practices, and operational efficiency, and take all measures possible within their authority to make sure that the process complies with the principles and approaches to its organization as set by the Board of Directors;

The Director General of “Rosseti”, PJSC and sole executive bodies of its affiliates shall:

- be responsible for organizing all activities aimed at implementing the principles and requirements of the Anti-Corruption Policy, including by appointing persons responsible for developing, implementing, and following up Anti-corruption procedures;

- ensure that an annual report on compliance with this Anti-Corruption Policy is submitted to the Board of Directors of “Rosseti”, PJSC and the boards of directors of affiliates.

2.1.3. The unit responsible for combating corruption in the Company shall be vested with powers sufficient to carry out anti-corruption measures, including with respect to persons holding senior management positions at “Rosseti”, PJSC, as well as to procure the necessary human and technical resources.

In accordance with one of the goals set in Article 3 of the Company Articles of Association, the center for coordination and supervision of affiliates’ efforts to prevent and combat corruption shall determine which unit within “Rosseti”, PJSC shall be responsible for preventing corruption offenses and combating corruption at the Company.

2.1.4. Units responsible for preventing corruption and compliance at the Company affiliates are the structural units at affiliates, that are responsible for preventing corruption offenses and corruption (Article 13.3 of the Anti-Corruption Law) and that report to persons responsible for combating corruption. The latter report to sole executive bodies of such affiliates and have sufficient authority to carry out Anti-corruption measures, including with respect to the Company affiliates’ management, as well as to allocate the necessary human and technical resources.

2.1.5. The Rosseti unit responsible for preventing corruption offenses and combating corruption shall hold annual workshops on improving Rosseti Group’s Anti-corruption efforts to be with the heads of units responsible for combating (eliminating the causes of) corruption and compliance units.

2.1.6. The Company unit responsible for preventing corruption offenses and combating corruption at “Rosseti”, PJSC, and the affiliates’ structural units responsible for preventing and combating corruption and ensuring compliance at the Company affiliates shall:

- take measures to implement the principles and requirements of the Anti-Corruption Policy

- develop an Anti-corruption program;

- ensure anti-corruption compliance of the activities of “Rosseti”, PJSC and its affiliates;

- provide supervisory control to identify corruption and other offenses;

- arrange for corruption risk assessments;

- arrange for anti-corruption reviews of organizational and administrative documents and QMS documents (for affiliates that have in place a quality management system) and relevant draft documents;

- review reported cases of inducing employees to commit corruption and other offenses for or on behalf of other organization, as well as alleged cases of corruption and other offenses committed by employees, clients, partners, and counterparties of “Rosseti”, PJSC and its affiliates, or other persons;

- have in place the procedure for completing and review of conflict of interest declarations;

- arrange for checking of declarations on assets, income, and property-related liabilities of managers of “Rosseti”, PJSC and its affiliates, and their family members;
- arrange for training on preventing and combating corruption as well as individual employee consultations;
- organize outreach and awareness raising efforts more effectively to foster zero tolerance in society toward corrupt practices;
- assist authorized representatives of supervisory and law enforcement authorities in inspecting the efforts undertaken by “Rosseti”, PJSC and its affiliates to prevent and combat corruption;
- assist authorized representatives of law enforcement authorities in suppressing or investigating corruption offenses, including law enforcement intelligence;
- assess the results of Anti-corruption efforts and prepare relevant reports for the organization’s management;
- take measures to prevent and combat corruption and other offenses, as well as conflicts of interests;
- develop Anti-corruption standards and provide methodological assistance in the implementation of measures to combat and prevent corruption and raise legal awareness among employees;
- coordinate the activities of structural units in implementing the Anti-Corruption Policy;
- participate in conducting summits, applied research workshops, and conferences of the national and international level on combating and eliminating the causes of corruption;
- cooperate with governmental and local government authorities, research and educational organizations and institutions on combating and eliminating the causes of corruption;
- organize and monitor Russian and applicable foreign and international Anti-Corruption Laws and track amendments thereto and relevant court practice;
- conduct scheduled and unscheduled audits of compliance with the principles of this Anti-Corruption Policy and prepare reports on the results of such audits;
- develop documents related to elimination of the causes and prevention of corruption and initiate the updating of documents due to changes in the Anti-Corruption Laws of the Russian Federation.

2.1.7. Affiliates shall assist “Rosseti”, PJSC in implementing measures aimed at preventing and combating corruption.

2.1.8. The Central Commission on Corporate Ethics Compliance and Conflict of Interest Resolution (a collective body of “Rosseti”, PJSC) shall:

- review matters related to the resolution of pre/conflicts of interest at “Rosseti”, PJSC in compliance with the Anti-Corruption Policy, the Code of Corporate Ethics, and the Corporate Governance Code;
- review matters raised by commissions on corporate ethics compliance and conflict of interest resolution operating at the Company affiliates.

2.1.9. Commissions on corporate ethics compliance and conflict of interest resolution (collective bodies of affiliates) shall: review matters related to the resolution of pre/conflicts of interest at the Company affiliates in compliance with the Anti-Corruption Policy, codes of corporate ethics, and corporate governance codes of such affiliates.

2.2. Corruption risk management process

2.2.1. Corruption risk management processes are organized to ensure a uniform approach by “Rosseti”, PJSC and its affiliates to developing and implementing measures to prevent and combat corruption in accordance with the corporate-wide corporate risk management system.

2.2.2. The overall approach to identifying and assessing corruption risks shall be

organized so as to ensure timely and complete identification and accurate assessment of corruption risks.

2.2.3. The corruption risk management procedure includes the following phases:

- describing risks (development of descriptions and registers of the Company's corruption risks);
- assessing corruption risks;
- preparing a map of corruption risks;
- identifying risks (identification of areas (processes, lines of business) and business operations exposed to corruption risks, preparation of a list of positions associated with high corruption risks);
- developing a range of measures to eliminate and minimize corruption risks;
- establishing special Anti-corruption procedures and requirements, including regular filing of declarations on conflict of interests;
- assessing the effectiveness and following up ongoing measures to minimize corruption risks;
- developing new and improving ongoing measures to minimize corruption risks.

2.2.4. In reviewing the corporate risk management system, the effectiveness of the corruption risk management process shall be regularly assessed in accordance with the Risk Management Policy of "Rosseti", PJSC.

2.3. Internal control of corruption prevention and proactive anticorruption measures

In order to ensure the efficiency and effectiveness of operations, protect the integrity of assets, comply with statutory and local regulations applicable to the Company, and ensure the accuracy and timeliness of financial (accounting) and other statements and reports, "Rosseti", PJSC and its affiliates shall:

2.3.1. take into account the requirements of the Anti-Corruption Policy when exercising corporate and process controls and conducting internal audits, through:

- checking compliance with organizational procedures and operating rules that are significant in terms of eliminating the causes of corruption and preventing corruption;
- checking the financial feasibility of operations in areas with high risk of corruption.

2.3.2. check the organization of efforts to eliminate the causes of corruption, ensure compliance with the requirements of Russian laws and international laws on combating corruption at the Company affiliates.

2.4. Preventing and resolving conflicts of interest

In order to limit the influence of private interests and personal interests of employees on their job functions and business decisions, "Rosseti", PJSC and its affiliates shall take measures to identify, prevent, and resolve conflicts of interest:

2.4.1. Develop and adopt internal documents establishing the procedure for identifying and resolving pre/conflict of interest situations arising for employees of "Rosseti", PJSC and its affiliates in performing their employment duties.

2.4.2. Inform all employees of the adoption of such documents and of their obligation to comply with the requirements set out in such documents.

2.4.3. Follow the principles listed below in managing conflicts of interest:

- Mandatory disclosure of actual or potential conflicts of interest;
- Individual review and assessment of reputation risks upon identifying and resolving each conflict of interest;
- Ensuring the confidentiality of the processes related to the disclosure of information on, and resolution of, conflicts of interest;

- Observing the balance of interests of “Rosseti”, PJSC and its affiliates and their employees in resolving conflicts of interest;
- Protecting employees from prosecution in connection with the disclosure of a conflict of interest.

2.4.4. Make sure that employees of “Rosseti”, PJSC and its affiliates are responsible for:

- being guided by the interests of “Rosseti”, PJSC and its affiliates in making business decisions and performing their job duties;
- avoiding situations and circumstances that might lead to a conflict of interest;
- disclosing any existing (actual) or potential conflict of interest, including report the occurrence of a conflict of interest and fill out conflict of interest declarations;
- assisting in the resolution of the existing conflicts of interest.

2.4.5. Use specific procedure for disclosure about conflicts of interest, specifically when: hiring a person, appointing a person to a new position, a (situations causing) conflict of interest arises, annual conflict of interest declarations are submitted and business ethics compliance reviews are held.

2.4.6. Ensure that conflict of interest declarations are mandatory for certain individuals.

2.4.7. Identify persons responsible for receiving information on existing conflicts of interest.

2.4.8. Prohibit the signing of contracts with persons in relation to whom a conflict of interest, affiliation, and other abuses have been identified.

2.4.9. Establish methods for resolving conflicts of interest.

2.4.10. Define typical pre/conflict of interest situations.

2.4.11. Ensure the functioning of commissions on corporate ethics compliance and conflict of interest resolution.

2.5. Integrity standards and procedures

“Rosseti”, PJSC and its affiliates shall ensure that Anti-corruption standards of employee conduct are incorporated into the corporate culture of “Rosseti”, PJSC and its affiliates and in this regard shall:

2.5.1. Develop and adopt codes of ethics and business conduct for employees of “Rosseti”, PJSC and its affiliates, which shall outline:

- overall values and principles of “Rosseti”, PJSC and its affiliates;
- specific rules and standards of employee conduct affecting the overall ethics of business relations and aimed at fostering ethical and good faith employee conduct.

2.5.2. Verify information on income, property, and property-related liabilities with respect to individuals applying for positions that subject to relevant declaration and for employees holding such positions at “Rosseti”, PJSC and its affiliates, and their Close Relatives, in accordance with the internal organizational and administrative documents of the Company and its affiliates, in order to identify conflicts of interest, affiliations, and other abuses.

2.5.3. Be guided by the principles of integrity and objectivity in building their talent pools (including management talents):

- employees are appointed or transferred to higher positions only based on their professional qualities;
- employment of Close Relatives is prohibited, if they would directly report to each other or control each other in carrying out their job duties;
- employees are required to provide the information specified in Clause 2.5.2 of this Anti-

Corruption Policy.

2.5.4. Recognize the exchange of gifts with business partners as an integral element of business ethics if such actions are open, comply with generally accepted standards of business etiquette, the requirements of Russian laws and internal organizational and administrative documents, and do not create business reputation risks for the Company and its employees.

2.5.5. Establish the obligation for the Company's employees to notify their immediate supervisor of all cases of receiving a business gift in connection with their official position or in connection with the performance of their employment (job) duties.

2.5.6. Prohibit the Company's employees from presenting business gifts in the form of cash or in cashless form, securities, jewelry, or other luxury items.

2.5.7. Carry out charitable and sponsorship activities independently or through their employees based on the principle of transparency, without the aim of obtaining or retaining an advantage in the commercial activities of "Rosseti", PJSC and its affiliates, in accordance with Russian laws and internal organizational and administrative documents.

2.5.8. Take measures to counteract the improper use of insider information and market manipulation at "Rosseti", PJSC and its affiliates;

2.5.9. Conduct anti-corruption reviews of local regulations of "Rosseti", PJSC and its affiliates and issue regulations that establish additional safeguards to ensure independent anti-corruption reviews of regulations (draft regulations).

2.6. Reviewing and checking whistleblowing reports

2.6.1. "Rosseti", PJSC and its affiliates shall receive reports from employees of "Rosseti", PJSC, its affiliates, partners, counterparties, and other persons (individuals or legal entities) about alleged cases of corruption using the online communication channel, hotline, mail, or reports made in person.

2.6.2. "Rosseti", PJSC and its affiliates shall take measures to protect persons who provided the information specified in paragraph 2.6.1 from any form of pressure (including dismissal, harassment, or any form of discrimination).

2.6.3. "Rosseti", PJSC and its affiliates shall endeavor to establish a range of effective measures to verify information on alleged cases of corruption and, if confirmed, to eliminate (mitigate) their consequences and the causes contributing to them.

2.7. Promoting law-abiding culture and raising legal awareness

2.7.1. "Rosseti", PJSC and its affiliates shall take measures to inform and raise awareness of employees of "Rosseti", PJSC and its affiliates to eliminate the causes of corruption by:

- creating and improving sections of the Anti-Corruption Policy and the Anti-Corruption Charter of Russian Businesses on the official websites of "Rosseti", PJSC and its affiliates;
- publishing information about measures taken to implement this Anti-Corruption Policy in the corporate newspaper and in all freely accessible media outlets;
- in cooperation with mass media, sharing their successful experience of the Company and its employees in countering attempts of corruption;
- organizing Anti-corruption events and social activities;
- providing upskilling for employees whose job duties involve participation in combating corruption through a two-level educational program (basic – for first-time trainees and advanced – for those who have already been trained)
- encouraging employees to provide confirmed information about corruption and other offenses at "Rosseti", PJSC and its affiliates;

- guaranteeing that if he or she refuses to engage in corrupt practices this will not affect their careers or financial positions, even if such refusal leads to losses for “Rosseti”, PJSC or its affiliates;

- promoting employee accountability through signing of an agreement to comply with the principles and requirements of the Anti-Corruption Policy and Anti-Corruption Laws;

- declaring the need to develop corporate response mechanisms for committing corruption and other offenses.

2.7.2. Compliance by employees of “Rosseti”, PJSC and affiliates with the principles and requirements of the Anti-Corruption Policy shall be taken into account when building the talent pool for promoting to higher positions and when conducting employee performance appraisals.

2.8. Employee consulting and training

“Rosseti”, PJSC and its affiliates shall organize various forms of employee training on combatting corruption and corruption prevention:

2.8.1. Conducting educational and outreach activities (briefings, training sessions, workshops, surveying, and tests for employees of “Rosseti”, PJSC and its affiliates) aimed at informing employees about the requirements of Russian laws and international Anti-Corruption Laws and at fostering zero tolerance to corruption among employees, as well as by explaining:

- the concept of corruption in the public and private sectors;
- liability for committing corruption offenses;
- requirements of laws and internal documents of “Rosseti”, PJSC and its affiliates regarding the prevention of corruption as well as the procedure for their application;
- procedures for employees to identify and resolve conflicts of interest when performing their job duties;
- behavior in corruption risk situations, in particular in cases of bribe solicitation by governmental or municipal officials;
- procedures for interacting with law-enforcement authorities on eliminating the causes for corruption and on combating corruption.

2.8.2. Providing confidential individual consultations to employees on corruption prevention and combating.

2.8.3. Holding, in cooperation with educational and research organizations, regular public lectures on Anti-corruption issues across the Company’s units, branches, and subsidiaries.

2.8.4. Providing, with the involvement of research and educational organizations, advanced training for employees of units whose job duties involve participation in the efforts related to combating corruption under additional professional education programs.

2.9. Measures to combat corruption and prevent corruption in working with partners, clients and counterparties

“Rosseti”, PJSC and its affiliates shall focus on establishing and maintaining business relations with partners and counterparties that:

- embrace the Anti-Corruption Policy;
- conduct business relations in good faith and honestly;
- take care of their own reputation;
- embrace high ethical standards;
- implement their own anti-corruption measures;
- participate in collective Anti-corruption initiatives.

2.9.1. “Rosseti”, PJSC and its affiliates shall inform their partners and counterparties about programs, standards of conduct, procedures, and rules aimed at eliminating the causes of, and combating, corruption.

2.9.2. “Rosseti”, PJSC and its affiliates shall inform their partners and counterparties of their adherence to the Anti-Corruption Charter of Russian Businesses and of the inclusion of “Rosseti”, PJSC in the Register of Reliable Partners.

2.9.3. “Rosseti”, PJSC and its affiliates shall implement the requirements of the uniform Anti-corruption Standard in applying Anti-corruption controls to procurement.

The Anti-corruption Standard shall include audits of procurement documents and procurement entities/contractors to assess their reliability and integrity, resolve conflicts of interest, and exclude affiliations and other abuses related to positions held at “Rosseti”, PJSC and its affiliates.

2.9.4. Such audits of procurement documents shall include three phases: preliminary (verification of the draft Procurement Plan); ongoing (verification of executive summaries and explanatory notes proving that the proposed transaction is feasible and reasonable); follow-up (verification of explanatory notes explaining what additional agreements must be signed and review of complaints and claims from contractors and other individuals or legal entities concerning suspected cases of corruption).

2.9.5. As part of auditing procurement entities/counterparties and (or) third parties engaged by the contractor to perform its contractual obligations, assessing their reliability and integrity, measures shall be taken to identify the structure of the counterparty’s ownership, including beneficiaries, including ultimate beneficiaries, as well as the membership of their executive bodies; to verify their reputation and track record in the market, involvement in corruption scandals, etc.; to resolve conflicts of interest, and prevent affiliation and other abuses related to positions at “Rosseti”, PJSC and its affiliates

Such audits shall verify that procurement entities/counterparties:

- have signed Anti-Corruption Commitments, i.e. a participant in the procurement procedures of “Rosseti”, PJSC and its affiliates shall agree to comply with, and meet, the principles and requirements of the Anti-Corruption Policy, including the obligation not to commit corruption or other offenses and to provide complete and accurate information on their chain of owners, including beneficiaries, including ultimate beneficiaries, and on the membership of executive bodies, with supporting documents attached;

- have disclosed conflicts of interest and/or affiliations with employees of “Rosseti”, PJSC and its affiliates;

- have disclosed their entire chain of owners, including beneficiaries (including ultimate beneficiaries) and the structure of their executive bodies;

- have disclosed information on engagement of third parties in the performance of their obligations under contracts prior to the signing of the contract with such parties, including information about the entire chain of owners of such third parties, including ultimate beneficiaries, as well as information about the structure of their executive bodies, with copies of supporting documents attached;

- have provided consent to the processing of their personal data;

- have signed the Anti-corruption Clause to the contract declaring that “Rosseti”, PJSC and its affiliates implement the Anti-Corruption Policy and do not commit corruption or other offenses.

2.9.6. In performing their obligations, the Counterparty and “Rosseti”, PJSC/its affiliates, their affiliates, employees, or intermediaries shall not engage in activities qualified by applicable laws as bribery (Article 291 of the Russian Criminal Code), mediation in bribery (Article 291.1 of the Russian Criminal Code), Commercial Bribery (Article 204 of the Russian Criminal Code), abuse of authority (Article 201 of the Russian Criminal Code),

illegal reward on behalf of a legal entity (Article 19.28 of the Russian Code of Administrative Offences), unlawful engagement in the work or performance of work or services of a governmental or municipal employee or a former governmental or municipal employee (Article 19.29 of the Russian Code of Administrative Offences, as well as other unlawful acts (action or omission) having the attributes of corruption, for which the law establishes disciplinary, criminal, civil, or administrative liability.

The Counterparty and “Rosseti”, PJSC/its affiliates refuse to incentivize each other’s employees in any way, including by providing money, gifts, gratuitous work (services), or other ways that are not specified herein, which make the employee dependent and are aimed at ensuring that the employee performs any actions for the benefit of the incentivizing party (the Counterparty and “Rosseti”, PJSC/its affiliates).

Actions of an employee performed for the benefit of the incentivizing party (the Contractor or “Rosseti”, PJSC/its affiliates) mean:

- providing unreasonable advantages over other counterparties;
- providing any guarantees;
- expediting existing procedures;
- other actions performed by an employee as part of his or her official duties, but which are contrary to the principles of transparency and openness in the relationships between the Counterparty and “Rosseti”, PJSC/ its affiliates.

2.9.7. When contracts are carried out, the parties shall follow up compliance with the requirements of the contract and the Anti-corruption Clause as well as changes in the contractor’s chain of ownership; if the above requirements are not met, such contractual relations shall be terminated in accordance with the procedure established by “Rosseti”, PJSC and its affiliates.

2.9.8. “Rosseti”, PJSC and its affiliates shall not incentivize their clients’/counterparties’ employees in any way, including by providing money, gifts, gratuitous work (services), and other methods that not specified herein that make the counterparty’s employee dependent and are aimed at ensuring that the employee performs any actions for the benefit of “Rosseti”, PJSC and its affiliates.

2.10. Combating bribery of foreign public officials and officials of public international organizations

2.10.1. “Rosseti”, PJSC shall take measures to combat bribery of foreign public officials or officials of public international organizations in accordance with international standards, legal regulations of the Russian Federation, and paragraph 12 of the Anti-Corruption Charter of Russian Businesses.

2.10.2. Bribery of foreign public officials and officials of public international organizations means the intentional offering, promising, or granting by any person, directly or through intermediaries, of any undue property or other advantages to a foreign official, in favor of such official or a third person to prompt such official to perform an act or omit to act in performing his or her official duties in order to obtain or maintain a commercial or other undue advantage in connection with an international business transaction, complicity, including solicitation, aiding and abetting, as well as the authorization of acts of bribery of a foreign official, attempted bribery, or conspiracy to bribe a foreign official (Article 16 of the United Nations Convention against Corruption, Articles 1, 2, 4, 5, 6, 9 of the Criminal Law Convention on Corruption, Article 1 of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and paragraph 12 of the Anti-Corruption Charter of Russian Businesses).

2.10.3. The Russian legislation criminalizes individuals for bribing foreign public officials and officials of public international organizations: Article 291 of the Russian

Criminal Code (bribery), and Article 291.1 of the Russian Criminal Code (mediation in bribery, promise, or offer of mediation in bribery).

2.10.4. Part 2 of Article 3 of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions provides for criminal liability for legal entities that are involved in bribery of foreign public officials.

2.10.5. Where a country's legal system does not provide for such criminal liability for legal entities, such legal entities may be subject to other forms of liability, including financial sanctions.

2.10.6. Russian law provides for administrative liability of legal entities for bribing foreign public officials and officials of public international organizations: Article 19.28 of the Russian Code of Administrative Offences (illegal rewarding on behalf of a legal entity).

2.10.7. "Rosseti", PJSC and its affiliates shall take the following measures to combat bribery of foreign public officials or officials of public international organizations:

- inform the Investigative Committee of the Russian Federation of bribery of officials;
- when carrying out activities outside the Russian Federation, if necessary, seek advice and support from diplomatic and trade representations of the Russian Federation abroad;
- follow up compliance by employees of "Rosseti", PJSC and its affiliates with the requirement to refrain from promising, offering or granting to a foreign public official or an official of a public international organization, personally or through intermediaries, any undue advantage for the official or another person or entity so as to prompt such official to perform any act or omit to act in performing his or her official duties to obtain or maintain any commercial or other undue advantage;
- keep records of foreign public officials and officials of public international organizations with which "Rosseti", PJSC and its affiliates engage in contractual and non-contractual relations, and records of employees of "Rosseti", PJSC and its affiliates involved in such engagements;
- ensure the operation of internal control mechanisms with regard to Anti-corruption regulations;
- notify law enforcement authorities of identified cases of bribery of foreign public officials and officials of public international organizations and engage in follow-up activities with such authorities (Clause 2.11 of the Anti-Corruption Policy)
- publish data on measures taken by "Rosseti", PJSC and its affiliates to prevent bribery of foreign public officials and officials of public international organizations in annual social reports (Clause 2.1.2 of the Anti-Corruption Policy);
- interact with representatives of governmental authorities and law enforcement authorities (Clauses 2.11 and 2.12 of the Anti-Corruption Policy), international and other organizations to develop and improve measures to prevent bribery of foreign public officials and officials of public international organizations at "Rosseti", PJSC and its affiliates;
- monitor the effectiveness of measures taken to combat bribery of foreign public officials and officials of public international organizations (Clause 7 of the Anti-Corruption Policy).

2.11. Interacting with governmental control and supervision authorities

"Rosseti", PJSC and its affiliates shall pay particular attention to engagements between employees and government officials because of the high corruption risks involved, in particular:

2.11.1. Make it mandatory for employees of "Rosseti", PJSC and its affiliates to refrain from any proposals, the acceptance of which could put a public servant in a situation of conflict of interest.

2.11.2. Take measures to prevent "Rosseti", PJSC and its affiliates from being held

administratively liable under Article 19.28 of the Code of Administrative Offences, including the prohibition to:

- transfer, offer, or promise, on behalf and in the interests of “Rosseti”, PJSC and its affiliates, to a public or civil servant money, securities, other property, render monetizable services, or grant property rights for performing an action (or omitting to act) in the interests of such servant in connection with the position they hold;
- offering or attempting to give any gifts (including, the value of which is less than three thousand rubles) to public and civil servants that are responsible for audits.

2.11.3. Establish the procedure for reporting to law enforcement authorities about breaches of the code of conduct applicable to public and civil servants in performing their audit and oversight functions at “Rosseti”, PJSC and its affiliates, as well as the out-of-court procedure for appealing against their actions.

2.11.4. Ensure compliance with Russian laws, instructions from the Chairman of the Government of the Russian Federation¹ and decisions of the Commission for the Development Strategy of the Energy Sector and Environmental Security under the President of the Russian Federation² to ensure the transparency of the financial and business operations of “Rosseti”, PJSC and its affiliates.

2.12. Cooperation with law enforcement authorities in combating corruption

Cooperation with law enforcement authorities is meaningfully indicative of fact that “Rosseti”, PJSC and its affiliates are actually committed to their anti-corruption practices and standards.

2.12.1. “Rosseti”, PJSC and its affiliates publicly commit to:

- report cases of corruption and other offenses of which “Rosseti”, PJSC and its affiliates become aware to the relevant law enforcement authorities;
- refrain from any sanctions with respect to their employees who report to law enforcement authorities any information about corruption or other offenses being prepared or committed, which become known to them in the course of performance by them of their employment (job) duties;
- prevent employees of “Rosseti”, PJSC and its affiliates from unduly interfering Anti-corruption activities performed by law enforcement authorities.

2.12.2. “Rosseti”, PJSC and its affiliates shall support the efforts of law enforcement authorities to identify and investigate cases of corruption, take the necessary measures to preserve and transfer to law enforcement authorities documents and information containing data on corruption offenses, and cooperate with law enforcement authorities by providing assistance to authorized representatives of such law enforcement authorities:

- when they conduct inspections of the organization’s activities on the prevention and combating of corruption;
- when they are engaged in activities aimed to suppress or investigate corruption offenses, including law enforcement intelligence.

2.13. Participation in public initiatives to combat and prevent corruption

2.13.1. “Rosseti”, PJSC and its affiliates shall not only independently implement measures to prevent and combat corruption, but shall also participate in collective Anti-corruption initiatives.

2.13.2. “Rosseti”, PJSC and its affiliates shall take part in:

- initiatives related to the implementation of the Anti-Corruption Charter of Russian Businesses in accordance with the Regulations on the Terms and Procedure for Implementing the Provisions of the Anti-Corruption Charter of Russian Businesses;

- the use of standard Anti-corruption clauses in joint agreements;
- public refusal to engage in business with organizations involved in corruption crimes;
- organizing and conducting joint training on corruption prevention and combating;
- the activities of experts of “Rosseti”, PJSC and its affiliates involved in international and other Anti-corruption events.

¹ Instructions of the Government of the Russian Federation No. VP-P13-9308 of December 28, 2011 and No. VP-P24-1269 of March 5, 2012 to disclose information on the ownership structure of counterparties, disclose information on the income, property, and property-related liabilities of managers, and prevent and identify conflicts of interest and other abuses associated with positions held at the Company.

² Minutes No. A-60-26-8 of the Commission for the Development Strategy of the Energy Sector and Environmental Security under the President of the Russian Federation, of July 10, 2013.

2.14. Affiliates

“Rosseti”, PJSC and its affiliates shall, within their competence and in accordance with the existing corporate governance system of “Rosseti”, PJSC and its affiliates and the Corporate Governance Code, initiate the adoption by affiliates of their own Anti-corruption policies similar to this Policy as well as make reasonable efforts to ensure that the fundamental principles and requirements of the Anti-Corruption Policy are observed by joint ventures, companies, and associations in which “Rosseti”, PJSC and its affiliates participate.

2.15. Employee responsibilities regarding the preventing and combatting corruption

Employees of “Rosseti”, PJSC and its affiliates shall, among other things:

- refrain from committing and/or participating in corruption and other offenses in their own interests or on behalf of “Rosseti”, PJSC and its affiliates;
- refrain from behavior that could be interpreted by others as willingness to commit or participate in corruption and other offenses in their own interests or on behalf of “Rosseti”, PJSC and its affiliates;
- promptly inform the Security Department of “Rosseti”, PJSC and units responsible for preventing (eliminating the causes of) corruption at the Company affiliates of any incidents in which an employee was induced to commit corruption or other offenses;
- promptly notify the Security Department of “Rosseti”, PJSC and units responsible for preventing (eliminating the causes of) corruption at the Company affiliates of any information received by the employee about any incidents of corruption or other offenses committed by other employees, clients, partners, and counterparties, or other persons;
- notify the Security Department of “Rosseti”, PJSC and units responsible for preventing (eliminating the causes of) corruption at the Company affiliates of any potential or existing conflicts of interest of the employee (conflict of interest declaration).

3. Liability

3.1. Liability for corruption and other offenses at “Rosseti”, PJSC and its affiliates includes disciplinary, administrative, and criminal liability in accordance with Russian laws, as well as corporate sanctions in accordance with local regulations of “Rosseti”, PJSC and its affiliates.

3.2. “Rosseti”, PJSC and its affiliates shall investigate every reasonably suspected or proved case of corruption to the extent as permitted by Russian laws.

4. Adoption, implementation analysis, and revision of the Anti-Corruption Policy

4.1. The Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates shall be adopted in accordance with the regulations of the Russian Federation, the articles of association of “Rosseti”, PJSC and its affiliates, and Clause 2.1.2 of the Anti-Corruption Policy.

4.2. “Rosseti”, PJSC and its affiliates shall regularly monitor the progress on implementation of the Anti-Corruption Policy both on their own and by engaging other persons within their competence.

4.3. “Rosseti”, PJSC and its affiliates shall provide conditions in which employees and other persons can freely report deficiencies in the implementation of the Anti-Corruption Policy and make suggestions for its improvement.

4.4. The outcomes of implementing the Anti-corruption program shall be reflected in the social reports of “Rosseti”, PJSC and its affiliates.

4.5. An action plan for updating the Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates shall be developed and implemented in accordance with Part 1 of Clause 2.1.2 of the Anti-Corruption Policy.

4.6. The Security Department of “Rosseti”, PJSC (units responsible for preventing (eliminating the causes of) corruption and compliance of its affiliates) shall submit reports to the Director General of “Rosseti”, PJSC (sole executive bodies of affiliates) for the purposes specified in Part 2 of Clause 2.1.2 of the Anti-Corruption Policy.

4.7. The Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates shall be amended in accordance with Clause 2.1.1. of the Anti-Corruption Policy if:

- provisions of the Anti-Corruption Policy need to be brought in line with changes in Russian or applicable international Anti-Corruption Laws;
- the Company’s organizational and staffing or functional structure undergoes changes that directly affect the implementation of this Anti-Corruption Policy;
- mechanisms required for implementing the Anti-Corruption Policy need to be improved.

4.8. Amendments to this Anti-Corruption Policy shall be published on the official website of “Rosseti”, PJSC and shall be binding on its affiliates.

**Appendix
to the Anti-Corruption Policy
of “Rosseti”, PJSC and its affiliates**

Anti-corruption action at “Rosseti”, PJSC and its affiliates

Practices for implementing the Anti-Corruption Policy/ Anti-corruption Measures at “Rosseti”, PJSC and its affiliates
1. Assigning functions to units and officials responsible for preventing corruption offenses and combatting corruption as prescribed by the Russian laws
1.1. Updating local regulations (“LRs”) describing the tasks, functions, responsibilities, and powers of the structural unit or officials responsible for eliminating the causes of corruption offences and combating corruption.
1.2. Assigning functions to units and officials responsible for eliminating the causes of corruption offenses and combating corruption.
2. Corruption risk management process
2.1. Describing corruption risks (developing descriptions and registers of corruption risks of the Company).
2.2. Identifying and assessing corruption risks.
2.3. Building a map of corruption risks.
2.4. Identifying risks (identification of areas (processes, lines of business) and business operations exposed to corruption risks, and preparing a list of positions associated with a high risk of corruption).
2.5. Developing a range of measures to eliminate and minimize corruption risks.
2.6. Establishing special Anti-corruption procedures and requirements, including regular filing of declarations on conflict of interests.
2.7. Assessing the effectiveness and following up ongoing measures to minimize corruption risks at “Rosseti”, PJSC and its affiliates. Monitoring risk factors.
2.8. Developing new and improving ongoing measures to minimize corruption risks.
2.9. Annually updating corruption risk descriptions.
3. Internal control of corruption prevention and proactive anticorruption measures
3.1. Following up compliance with the requirements of the Anti-Corruption Policy at the Company and its subsidiaries and affiliates.
3.2. Assessing the economic feasibility and expediency of expenses in areas with a high risk of corruption.
3.3. Regular monitoring accounting data, availability and reliability of primary accounting documents.
3.4. Developing a standard control matrix for the Anti-corruption business process to be built as part of measures aimed at improving the performance of the internal control system covering processes at “Rosseti”, PJSC and its affiliates.

3.5. Preparing maps of controls for the Anti-corruption business process and its sub-processes, including all risks inherent in the process/sub-process, as well as operations (actions) and effective control procedures to effectively manage such risks.
4. Following up the risk management system and internal control system with regard to corruption prevention and combating and assessing their performance
4.1. Self-assessing the effectiveness of corporate and process controls in combating and preventing corruption.
4.2. An internal independent assessment of the internal control system by the internal audit unit, which includes a check of the reliability of procedures for combating illegal actions, abuse, and corruption.
4.3. Carrying out an external independent assessment of the effectiveness of the Risk Management System and Internal Control System in combating and preventing corruption (in accordance with the Company's organizational and administrative documents), and submitting the results of the assessment to the Company's Board of Directors for review.
4.4. Reporting to the Board of Directors of "Rosseti", PJSC (subject to preview by the Audit Committee of the Board of Directors) on the implementation, implementation discipline, and operational efficiency of procedures for the organization of the Risk Management System and Internal Control System with regard to preventing and combating corruption.
5. Prevention and resolution of conflicts of interest
5.1. Updating local regulations on resolution of conflicts of interest at "Rosseti", PJSC and its affiliates (including the procedure for informing employees of "Rosseti", PJSC and its affiliates about the occurrence of a conflict of interest and resolution of an identified conflict of interest, outlining employees' duties and responsibilities, standard situations of pre/conflict of interest, etc.) and preparing conflict of interest declarations.
5.2. Updating local regulations on the operational procedure for the Central Commission on Corporate Ethics Compliance and Conflict of Interest Resolution at "Rosseti", PJSC and respective commissions of its affiliates.
5.3. Running certification of employees involving Anti-corruption units.
5.4. Informing employees about local regulations adopted to resolve conflicts of interest and the obligation to comply with the requirements outlined therein.
5.5. Implementing and supporting efforts to resolve conflicts of interest.
5.6. Enabling the process of declaring conflicts of interest by applicants for vacant positions at "Rosseti", PJSC and its affiliates when hiring or transferring to managerial positions at "Rosseti", PJSC and its affiliates.
5.7. Annual declaration of conflicts of interest by employees of "Rosseti", PJSC and its affiliates.
5.8. Analyzing information submitted as part of declaration of conflicts of interest by employees of "Rosseti", PJSC and its affiliates.
5.9. Reporting on declaration of conflicts of interest by employees of "Rosseti", PJSC and its affiliates at a meeting of the Central Commission of "Rosseti", PJSC.

5.10. Annual declaration of income, property, and property-related liabilities of managers of “Rosseti”, PJSC and its affiliates, and their family members, and verifying such information.
5.11. Developing measures to resolve pre-conflict situations and resolve conflicts of interest of a manager or employee (including revision or change of their job duties and job functions, removal from making decisions that give rise to conflicts of interest, transfer to another position, termination of the employment contract, etc.).
5.12. Following up the implementation of legal measures to enforce liability prescribed by law in each case of violating bans, restrictions, or requirements established to combat corruption, including measures to prevent and/or resolve conflicts of interest.
6. Developing and implementing integrity standards and procedures
6.1. Developing (jointly with public associations) and implementing a range of organizational, awareness raising, and other measures to ensure compliance by the Company’s employees with the prohibitions, restrictions, and requirements established by Federal Law No. 273 On Combating Corruption and other Federal Laws to combat corruption.
6.2. Updating the code of corporate ethics of “Rosseti”, PJSC (including provisions on promotion to a higher position only based on the employee’s business qualities, prohibition of employment of relatives by the organization if they are directly subordinate to each other, etc.).
6.3. Establishing a prohibition on the employment of persons who are closely related to each other by blood or marriage if such employment results in subordination or control relations between them.
6.4. Developing and adopting rules governing the exchange of business gifts and hospitality.
6.5. Signing an agreement with the employees of “Rosseti”, PJSC and its affiliates on compliance with the requirements of the Anti-Corruption Policy.
6.6. Issuing legal regulations that establish additional safeguards to ensure independent anti-corruption reviews of legal regulations (draft legal regulations).
6.7. Participating in the selection of applicants for positions at “Rosseti”, PJSC and its affiliates to prevent corruption, participation in employee performance appraisals to determine whether they meet the requirements for the position and exclude the risk of a conflict of interest.
6.8. Taking measures to prevent the unlawful use of insider information and market manipulation (developing local regulations, maintaining a list of insiders, analyzing market transactions, etc.).

<p>7. Reviewing and checking whistleblowing reports on alleged corruption offenses and other cases of abuse</p>
<p>7.1. Following up the implementation of local regulations on the procedure for reviewing reports of alleged cases of corruption at “Rosseti”, PJSC and its affiliates (the procedure for accepting, reviewing, and resolving reports, the review period, the procedure for interaction with structural units, the introduction of procedures for employees to inform their employer of cases when they were induced to commit corruption offenses, etc.).</p>
<p>7.2. Monitoring the continuous functioning of available information channels, feedback mechanisms, telephone and other hotlines, etc. Following up the publication and update of this information at production units (Pus) and electric grid districts (EGDs) of affiliates.</p>
<p>7.3. Following up the organization and support of report management. Participation by employees of affiliates in reviewing reports received by “Rosseti”, PJSC.</p>
<p>7.4. Analyzing and monitoring compliance with Anti-corruption prohibitions, restrictions, and requirements, including those related to the receipt of gifts by certain categories of persons, performance of other paid work, and obligations to report inducements to commit corruption offenses.</p>
<p>7.5. Adopting procedures to protect employees who reported corruption offenses from formal and informal sanctions.</p>
<p>8. Raising legal awareness, promoting law-abiding behavior in employees, employee consulting and training</p>
<p>8.1. Developing and publishing methodological, informational, and explanatory materials on Anti-corruption standards of conduct.</p>
<p>8.2. Publishing information about measures to implement the Anti-Corruption Policy of “Rosseti”, PJSC and its affiliates on the corporate websites of “Rosseti”, PJSC and its affiliates, in the corporate newspaper, media, and other sources.</p>
<p>8.3. Share, in cooperation with mass media, positive experience of the Company and its employees in countering attempts of corruption.</p>
<p>8.4. Ensuring annual upskilling for employees whose job duties involve participation in combating corruption through a two-level educational program (basic – for first-time trainees and advanced – for those who have already been trained)</p>
<p>8.5. Conducting training and awareness-raising activities on eliminating the causes of, and preventing, corruption (trainings, workshops, conferences, forums, round tables, etc.) aimed at informing employees about the requirements of Russian and international laws on combating corruption and building Anti-corruption awareness among employees.</p>
<p>8.6. Fostering zero tolerance towards corruption among employees of the Company.</p>

8.7. Individual consultations for employees on the application (compliance with) of Anti-corruption standards and procedures.
8.8. Ensuring, in cooperation with educational and research organizations, regular public lectures on Anti-corruption issues at the Company's units, affiliates.
8.9. Annual workshops by the Anti-Corruption Policy Implementation Division of "Rosseti", PJSC on the application of Russian Anti-Corruption Laws with the heads of units responsible for eliminating the causes of corruption and other offenses at the Company affiliates.
9. Joint measures to prevent corruption taken together with partners, clients and counterparties
9.1. Following up special counterparty review procedures to reduce the risk of "Rosseti", PJSC and its affiliates being involved in corrupt and other unfair practices (improvement of the unified automated system for analyzing and collecting information on counterparty beneficiaries (AS ASIB), which checks counterparties' reliability and financial stability (absence in the register of dishonest suppliers, negative background, etc.).
9.2. Following up the implementation by "Rosseti", PJSC and its affiliates of a corporate-wide mechanism for Anti-Corruption Monitoring of procurement activities (the Anti-corruption Standard).
9.3. Updating local regulations on the organization of disclosures about the chain of owners of procurement entities and counterparties of "Rosseti", PJSC and its affiliates.
9.4. Distributing programs, policies, standards of conduct, procedures, and rules among contractors and partners that are aimed at preventing and combating corruption and are applied by "Rosseti", PJSC and its affiliates (Anti-Corruption Commitments, Anti-corruption standard, Anti-corruption clause, etc.).
9.5. Informing the public of the extent to which anti-corruption measures have been implemented and succeeded (publishing relevant information on the official websites of "Rosseti", PJSC and its affiliates, in media, and other sources).
10. Interaction with governmental control and supervision authorities and with law-enforcement authorities in combating corruption
10.1. Developing and approving local regulations on the procedure for "Rosseti", PJSC's interaction with regulatory and supervisory authorities and law enforcement agencies.
10.2. Interacting with federal governmental authorities regarding implementing legal provisions related to preventing and combating corruption and regulatory framework improvements including the development of proposals for amending the existing Russian laws and regulations on preventing and combating corruption. Participating in working groups (expert panels) of the General Prosecutor's Office, Federal Financial Monitoring Service (Rosfinmonitoring), and the Chamber of Commerce and Industry of the Russian Federation, etc.

10.3. Assisting in detecting and investigating corruption offenses by law enforcement authorities (ensuring that employees of “Rosseti”, PJSC and its affiliates do not improperly interfere in their activities).
10.4. Assisting in inspections without hindering the lawful activities of inspectors; reporting cases of corruption offenses.
11. Participation in public initiatives to combat and prevent corruption
11.1. Implementing provisions of the Anti-Corruption Charter of Russian Businesses:
11.1.1. Organizing and supporting engagements with representatives of the Russian business community: the Russian Chamber of Commerce and Industry, the Russian Union of Industrialists and Entrepreneurs, Business Russia, OPORA Russia, and other signatories of the Charter (participation in working groups, joint training, etc.).
11.1.2. Conducting activities of “Rosseti”, PJSC, as a Charter participant, aimed at eliminating the causes of, and combating, corruption: - ensuring compliance with “Rosseti”, PJSC’s commitments as an entity registered as a reliable partner (Reliable Partners Register entity); - participating in the Expert Group of the Joint Committee of the Chamber of Commerce and Industry of the Russian Federation.
11.2. Participation in other collective initiatives:
11.2.1. Using standard Anti-corruption clauses in joint agreements,
11.2.2. Publishing public statements of the Company’s Head to employees, counterparties, and partners of organizations regarding zero tolerance towards corruption and bribery in business relations on websites.
11.2.3. Publicly refusing to conduct joint business activities with organizations (persons) involved in corruption crimes.
11.2.4. Involvement of specialists of “Rosseti”, PJSC and its affiliates in international and other Anti-corruption events.
12. Combating bribery of foreign public officials and officials of public international organizations
12.1. Developing and approving local regulations on measures to counteract bribery of public foreign officials at “Rosseti”, PJSC and its affiliates (the procedure for employees to report cases of bribery of public foreign officials that become known to them, information to be reported to the Investigative Committee of the Russian Federation, and measures to combat bribery).
12.2. Engaging with representatives of governmental authorities and law enforcement authorities of the Russian Federation, diplomatic and trade representations of the Russian Federation abroad, and international and other organizations to develop and improve measures to combat bribery of foreign public officials and officials of public international organizations at “Rosseti”, PJSC and its affiliates.
12.3. Monitoring the effectiveness of measures taken to combat bribery of foreign public officials and officials of public international organizations.

13. Adoption, implementation analysis, and revision
13.1. Monitoring of international standards, Russian Anti-Corruption Laws, and local regulations of “Rosseti”, PJSC and its affiliates on eliminating the causes of corruption and combating corruption.
13.2. Assessing the progress and effectiveness of the implementation of the Anti-Corruption Policy.
13.3. Revising and amending the adopted Anti-Corruption Policy.