

**The Anti-Corruption Policy
of PJSC Rosseti and subsidiaries and dependent companies of PJSC Rosseti**

Moscow

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Introduction

The anti-corruption policy of PJSC Rosseti and subsidiaries and dependent companies of PJSC Rosseti (hereinafter – the Anti-Corruption Policy) has been prepared in accordance with the fundamental anti-corruption regulatory act - Federal Law of December 25, 2008 No. 273-FZ “On Combating Corruption” (hereinafter - the Anti-Corruption Law).

In accordance with the requirements of Article 13.3 of the Anti-Corruption Law, this Anti-Corruption Policy defines for PJSC Rosseti (hereinafter - the Company) and subsidiaries and dependent companies of PJSC Rosseti (hereinafter - the SDCs) measures to create units responsible for prevention of corruption and other offenses; the procedure for cooperation with law enforcement agencies in the field of combating corruption; development and implementation of standards and procedures aimed at ensuring honest work; adoption of a code of ethics and official conduct for employees; prevention and resolution of conflicts of interest; preventing unofficial reporting and the use of fake documents.

This Anti-Corruption Policy in accordance with the National Anti-Corruption Plan for 2018-2020 (approved by Decree of the President of the Russian Federation No. 378 of June 29, 2018) is aimed at solving the following tasks: development and implementation of a set of organizational, explanatory and other measures to comply with prohibitions by employees, restrictions and requirements established in order to combat corruption, unification of anti-corruption standards for employees of the Company and its subsidiaries and affiliates, ensuring control over the application of legal liability measures prescribed by law in each case of non-compliance with prohibitions, restrictions and requirements established in order to combat corruption, including measures to prevent and (or) resolve a conflict of interest, to continue the work of forming a negative attitude towards corruption among employees.

The main circle of persons covered by the Anti-Corruption Policy are all employees of PJSC Rosseti and its SDCs, as well as partners and counterparties of PJSC Rosseti and SDCs, other persons due to mutual obligations between them and PJSC Rosseti and its SDCs, including the Anti-corruption obligations and other anti-corruption agreements.

Implementing the Anti-Corruption Policy, Rosseti’s Group of Companies ensures the publicity of its anti-corruption measures, actively implements standards and procedures aimed at ensuring honest work when interacting with partners and contractors.

PJSC Rosseti joined the Anti-Corruption Charter of Russian Business, is included in the Consolidated Register of Participants in the Anti-Corruption Charter, initiated the accession of its SDCs to the Anti-Corruption Charter.

The provisions of the Anti-Corruption Charter of Russian Business are adapted and included in the text of the Anti-Corruption Policy.

PJSC Rosseti and its SDCs follow the anti-corruption standards aimed at conducting an open and honest business, minimizing corruption in the electric grid complex, which affects the company’s business reputation, relations with partners

and contractors, and, as a result, the success of the tasks assigned to Rosseti's Group of Companies by the country's leadership.

Concepts and definitions

Article 13.3 of the Law on corruption counteraction	Article 13.3 of Federal law from 25 December 2008 № 273-FZ «About corruption counteraction» provides an obligation of organisations to take measures under the corruption prevention and counteraction
The Anticorruption endorsement	Section of contracts, agreements, amendments of PJSC Rosseti and SDCs, declaring carrying out by PJSC Rosseti and SDCs of the Anticorruption policy and not allowing to commit corruption and other offences
The Anticorruption policy	a set of interconnected principles, procedures and concrete events directed on prevention and counteraction of corruption in PJSC Rosseti and SDCs as a uniform basic document
Anticorruption obligations	The consent of a participant of purchasing procedures of PJSC Rosseti and SDCs to observe and execute principles, requirements of the Anticorruption policy, including an obligation not to make corruption and other offences, to present complete and trustworthy information about a chain of proprietors, including beneficiaries, including final ones, and also about members of executive bodies with attachment of supporting documents
Anticorruption monitoring	Collection, analysis and generalization of implemented in PJSC Rosseti and SDCs measures in the field of the corruption prevention and counteraction, performed for the purpose of provision of performance evaluation of the specified measures, estimation and forecast of corruption factors and signals; analysis and estimation of the data received as a result of supervision; development of forecasts of future state and tendencies of development of adequate measures
Owner of corruption risk	The management body or the head of a unit/structural subdivision of the Company responsible for all aspects of corruption risk management, including decrease in probability of realization of risk and/or reduction of possible influence of consequences from realization of risk. Owners of corruption risks are management bodies or managers who supervise the areas of activity on which the given risk has a direct impact

The RF Civil Code	The Civil Code of the Russian Federation
Article 291 of the Criminal Code of the Russian Federation	Bribery to an office holder, a foreign office holder or an office holder of a public international organisation personally or through an intermediary. The foreign office holder is understood as any appointed or elected person, holding any post in legislative, executive, administrative or judicial body of a foreign state, and any person who carries out any public function for the foreign state, including for a public department or a public enterprise; the office holder of a public international organisation is understood as an international civil servant or any person who is authorised by such organisation to act on its behalf
Department of Security of PJSC Rosseti	The structural division responsible for prevention of corruption offences and counteraction of corruption, realisation of principles and requirements of the Anticorruption policy of PJSC Rosseti and SDCs
The law on personal data protection	Federal law from 27 July 2006 № 152-FZ «About personal data»
Abusing powers	Use by the person, who carries out administrative functions in a commercial or other organisation, of the powers contrary to legitimate interests of this organisation and with a view of extraction of benefits and advantages to himself or other persons or doing harm to other persons if this act has entailed causing material damage to the rights and legitimate interests of citizens or the organisations or protected by the law interests of the society or the state. A person performing managerial functions in a commercial or other organization, as well as in a non-profit organization that is not a state body, local government, state or municipal institution, is a person performing functions of the sole executive body, a member of the board of directors or other collegial executive body, as well as a person who permanently, temporarily or by special authority performs organizational and administrative or administrative functions in these organizations (Article 201 of the Criminal Code of the Russian Federation)
Foreign public officials and office holders of public international organisations	In accordance with the UN Convention against Corruption from 31 October 2003, a “foreign public official” is defined as any appointed or elected

	<p>person holding any position in a legislative, executive, administrative or judicial body of a foreign state, and any person performing any public function for a foreign state, including for a public agency or state enterprise.</p> <p>In accordance with the recommendations of international organizations and foreign competent authorities, including the Group for the development of financial measures to combat money laundering, the following foreign citizens can be classified in this category:</p> <ol style="list-style-type: none"> 1. Persons to whom it is assigned or was assigned earlier to execute important state functions (less than 1 year has passed from the moment of termination of powers), namely: heads of states (including ruling royal dynasties) or governments, ministers, their deputies and assistants, higher government officials, office holders of judicial authorities of "ultimate authority" (the Supreme Court, the Constitutional Court) whose decisions have no appeal, the state public prosecutor and its assistants, higher military officials, heads and members of Boards of Directors of National Banks, ambassadors, heads of state corporations, members of the Parliament or other legislative bodies. 2. Persons authorized with public trust, in particular: heads, deputy heads of the international organisations (the United Nations, the OECD, the OPEC, the Olympic Committee, the World Bank etc.), members of the European Parliament, heads and members of the international judicial organisations (the Human Rights Court, the Hague Tribunal, etc.). An official of a public international organization means an international civil servant or any person authorized by such an organization to act on its behalf
The Administrative Code	The Administrative Offences Code of the Russian Federation
Commercial payoff	Illegal transfer to a person performing managerial functions in a commercial or other organization of money, securities, other property, as well as illegal rendering of property services to him, provision of other property rights (including when property is transferred, or property services, at the direction of such a person are granted, or property rights are

	granted to another individual or legal entity) for committing actions (inaction) in the interests of the giver or other persons, if these actions (inaction) are included in the official powers of such a person or if, by virtue of his official position, he can contribute to these actions (inaction) (Article 204 of the Criminal Code of the Russian Federation)
Compliance	Compliance of the organization activities to the requirements imposed on it by the Russian and foreign legislation, local regulations, other obligatory for execution regulating documents
Counterparty	Any Russian or foreign legal or physical person with whom the organisation enters into contractual relations with establishment of various volume of the rights and obligations (except for employee relations) and which are not united by a common purpose
Conflict of interest	The situation at which personal interest (direct or indirect) of an employee of PJSC Rosseti, including SDCs, influences or can affect proper execution of the labour (official) obligations (exercising powers) by him
Corruption offence	Illegal guilty act (action or failure to act), possessing corruption signs for which disciplinary, criminal, civil-law or managerial responsibility is established by the law
Corruption risks	Risks of committing a corruption offense by an employee of the Company
Corruption in commercial organisations	Bribery, abusing powers, commercial payoff or other illegal use by employees of the position contrary to legitimate interests of PJSC Rosseti and SDCs with a view of receipt of benefit in the form of money, values, other property or services of property character, other property rights for himself or for the third parties or illegal granting of such benefit to the specified person by other physical persons, and also fulfilment of the specified acts on behalf of or in interests of the legal entity
Personal benefit	Possibility to receive income in the form of money, other property, including property rights, property services, results of work performed or any benefits (advantages) by an employee of PJSC Rosseti and/or close relatives or property relations with

	persons, citizens or organizations, with which the employee of PJSC Rosseti and/or persons in close relationship with him or property relations, are connected with property, corporate or other close relations
Persons who are in close relationship or property with a leader/an employee	Parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, children of spouses and spouses of children
Material benefit	Gain in the monetary or natural form which can be estimated and specified as the income according to tax laws of the Russian Federation
Methodical recommendations of the Ministry of Labour	Methodical recommendations about development and accepting by organisations of measures about the corruption prevention and counteraction, developed by the Ministry of Labour and Social Protection of the Russian Federation, approved on 8 November 2013
Illegal compensation on behalf of the legal entity	<p>Illegal transfer, offer or promise on behalf of 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 in a commercial or other organization, a foreign official or an official of a public international organization of money, securities or other property, the provision of property-related services to him or the provision of property rights to him (including if, on behalf of an official, a person performing managerial functions in a commercial or other organization, a foreign official or an official of a public international organization, money, securities or other property is transferred, offered or promised, property-related services are provided or property rights are granted to another individual or legal entity) for committing in the interests of this legal entity or in the interests of the legal entity associated with him, by a person, performing managerial functions in a commercial or other organization, a foreign official or an official of a public international organization of action (inaction) associated with his official position (Article 19.28 of the Code of Administrative Offenses).</p> <p>Officials are persons who constantly, temporarily or by special authority perform functions of a representative of authority or perform organizational and administrative, administrative</p>

	and business functions in state bodies, local governments, state and municipal institutions, state corporations, state companies, state and municipal unitary enterprises, joint-stock companies whose controlling interest belongs to the Russian Federation, constituent entities of the Russian Federation or municipalities, as well as to the Armed Forces of the Russian Federation, other troops and military units of the Russian Federation (Note 1 - 3 to Article 285 of the Criminal Code of the Russian Federation)
Illegal attraction to labour activity or to accomplishment of work or rendering services of a state or municipal servant or a former state or municipal employee	Involvement by an employer or a customer of works (services) in labour activity on the terms of an employment contract or in the performance of work or the provision of services on the terms of a civil contract of a state or municipal employee who is filling a position included in the list established by regulatory legal acts, or of a former state or municipal an employee who has filled such a position, in violation of the requirements provided for in the Anti-Corruption Law (Article 19.29 of the Code of Administrative Offenses)
PJSC Rosseti and SDCs	Public Joint Stock Company «Rosseti» and its subsidiaries and affiliated and dependent companies
Organisation	The legal entity irrespective of its pattern of ownership, organizational and legal form and industry
Partner	Any Russian or foreign legal or physical person with whom the organisation enters into contractual relations directed on achievement of common purpose
Acceptance of a bribe	The receipt by an official, foreign official or official of a public international organization in person or through an intermediary of a bribe in the form of money, securities, other property or in the form of illegal provision of property services to him, the provision of other property rights (including when a bribe as directed by the official is transferred to another natural or legal person) for committing actions (inaction) in favour of the bribe giver or persons represented by him, if these actions (inaction) are included in the official authority of the official or if, by virtue of his official position, he can contribute to these actions (inaction), and equally for general patronage or connivance in the

	service (Article 290 of the Criminal Code of the Russian Federation)
Intermediary in bribery	Transfer of a bribe under instruction of the briber or the bribetaker or other contribution to the briber and (or) to the bribetaker in achievement or realisation of agreement between them about receipt and bribery in some considerable size, as well as promise or offer to be the intermediary in bribery (Article 291.1 of the Criminal Code of the Russian Federation)
Preconflict situation	Situation, at which employees of PJSC Rosseti and SDCs, and also the Customer/Organizer of purchases or his representatives, at realisation by them of office or professional activity have their personal interest which can lead to the conflict of interest
Provocation of a bribe, commercial bribery or bribery in the procurement of goods, work, services to meet state or municipal needs	An attempt to transfer to an official, a foreign official, an official of a public international organization, a person performing managerial functions in commercial or other organizations, or to the person specified in the first part of Article 200.5 of the Criminal Code of the Russian Federation, without his consent, money, securities, other property or provision him property services, the provision of other property rights in order to artificially create evidence of a crime or blackmail (Article 304 of the Criminal Code of the Russian Federation)
Corruption prevention	Activity of an organisation directed on introduction of elements of corporate culture, organizational structure, rules and procedures regulated by internal local acts, providing non-admission of corruption offences
Early corruption prevention	Activity of an organisation to reveal and subsequently eliminate reasons of corruption.
Strategy of development of the electric grid complex of the Russian Federation	Strategy of development of the electric grid complex of the Russian Federation, confirmed by Order of the Government of the Russian Federation from 3 April 2014 № 511-р
The Criminal Code of the RF	The Criminal Code of the Russian Federation
Risk management system	The Company's risk management system
The Labour Code of the RF	The Labour Code of the Russian Federation
A participant of purchase	Any legal entity or some legal entities acting on the party of one participant of purchase, irrespective of

	the organisational and legal form, pattern of ownership, or any physical person or some physical persons acting on the party of one participant of purchase, including an individual businessman or some individual businessmen acting on the party of one participant of purchase who conform to the requirements established by the customer according to a regulation on the purchase
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1. General provisions

1.1. The legal basis of the Anti-Corruption Policy of PJSC Rosseti and SDCs

The Anti-Corruption Policy of PJSC Rosseti and SDCs is developed according to:

1. Standard legal acts of the Russian Federation:
 - the Constitution of the Russian Federation from December, 12th, 1993;
 - the Civil Code of the Russian Federation;
 - the Code on Administrative Offenses of the Russian Federation;
 - the Labour Code of the Russian Federation;
 - the Criminal Code of the Russian Federation;
 - Federal Law from 7 August 2001 № 115-FZ «On combating legalization (laundering) of proceeds from crime and financing of terrorism»;
 - Federal Law from 25 December 2008 № 273-FZ «About corruption counteraction»;
 - Federal Law from 27 July 2010 № 224-FZ «About counteraction to misuse of insider information and manipulation of the market and about modification of separate acts of the Russian Federation»;
 - Federal Law from 3 December 2012 № 230-FZ «On control over the compliance of expenses of persons holding public positions and other persons with their income»;
 - Federal Law from 7 May 2013 № 79-FZ «On the prohibition of certain categories of persons to open and have accounts (deposits), keep cash and valuables in foreign banks located outside the territory of the Russian Federation, own and (or) use foreign financial instruments»;
 - Decree of the President of the Russian Federation from 2 April 2013 № 309 «On measures to implement certain provisions of the Federal Law «About corruption counteraction»;
 - Decree of the President of the Russian Federation from 8 July 2013 № 613 «Anti-corruption issues»;
 - Decree of the President of the Russian Federation from 29 June 2018 № 378 «On the National plan of counteraction of corruption for 2018 - 2020»;
 - Resolution of the Government of the Russian Federation from 5 July 2013 № 568 «About extension on separate categories of citizens of restrictions, prohibitions and obligations established by the Federal Law «About corruption

counteraction» and other federal laws with a view of corruption counteraction»;

- Resolution of the Government of the Russian Federation from 22 July 2013 № 613 «About presentation by citizens applying for replacement of posts in organisations, created for tasks accomplishment put to the Government of the Russian Federation, and employees displacing posts in these organisations, of data on incomes, expenses, on property and obligations of property character, check of reliability and completeness of presented data and observance by employees of requirements to office behaviour»;

- Resolution of the Government of the Russian Federation from 9 January 2014 № 10 «About the procedure to disclose by separate categories of persons gift receipt in connection with their official capacity or execution office (official) obligations by them, delivery and estimations of a gift, sale (redemption) and transfer of the funds obtained from its sale»;

- Resolution of the Government of the Russian Federation from 21 January 2015 № 29 «On the approval of the Rules of communication by the employer on the conclusion of a labour or civil law contract for the performance of work (the provision of services) with a citizen who replaced the posts of the state or municipal service, the list of which is established by regulatory legal acts of the Russian Federation»;

- the Strategy of development of the electric grid complex of the Russian Federation confirmed by Order of the Government of the Russian Federation from 3 April 2014 № 511-r;

- other regulatory legal acts in the field of the corruption prevention and counteraction.

2. Minutes and instructions of bodies of state power of the Russian Federation:

- Minutes of the Commission under the President of the Russian Federation concerning strategy of development of the fuel and energy complex and ecological safety from 10 July 2013 № A-60-26-8;

- Orders of the Government of the Russian Federation from 28 December 2011 № BP-P13-9308 and from 5 March 2012 № BP-P24-1269 on disclosing of the information on structure of proprietors of counterparties, on data representation about incomes, property and obligations of property character of senior managers, under the prevention and revealing of the conflict of interest and other abusings connected with occupied posts in PJSC Rosseti and SDCs;

- other management decisions.

3. The Methodical recommendations about development and accepting of measures by the organisations to prevent and counteract corruption, developed by the Ministry of Labour and Social Protection of Russia, approved on 8 November 2013.

4. The Methodological recommendations on the organization of processes of managing of corruption risks and internal control in the field of preventing and combating corruption approved by Order of the Federal Property Management Agency from 2 March 2016 № 80.

5. The Code of Corporate Governance, approved on 13 February 2014 at the meeting of the Government of the Russian Federation, approved on 21 March

2014 by the Board of Directors of the Bank of Russia and recommended for use by joint stock companies (hereinafter – the Code of Corporate Governance).

6. The Anti-Corruption Charter of Russian Business, approved on 21 September 2012 by the Commercial and Industrial Chamber of the Russian Federation, the Russian union of industrialists and businessmen, the All-Russian public organisation «Business Russia» and the All-Russian public organisation «OPORA Russia» (Certificate of PJSC Rosseti from 23 September 2014 № 496).

7. International legal standards.

8. Local regulations of PJSC Rosseti and organizational-administrative documents of PJSC Rosseti:

- The Articles of Association of PJSC Rosseti;
- The Code of Conduct of PJSC Rosseti;
- other local regulations and organizational-administrative documents of PJSC Rosseti.

1.2. Principles, goals and tasks of the Anticorruption policy

1.2.1. Principles of the Anticorruption policy:

- conformity of the Anticorruption policy to the current legislation and the standard norms;
- observance of legitimate rights and interests, protection of business reputation of employees, partners, counterparties and other persons, observance of commercial secret operation at realisation of anticorruption events;
- personal example of the management at forming culture of intolerance to corruption and creation of an intraorganizational system of the corruption prevention (early prevention) and counteraction;
- involvement of employees: knowledge of employees of the organisation of provisions of the anticorruption legislation and their active participation in forming and realisation of anticorruption standards and procedures;
- harmony of anticorruption procedures and the amount of possible damage and probability of corruption risk realization in PJSC Rosseti and SDCs;
- efficiency of anticorruption procedures: carrying out of anticorruption events which provide simplicity of realisation and bring significant result;
- responsibility and inevitability of punishment for employees of PJSC Rosseti and SDCs regardless of a post, a length of service and other conditions in case of commitment of corruption offences by them in connection with execution of labour obligations by them;
- business dealing openness: informing partners, counterparties, and the public about accepted in PJSC Rosseti and SDCs anticorruption standards of business making;
- constant control and regular monitoring of efficiency of the implemented anticorruption standards and procedures, and also the control over their execution.

1.2.2. Goals of the Anticorruption policy

The goal is the uniform approach to realisation of requirements of article 13.3. of the Law on counteraction of the corruption, concerning the obligation of PJSC Rosseti and SDCs on development and accepting of measures under the

corruption prevention and counteraction: revealing and subsequent elimination of reasons of corruption (corruption prevention); revealing, prevention and suppression of corruption and other offences; minimisation and (or) liquidation of consequences of corruption and other offences, including, as provided by article 19.28 of the Administrative Code of the Russian Federation.

The Anticorruption policy is the basic document of PJSC Rosseti and SDCs in the field of counteraction of corruption and contains a set of interconnected principles and procedures provided by article 13.3 of the Law on counteraction of corruption, concrete events provided by the act of official interpretation – the Methodical recommendations of the Ministry of Labour (Appendix - the List of anticorruption events in PJSC Rosseti and SDCs).

The Anticorruption policy is an element of the Company's internal control and risk management system that provides for a set of measures aimed at preventing corruption, reducing corruption and reputational risks, as well as risks of applying to the Company measures of responsibility for bribing officials.

The Anticorruption policy is aimed at implementing the requirements of paragraph 260 of the Corporate Governance Code, in defining measures to form elements of the corporate culture, organizational structure, rules and procedures to ensure that corruption is not allowed. As part of the tasks to assess the internal control system, based on paragraphs 269 of the Corporate Governance Code, the reliability of procedures to combat unlawful actions, abuse and corruption is assessed.

1.2.3. Tasks of the Anticorruption policy:

- to identify key areas for implementing the requirements of article 13.3. of the Anti-Corruption Law;
- to create effective and executive mechanisms for implementing measures to prevent and combat corruption (including an anti-corruption program);
- to consolidate requirements and restrictions in interaction with state bodies, whose competence includes anti-corruption issues;
- to prevent corruption and other offenses, to ensure responsibility;
- to form with shareholders, partners, counterparties, members of management and control bodies, employees a clear understanding of the position of PJSC Rosseti and SDCs about the rejection of corruption in any form and manifestation;
- to minimize the risks of involving PJSC Rosseti and SDCs in corruption activities.

1.2.4. Measures to prevent corruption in PJSC Rosseti and SDCs:

- assigning the functionality of structural units responsible for the prevention of corruption and other offenses;
- development and introduction in practice of standards and procedures directed on provision of diligent work;
- accepting of the code of ethics and office behaviour of employees;
- identification and assessment of corruption risks;
- development and application of measures to respond to corruption risks;

- prevention and settlement of the conflict of interest;
- cooperation with law enforcement bodies in sphere of counteraction of corruption;
- non-admission of drawing up of informal reporting and use of forged documents.

1.2.5. Circle of persons falling under action of the Anticorruption policy

The basic circle of persons falling under action of the Anticorruption policy are employees of PJSC Rosseti and SDCs, regardless of a post and carried out functions, and also partners and counterparties of PJSC Rosseti and SDCs, other persons owing to mutual liabilities between them and PJSC Rosseti and SDCs, including, the Anticorruption obligations and other anticorruption agreements.

2. Mechanism for the implementation of the Anticorruption policy

2.1. Determination of divisions and office holders responsible for prevention of corruption offences and counteraction of corruption

2.1.1. The Board of Directors of PJSC Rosseti and boards of directors of SDCs, Director General of PJSC Rosseti and chief executive officers of SDCs, Deputy General Director for Security of PJSC Rosseti and persons responsible for preventing corruption in PJSC Rosseti, SDCs, Department for Security of PJSC Rosseti and structural divisions of anti- corruption compliance procedures in SDCs provide observance of the basic principles, tasks and requirements, realisation of directions of this Anticorruption policy in PJSC Rosseti and SDCs and perform the control over effective realisation of the Anticorruption policy.

2.1.2. The Board of Directors of PJSC Rosseti and boards of directors of SDCs:

- determine key strategic directions of the Anticorruption policy;
- approve the internal document of the Company (SDCs) - the Anticorruption policy;
- supervise results of introduction and application of the Anticorruption policy;
- determine the main principles and approaches to the organization in the Company of the processes of managing corruption risks and internal control in the field of preventing and combating corruption;
- approve the list of corruption risks with indication of owners of corruption risks (heads of units and structural divisions of the Company);
- to implement the above principles and approaches, they exercise overall control over their implementation, discipline of execution and operational efficiency, and take all measures possible within the limits of their authority to ensure that this process corresponds to the principles and approaches to its organization that are defined by the Board of Directors;

Director General of PJSC Rosseti and chief executive officers of SDCs:

- are responsible for the organisation of all events directed on realisation of

principles and requirements of the Anticorruption policy, including appointment of persons responsible for development of anticorruption procedures, their introduction and control;

- ensure annual bringing a report on observance of this Anticorruption policy to consideration of the Board of Directors of PJSC Rosseti and boards of directors of SDCs.

2.1.3. The structural division, responsible for prevention of corruption in the Company, is assigned with powers sufficient for carrying out of anticorruption events, including, concerning persons occupying executive positions in PJSC Rosseti, and also provided with necessary personnel and technical resources.

The structural division of the Company responsible for prevention of corruption offences and counteraction of corruption of PJSC Rosseti within the limits of execution of one of the purposes of article 3 of the Articles of Association of the Company is determined by the centre of coordination and control of the activity of SDCs in the field of the corruption prevention and counteraction.

2.1.4. Divisions on counteraction (prevention) of corruption, compliance control of SDCs are structural subdivisions of SDCs, which are responsible for prevention of corruption offences and counteraction of corruption (article 13.3 of the Law on corruption counteraction), reports to persons responsible for combating corruption, who are subordinate to the sole executive bodies of SDCs, are assigned with powers sufficient for carrying out of anticorruption events, including, concerning persons occupying executive positions in SDCs, and also provided with necessary personnel and technical resources.

2.1.5. The structural subdivision of the Company responsible for prevention of corruption offences and counteraction of corruption of PJSC Rosseti organises annual holding of seminars and meetings on the improvement of anti-corruption activities in Rosseti's Group of Companies with heads of divisions on counteraction (prevention) of corruption, compliance control.

2.1.6. The division of the Company responsible for prevention of corruption offences and counteraction of corruption of PJSC Rosseti and structural subdivisions on counteraction (prevention) of corruption, compliance control of SDCs:

- carry out events directed on realisation of principles and requirements of the Anticorruption policy;
- develop the program of anticorruption events;
- perform compliance control of the activity of PJSC Rosseti and SDCs;
- carry out control events directed on revealing corruption and other offences;
- organise carrying out of estimation of corruption risks;
- organise the conduct of anti-corruption expertise of organizational and administrative documents, QMS documents (for SDCs with the implemented quality management system) and their drafts;
- - consider messages of cases of declination of employees to committing corruption and other offences in interests or on behalf of another organisation, and also about possible facts of commitment of corruption and other offences by employees, partners, counterparties of PJSC Rosseti and SDCs or other

persons;

- organise filling in and consideration of declarations on the conflict of interest;

- organize the verification in declarations of information on property, income and property liabilities of heads of PJSC Rosseti and SDCs and members of their families;

- organise training events for corruption prevention and counteraction and individual consultation of employees;

- organize an increase in the effectiveness of awareness-raising and educational measures aimed at creating an atmosphere of intolerance towards corruption in society;

- - assist authorised representatives of control-supervising and law enforcement bodies at carrying out of inspection checks of the activity of PJSC Rosseti and SDCs by them concerning the corruption prevention and counteraction;

- assist authorised representatives of law enforcement bodies at carrying out of events for suppression or investigation of corruption crimes, including investigative operations;

- conduct estimation of results of anticorruption work and preparation of corresponding reporting materials to an organisation's management;

- perform activity under the prevention and counteraction to corruption and other offences, the conflict of interest;

- develop anticorruption standards and render the methodical help in realisation of events for counteraction and prevention of corruption and legal education of employees;

- co-ordinate activity of structural divisions in the field of realisation of the Anticorruption policy;

- take part in carrying out of summits, scientifically-practical seminars, conferences of the Russian and international level in sphere of corruption counteraction and prevention;

- perform interaction with public authorities and local governments, scientific, educational organisations and organisations in sphere of corruption counteraction and prevention;

- organise and perform monitoring of the Russian, applicable foreign and international anticorruption legislation and trace changes made to them, and also relevant judiciary practice;

- conduct planned and unscheduled inspections of observance of principles of this Anticorruption policy, constitute reports by results of conducted checks;

- develop documents in sphere of counteraction and prevention of corruption and initiate update of documents in connection with change of the anticorruption legislation of the Russian Federation.

2.1.7. SDCs assist PJSC Rosseti in the course of realisation of measures under the corruption prevention and counteraction.

2.1.8. The Central Commission on observance of norms of corporate ethics and settlement of the conflict of interest – a collegiate body of PJSC Rosseti:

- considers questions connected with settlement of before/conflict of

interest in PJSC Rosseti, with observance of provisions of the Anticorruption policy, the Code of Conduct and the Code of Corporate Governance;

- considers questions which have been brought by the commission on observance of norms of corporate ethics and settlement of the conflict of interest of SDCs.

2.1.9. 2.1.9. The commissions on observance of norms of corporate ethics and settlement of the conflict of interest are collegiate bodies of SDCs of PJSC Rosseti: perform consideration of questions connected with settlement of before/conflict of interest in SDCs, with observance of provisions of the Anticorruption policy, codes of conduct and codes of corporate governance of SDCs.

2.2. Organization of the process of corruption risk management

2.2.1. In order to ensure a unified approach by PJSC Rosseti and SDCs to the development and implementation of measures aimed at preventing and combating corruption, in accordance with the corporate risk management system, corruption risk management processes are organized.

2.2.2. The unified approach to identifying and assessing corruption risks should be designed in such a way as to ensure timely and complete identification, accurate assessment of corruption risks.

2.2.3. The following procedure for organizing the management of corruption risks has been established:

- description of risks (development of records and registers of corruption risks of the Company);
- assessment of corruption risks;
- formation of a map of corruption risks;
- identification of risks (determination of areas (processes, lines of business) and business operations prone to corruption risks, formation of a list of posts associated with high corruption risk);
- development of a set of measures to eliminate and minimize corruption risks;
- establishment of special anticorruption procedures and requirements, including regular filling in a declaration on the conflict of interest;
- assessment of effectiveness and monitoring of existing measures to minimize corruption risks;
- development of new and improvement of existing measures to minimize corruption risks.

2.2.4. When checking the common corporate risk management system, a regular assessment of the effectiveness of the process of managing corruption risks is carried out in accordance with the Risk Management Policy of PJSC Rosseti.

2.3. Organization of the internal control process in the field of early prevention and prevention of corruption

In order to ensure the efficiency and effectiveness of the activities, the safety of assets, compliance with the requirements of regulatory and legal acts applicable to the Company and local regulations, ensuring the reliability and timeliness of

financial (accounting) and other reporting, PJSC Rosseti and SDCs:

2.3.1. In the implementation of corporate and process controls and internal audit take into account the requirements of the Anti-Corruption policy:

- verification of compliance with organizational procedures and rules of the activity, which are significant from the point of view of work on early prevention and prevention of corruption;
- verification of the economic feasibility of operations in areas with high corruption risk.

2.3.2. They carry out inspections of the organization of work on the prevention of corruption, compliance with the requirements of the legislation of the Russian Federation, international legislation on combating corruption in subsidiary dependent companies.

2.4. Prevention and settlement of the conflict of interest

For the purpose of restriction of influence of private interests, personal interest of employees on the labour functions implemented by them, made business decisions, PJSC Rosseti and SDCs perform measures on revealing, prevention and settlement of the conflict of interest:

2.4.1. Develop and accept internal documents establishing an order of revealing and settlement of situations of before/conflict of interest, arising at employees of PJSC Rosseti and SDCs during the course of performance of labour obligations by them.

2.4.2. Bring to the notice of all employees about accepting of specified documents and on compulsion of accomplishment by them of requirements contained in them.

2.4.3. Are guided by the following principles at work performance on management of the conflict of interest:

- compulsion of disclosing data on a real or potential conflict of interest;
- individual consideration and estimation of reputational risks at revealing of each conflict of interest and its settlement;
- confidentiality of process of disclosing data on the conflict of interest and process of its settlement;
- observance of the balance of interests of PJSC Rosseti and SDCs and their employees at settlement of the conflict of interest;
- protection of an employee against prosecution in connection with a message of the conflict of interest.

2.4.4. Establish obligations for employees of PJSC Rosseti and SDCs:

- at decision making on business matters and accomplishment of the labour obligations to be guided by interests of PJSC Rosseti and SDCs;
- to avoid situations and circumstances which can lead to the conflict of interest;
- to reveal an arisen (real) or potential conflict of interest, including, to report about origin of the conflict of interest and to fill in declarations on the conflict of interest;
- to promote settlement of the arisen conflict of interest.

2.4.5. Establish various kinds of disclosing of the conflict of interest: at employment, at appointment to a new post, in process of origin of situations of the conflict of interest, during carrying out of annual certifications on observance of ethical standards of business dealing.

2.4.6. Ensure obligatory filling in declarations on the conflict of interest with a certain circle of persons.

2.4.7. Determine persons responsible for acceptance of data on arising conflicts of interests.

2.4.8. Establish a prohibition on the conclusion of contracts with persons in which relation availability of the conflict of interest, affiliation and other abusings is determined.

2.4.9. Establish methods of resolution of the conflict of interest.

2.4.10. Determine sample situations of before/conflict of interest.

2.4.11. Provide functioning of the commissions on observance of norms of corporate ethics and settlement of the conflict of interest.

2.5. Development and introduction in practice of standards and procedures directed on provision of diligent work

PJSC Rosseti and SDCs provide introduction of anticorruption standards of behaviour of employees into the corporate culture of PJSC Rosseti and SDCs and in this connection:

2.5.1. Develop and accept codes of ethics and office behaviour of employees of PJSC Rosseti and SDCs, which determine:

- common values and principles of PJSC Rosseti and SDCs;
- concrete rules and standards of behaviour of employees, mentioning general ethics of business relations and aimed at forming ethic, diligent behaviour of employees.

2.5.2. Perform check of data on incomes and expenses, about property and obligations of property character, concerning citizens applying for replacement of posts subject to declaration, and employees displacing posts in PJSC Rosseti and SDCs, and their near relations, in accordance with the internal organizational and administrative documents of the Company and SDCs, for the purpose of revealing of the conflict of interest, facts of affiliation and other abusings.

2.5.3. Are guided by principles of honesty and objectivity at forming staff (including, senior) composition:

- employees are appointed or transferred to higher posts only proceeding from business qualities;
- prohibition on employment of relatives on the terms of direct subordination to each other is established;
- obligation of employees to provide the data specified in item 2.5.2 of the Anticorruption policy is established.

2.5.4. Recognise an exchange of gifts with business partners as an integral part of business ethics if the given actions have open character and correspond to norms of the applicable legislation of the Russian Federation and local regulations, and do not create a risk of business reputation for the Company and its employees.

2.5.5. Establish an obligation for employees of the Company to report about their receipt of a gift costing over three thousand rubles in connection with their official capacity or in connection with execution of labour (official) obligations of their direct head.

2.5.6. Prohibit giving business gifts by employees of the Company in the form of cash or non-cash funds, securities, jewelry and other luxury goods.

2.5.7. Perform charitable and sponsor's activity independently or through employees on the basis of a transparency principle, without pursuing the aim of receipt or preservation of an advantage in the business activity of PJSC Rosseti and SDCs, in accordance with the requirements of the legislation of the Russian Federation and internal organizational and administrative documents.

2.5.8. Take measures on counteraction to misuse of the insider information and the market manipulation in PJSC Rosseti and SDCs;

2.5.9. Perform anticorruption examination of the local normative acts of PJSC Rosseti and SDCs and issue regulatory acts that establish additional guarantees for the provision of independent anti-corruption expertise of normative legal acts (draft normative legal acts).

2.6. Consideration and check of information on possible facts of corruption

2.6.1. PJSC Rosseti and SDCs perform acceptance of messages of employees of PJSC Rosseti/SDCs, partners, counterparties and others (physical and legal) persons about possible facts of corruption with use of an interactive channel of interaction with informers, «hot line» phone line, and also by means of mail and at personal reception.

2.6.2. PJSC Rosseti and SDCs carry out measures to protect persons who have provided the information specified in item 2.6.1, from any form of pressure (including dismissal, prosecution, any form of discrimination).

2.6.3. PJSC Rosseti/SDCs aspire to creation of a set of effective measures to check information on possible facts of corruption, and in case of their confirmation to elimination (minimisation) of their consequences and reasons, making them.

2.7. Formation of the basis for law-abiding behaviour of employees and legal education

2.7.1. PJSC Rosseti and SDCs carry out outreach activities for employees of PJSC Rosseti and SDCs in order to prevent corruption:

- create and improve the sections "Anticorruption Policy" and "Anticorruption Charter of Russian Business" on the official websites of PJSC Rosseti and SDCs;

- publish information on activities to implement this Anti-Corruption policy in a corporate newspaper, in all mass media freely available;

- ensure, in cooperation with the mass media, the dissemination of positive experience of counteracting attempts of corruption pressure by employees and the Company;

- organize anti-corruption measures and social actions;

- provide for the refresher training of employees whose duties include

participation in combating corruption, on an educational program of two levels (basic - for first-time learners and advanced - for those who have been trained before);

- encourage employees for providing verified information about corruption and other violations in PJSC Rosseti and SDCs;

- ensure that no employee is harmed in the career or financial sense, if he refuses to take corrupt actions, even if such a refusal leads to losses for PJSC Rosseti and SDCs;

- practice the responsibility of employees, binding on signing an agreement on compliance with the principles and requirements of the Anti-Corruption policy and anti-corruption legislation;

- declare the need to develop mechanisms of corporate impact for committing corruption and other offenses.

2.7.2. Compliance by employees of PJSC Rosseti and SDCs with the principles and requirements of the Anti-Corruption policy is taken into account in the formation of staff for promotion to higher positions, in the certification of employees.

2.8. Consultation and training of employees of the organisation

PJSC Rosseti and SDCs carry out training of employees in various forms concerning corruption prevention and counteraction:

2.8.1. Carry out educational and outreach events (briefings, trainings, seminars, questioning and testing of employees of PJSC Rosseti and SDCs), aimed at informing employees about the requirements of the legislation of the Russian Federation, international legislation on combating corruption, on the formation of anti-corruption consciousness of employees, and explain:

- the concept of corruption in the state and private sector;
- responsibility for commitment of corruption offences;
- requirements of the legislation and internal documents of PJSC Rosseti and SDCs concerning the prevention of corruption and the order of their application;

- the order of revealing and resolution of the conflict of interest at accomplishment of labour obligations by employees;

- behaviour in situations of corruption risk, in particular, in cases of extortion of a bribe from office holders of the state and municipal organisations;

- the order of interaction with law enforcement bodies concerning corruption prevention and counteraction.

2.8.2. Conduct individual consultation of employees concerning the corruption prevention and counteraction in a confidential manner.

2.8.3. Provide regular public lectures on anti-corruption topics in the Company's departments, branches and subsidiaries in cooperation with educational and scientific organizations.

2.8.4. Conduct with the involvement of scientific and educational organizations upgrading the skills of employees of units whose duties include participation in counteracting corruption, under programs of additional vocational education.

2.9. Accepting of measures on corruption counteraction and prevention at interaction with partners and counterparties

PJSC Rosseti and SDCs are focused on establishment and preserving of business relations with partners and counterparties, who:

- support the Anticorruption policy;
- lead business relations in a diligent and fair manner;
- care of own reputation;
- show support to high ethical standards;
- implement own measures on corruption counteraction;
- participate in joint anticorruption initiatives.

2.9.1. PJSC Rosseti and SDCs inform partners and counterparties on programs, behaviour standards, procedures and rules directed on prevention and counteraction of corruption.

2.9.2. PJSC Rosseti and SDCs inform partners and counterparties on joining the Anti-Corruption Charter of Russian Business, and also about Rosseti's inclusion in «the Register of reliable partners».

2.9.3. PJSC Rosseti and SDCs implement requirements of the uniform Anticorruption standard at carrying out of the anticorruption control in the purchasing activity.

The Anticorruption standard includes check of purchasing documentation and participants of purchases/counterparties with a view of estimation of a level of their reliability and conscientiousness, settlement of the conflict of interest, avoidance of affiliation and other abusings connected with occupied posts in PJSC Rosseti and SDCs.

2.9.4. Within the check of the purchasing documentation the control is performed at 3 stages: preliminary – check of a draft of the Procurement Plan; current – check of analytical and explanatory notes confirming validity of a planned transaction; subsequent – check of explanatory notes proving the conclusion of supplementary agreements, and also consideration of complaints and messages of counterparties and other physical and legal entities about possible facts of corruption.

2.9.5. Within the check of participants of purchases/counterparties, estimation of a level of their reliability and conscientiousness the work on disclosing of structure of proprietors of counterparties is conducted, including beneficiaries, including final ones, and also about members of executive powers; on check of their reputation and duration of activity in the market, participation in corruption scandals, etc.; on settlement of the conflict of interest, avoidance of affiliation and other abusings connected with occupied posts in PJSC Rosseti and SDCs.

Within the check the following requirements are established for participants of purchases/counterparties:

- signing of the Anticorruption obligations – the consent of the participant of purchasing procedures of PJSC Rosseti and SDCs on observance and execution of principles, requirements of the Anticorruption policy, including an obligation not to make corruption and other offences, to present complete and trustworthy

information about a chain of proprietors, including beneficiaries, including final, and also about members of executive powers with attachment of supporting documents;

- granting of the inquiry on availability of the conflict of interest and-or connections of affiliation character with employees of PJSC Rosseti and SDCs;
- granting of the information concerning all chain of proprietors, including beneficiaries (including final), and also data on the structure of executive powers;
- providing information on involvement of third parties in the performance of their obligations under contracts before concluding an agreement with these parties, including providing information regarding the entire chain of owners of these third parties, including the ultimate beneficiaries, as well as information about the structure of their executive bodies with the attachment of copies of confirming documents;
- provision of the consent to handling personal data;
- signing of the Anticorruption waiver to an agreement, declaring carrying out by PJSC Rosseti and SDCs of the Anticorruption policy and not allowing commitment of corruption and other offences.

2.9.6. In the performance of its obligations, the Counterparty and PJSC Rosseti/SDCs, their affiliates, employees or intermediaries do not carry out activities that are qualified by applicable law, as giving (art.291 of the Criminal Code)/receiving (art.290 of the Criminal Code) a bribe, mediation in bribery (art.291.1 of the Criminal Code), commercial bribery (art.204 of the Criminal Code), abuse of power (art.201 of the Criminal Code), illegal award on behalf of the legal entity (art.19.28 of the Administrative Code), illegal involvement to work or performance of work or provision of services of a public servant or a municipal employee or a former public servant or a municipal employee (art.19.29 of the Administrative Code), as well as another wrongful act (action or inaction), having signs of corruption, for which the law establishes disciplinary, criminal, civil or administrative liability.

The Counterparty and PJSC Rosseti/SDCs refuse to stimulate in any way each other's employees, including through the provision of sums of money, gifts, gratuitous performance of work (services) for them and other not named here ways which puts the employee in a certain relationship and aimed at ensuring performance by this employee of any action in favour of the party stimulating him (the Counterparty and PJSC Rosseti/SDCs).

The employee's activities, carried out in favour of the party stimulating him (the Counterparty or PJSC Rosseti/SDCs), defined as:

- provision of unjustified advantages in comparison with other counterparties;
- provision of any guarantees;
- acceleration of existing procedures;
- other actions performed by the employee within the scope of his official duties, but contrary to the principles of transparency and openness of the relationship between the Counterparty and PJSC Rosseti/SDCs.

2.9.7. At the stage of execution of the agreement the control of observance of requirements of the Anticorruption reservation and modification of a chain of

proprietors of the counterparty is performed, in case of non-observance of the specified requirements termination of contractual relations is provided in an order established by PJSC Rosseti and SDCs.

2.9.8. PJSC Rosseti and SDCs refuse stimulating somehow employees of counterparts, including, by granting of sums of money, gifts, non-paid accomplishment in their address of works (services) and other methods not named here, putting the employee of the counterpart in certain dependence and directed on provision of accomplishment by this employee of any actions for benefit of PJSC Rosseti and SDCs.

2.10. Counteraction to bribery for foreign public officials and office holders of public international organisations

2.10.1. PJSC Rosseti takes measures on counteraction to bribery for foreign public officials or office holders of public international organisations according to international standards, regulatory legal acts of the Russian Federation, item 12 of the Anti-Corruption Charter of Russian Business.

2.10.2. Payoff of foreign public officials and office holders of public international organisations – a deliberate offer, promise or granting by any person directly or through intermediaries any wrongful property or other advantages to the foreign office holder, for benefit of such office holder or the third party so that this office holder will have to make action or failure to act at accomplishment of the job responsibilities for receipt or preserving of commercial or other wrongful advantage in connection with realisation of an international commercial transaction, partnership, including instigation, assistance and complicity, as well as authorisation of actions on bribery for the foreign office holder, attempt at payoff or collusion to the purpose of bribery for the foreign office holder (article 16 of the Convention of the United Nations Organization against corruption, articles 1, 2, 4, 5, 6, 9 of the Convention on criminal liability for corruption, article 1 of the Convention on struggle against bribery for foreign office holders at realisation of international commercial transactions, item 12 of the Anti-Corruption Charter of Russian Business).

2.10.3. The Russian legislation provides a criminal liability of physical persons for bribery for foreign public officials and office holders of public international organisations: article 291 of the Criminal Code of the Russian Federation (Bribery), article 291.1 of the Criminal Code of the Russian Federation (Intermediary in bribery, promise or offer of intermediary in bribery).

2.10.4. According to part 2 of article 3 of the Convention on struggle against bribery for foreign office holders at realisation of international commercial transactions, for legal entities for bribery for foreign public officials the criminal liability is provided.

In a case if the criminal liability of legal entities is not provided by the country's legal system, other kinds of responsibility, including financial sanctions can be applied to legal entities.

2.10.5. The Russian legislation provides for managerial responsibility of legal entities for bribery for foreign public officials and office holders of public international organisations: article 19.28 of the Administrative Code of the Russian

Federation (Illegal compensation on behalf of the legal entity).

2.10.6. PJSC Rosseti and SDCs take the following measures on counteraction to bribery for foreign public officials or office holders of public international organisations:

- inform the Investigative Committee of the Russian Federation on facts of payoff to office holders;
- at realisation of activity outside of the Russian Federation in case of need address for consultation and support to diplomatic and trade missions of the Russian Federation abroad;
- perform control over observance by employees of PJSC Rosseti and SDCs of the requirement to abstain from promises, offers or granting to a foreign public official or an office holder of a public international organisation, personally or through intermediaries, any wrongful advantage to the office holder or another physical or legal entity so that this office holder will have to make any action or failure to act at accomplishment of the job responsibilities for receipt, preserving of commercial or other wrongful advantage;
- keep recording of foreign public officials and office holders of public international organisations with whom interaction of PJSC Rosseti and SDCs within the limits of contractual and non-contractual relations, and also recording of employees of PJSC Rosseti and SDCs, who participate in such interaction;
- provide functioning of internal mechanisms of control regarding anticorruption regulation;
- report to law enforcement bodies about revealed facts of bribery for foreign public officials and office holders of public international organisations and perform subsequent interaction (item 2.11 of the Anticorruption policy);
- publish data about accepted measures in PJSC Rosseti and SDCs, directed on prevention of bribery for foreign public officials and office holders of public international organisations, in annual social reports (item 2.1.2. of the Anticorruption policy);
- perform interaction with representatives of public authorities and law enforcement bodies (item 2.11, item 2.12 of the Anticorruption policy), international and other organisations with a view of development and enhancement of measures on counteraction to bribery for foreign public officials and office holders of public international organisations in PJSC Rosseti and SDCs;
- perform monitoring of efficiency of accepted measures on counteraction to bribery for foreign public officials and office holders of public international organisations (item 7 of the Anticorruption policy).

2.11. Interaction with the state structures performing control-supervising functions

PJSC Rosseti and SDCs pay particular attention to questions of interaction of employees with public job holders in view of arising high corruption risks:

2.11.1. Establish obligations of employees of PJSC Rosseti and SDCs to abstain from any offers which accepting can put the public job holder in a situation of the conflict of interest.

2.11.2. Take the measures directed on non-admission of bringing PJSC

Rosseti and SDCs to managerial responsibility under article 19.28 of the Administrative Code, including, establishing prohibition on:

- transfer, offer or promise on behalf of and in interests of PJSC Rosseti and SDCs to the state or civil servant of money, securities, other property, rendering to him or her services of property character, granting of property rights for fulfilment in interests of the given servant of an action (failure to act) connected with the position occupied by him or her;

- offer and attempts to transfer any gifts (including, which cost constitutes less than three thousand roubles) to a supervising state and civil servant.

2.11.3. Establish the order of informing law enforcement bodies about facts of infringement of requirements to office behaviour of state and civil servants at realisation of control-supervising events in PJSC Rosseti and SDCs, and also the pre-judicial order of appeal of their actions.

2.11.4. Ensure compliance with the requirements of the legislation of the Russian Federation, the instructions of the Chairman of the Government of the Russian Federation¹ and the decisions of the Commission under the President of the Russian Federation on the issues of the development strategy of the fuel and energy complex² in the framework of transparency of financial and economic activities of PJSC Rosseti and SDCs.

2.12. Cooperation with law enforcement bodies in sphere of counteraction of corruption

Cooperation with law enforcement bodies is an important indicator of the valid adherence of PJSC Rosseti and SDCs to declared anticorruption standards of behaviour.

2.12.1. PJSC Rosseti and SDCs make a public commitment:

- to report to corresponding law enforcement bodies about cases of commitment of corruption and other offences, which PJSC Rosseti and SDCs have become aware of;

- to abstain from any sanctions concerning the employees who have reported to law enforcement bodies the information on preparation or commitment of corruption and other offence which they have become aware of during the course of performance of labour (official) obligations;

- - to prevent wrongful intervention of employees of PJSC Rosseti and SDCs into the activity of law enforcement bodies at carrying out anticorruption events.

2.12.2. PJSC Rosseti and SDCs support in revealing and investigation by law enforcement bodies of facts of corruption, undertake necessary measures to preserve and transfer documents and information containing the data about corruption offences to law enforcement bodies, cooperate with law enforcement bodies by rendering assistance to authorised representatives of law enforcement

¹ Instructions of the Government of the Russian Federation from 28.12.2011 No. VP-P13-9308 and from 05.03.2012 No. VP-P24-1269 on disclosure of information on the structure of counterparty owners, on the presentation of data on income, property and liabilities of the property nature of the management team, on the prevention and detection of conflict of interests and other abuses, related to the posts held in the Company.

² Minutes of the Commission under the President of the Russian Federation on the Development Strategy of the Fuel and Energy Complex and Environmental Safety from 10.07.2013 No. A-60-26-8.

bodies:

- at carrying out of their inspection checks of the organization activity concerning the corruption prevention and counteraction;
- at carrying out of events for suppression or investigation of corruption crimes, including investigative operations.

2.13. Participation in joint initiatives on corruption counteraction and prevention

2.13.1. PJSC Rosseti and SDCs not only independently implement measures under the corruption prevention and counteraction, but also take part in joint anticorruption initiatives.

2.13.2. PJSC Rosseti and SDCs take part:

- in carrying out of events for realisation of provisions of the Anti-Corruption Charter of Russian Business according to the Regulation about the conditions and procedure of realisation of the provisions of the Anti-Corruption Charter of Russian Business;
- in using standard anticorruption reservations in joint contracts;
- in refusing business activity publicly with organisations which have been implicated in corruption crimes;
- in organizing and carrying out co-education concerning corruption prevention and counteraction;
- in participation of specialists of PJSC Rosseti and SDCs in international and other anticorruption events.

2.14. Subsidiaries and Affiliates

PJSC Rosseti and SDCs within their competence, and in accordance with the corporate governance system in force at PJSC Rosseti and SDCs and the Corporate Governance Code, initiate implementation in SDCs of own anti-corruption policies similar to this one, and makes reasonable efforts so that the basic principles and requirements of the Anti-Corruption policy are respected in joint ventures, companies and associations, where PJSC Rosseti and SDCs participate.

3. The obligations of employees connected with the prevention and counteraction of corruption

The following obligations were established for employees of PJSC Rosseti and SDCs, in particular:

- to abstain from commitment and-or participation in corruption and other offences in the interests or on behalf of PJSC Rosseti and SDCs;
- to abstain from behaviour which can be interpreted by surrounding people as readiness to make or participate in commitment of corruption and other offences in the interests or on behalf of PJSC Rosseti and SDCs;
- immediately to inform the Department for security of PJSC Rosseti and structural divisions on counteraction (prevention) of corruption, compliance control of SDCs on cases of declination of the employee to commitment of corruption and other offences;

- immediately to inform the Department for security of PJSC Rosseti and structural divisions on counteraction (prevention) of corruption, compliance control of SDCs on the information the employee has become aware on cases of commitment of corruption and other offences by other employees, partners, counterparts or other persons;

- to report to the Department for security of PJSC Rosseti and structural divisions on counteraction (prevention) of corruption, compliance control of SDCs about possibility of origin of the conflict of interest or which has arisen at the employee (the declaration of the conflict of interest).

4. Responsibility

4.1. PJSC Rosseti and SDCs refer to the following measures of responsibility for corruption and other offences: measures of disciplinary, administrative and criminal liability according to the legislation of the Russian Federation, and measures of corporate influence according to local regulations of PJSC Rosseti and SDCs.

4.2. PJSC Rosseti and SDCs perform checks on each reasonable suspicion of corruption or established fact within the allowed framework of the legislation of the Russian Federation.

5. Accepting, analysis of application and revision of the Anticorruption policy

5.1. The Anticorruption policy in PJSC Rosseti and SDCs is accepted according to regulatory legal acts of the Russian Federation, the Articles of Association of PJSC Rosseti and SDCs and item 2.1.2 of the Anticorruption policy.

5.2. PJSC Rosseti and SDCs perform regular monitoring of a course of efficiency of realisation of the Anticorruption policy both with their own workforce, and with attraction of other persons within the limits of their competence.

5.3. PJSC Rosseti and SDCs provide conditions in which employees and other persons can point freely out defects to realisation of the Anticorruption policy, and also make offers on its enhancement.

5.4. Results of accomplishment of the anticorruption program are reflected in the social reporting of PJSC Rosseti and SDCs.

5.5. Development and realisation of the action plan on actualisation of the Anticorruption policy in PJSC Rosseti and SDCs is performed according to part 1 of item 2.1.2 of the Anticorruption policy.

5.6. The Department for security of PJSC Rosseti (structural divisions on counteraction (prevention) of corruption, compliance control of SDCs) give reports to General Director of PJSC Rosseti (chief executive officers of SDCs) with a view of the goals, specified in part 2 of item 2.1.2 of the Anticorruption policy.

5.7. Modification of the Anticorruption policy of PJSC Rosseti and SDCs is performed in conformity with item 2.1.1. of the Anticorruption policy and in cases:

- of necessity of bringing the provisions of the Anticorruption policy into

conformity with changes in the Russian, applicable international anticorruption legislation;

- of changes in the organizational, staff or functional structure of the Company that have a direct impact on the implementation of this Anticorruption policy;

- of enhancement of measures on realisation of the Anticorruption policy.

5.8. Changes of this Anticorruption policy are placed on an official website of PJSC Rosseti and are obligatory for application by SDCs.

Appendix
to the Anticorruption policy
of PJSC Rosseti and SDCs

The list of anticorruption events
in PJSC Rosseti and SDCs

The mechanism for the implementation of the Anti-Corruption policy of PJSC Rosseti and SDCs/Anticorruption activities
1. Definition of the functionality of units and officials responsible for the prevention of corruption offenses and counteracting corruption, in accordance with the requirements of the legislation of the Russian Federation
1.1. Update of the local normative act (hereinafter - the local regulation), which defines the tasks, functions, responsibilities and powers of the structural unit or officials responsible for the prevention of corruption offenses and combating corruption.
1.2. Determination of the functions of the units and officials responsible for the prevention of corruption offenses and combating corruption.
2. Organization of the process of corruption risk management
2.1. Description of corruption risks (development of records and registers of corruption risks of the Company).
2.2. Identification and assessment of corruption risks.
2.3. Formation of a map of corruption risks.
2.4. Identification of risks (identification of areas (processes, lines of business) and business operations prone to corruption risks, the formation of a list of posts associated with high corruption risk).
2.5. Development of a set of measures to eliminate and minimize corruption risks.
2.6. Establishment of special anti-corruption procedures and requirements, including regular filling in the declaration of conflict of interest.
2.7. Evaluation of effectiveness and control of existing measures to minimize corruption risks of PJSC Rosseti and SDCs. Monitoring of risk factors.
2.8. Development of new and improvement of existing measures to minimize corruption risks.
2.9. Annual update of records of corruption risks.
3. Organization of the internal control process in the field of early prevention and prevention of corruption
3.1. Verification of compliance with the requirements of the Anti-Corruption policy in the Company and SDCs.
3.2. Evaluation of economic feasibility and appropriateness of expenditures in areas with high corruption risk.

3.3. Regular control of accounting data, availability and reliability of primary accounting documents.
3.4. Development of a standard control matrix for the business process "Anti-Corruption", formed during the implementation of activities aimed at improving the effectiveness of the internal control system of processes of PJSC Rosseti and SDCs.
3.5. Preparation of control schemes for the business process "Anti-Corruption" and its subprocesses, including all risks inherent in the process/subprocess, as well as operations (actions) and effective control procedures that ensure effective management of these risks.
4. Control of the functioning of the risk management system and the internal control system in the field of preventing and combating corruption and evaluating their effectiveness
4.1. Self-evaluation of the effectiveness of corporate and process controls in the field of counteraction and prevention of corruption.
4.2. Conducting an independent internal assessment of the internal control system by the internal audit unit, which includes checking the reliability of procedures for combating unlawful acts, abuse and corruption.
4.3. Conducting an external independent assessment of the effectiveness of the RMS & ICS in the field of combating and preventing corruption (in accordance with the operating instructions of the Company), with the submission of the audit results to the Board of Directors of the Company.
4.4. A report to the Board of Directors of PJSC Rosseti (with preliminary consideration by the Audit Committee under the Board of Directors) on implementation, discipline of execution and operational efficiency of procedures for organizing the RMS & ICS in the field of combating and preventing corruption.
5. Prevention and settlement of conflicts of interest
5.1. Update of the local regulation on the settlement of the conflict of interests in PJSC Rosseti and SDCs (including the procedure for informing by employees of PJSC Rosseti and SDCs about the emergence of a conflict of interests and settlement of the conflict of interests identified, fixing the duties and responsibilities of employees, typical situations of conflict of interest, etc.), declaration of conflict of interest.
5.2. Update of the local regulation about the order of work of the Central Commission for Compliance with the Standards of Corporate Ethics and Conflict of Interest in PJSC Rosseti and commissions in SDCs.
5.3. Conducting the certification of employees with the participation of units responsible for combating corruption.
5.4. Bringing to the attention of employees about the adopted local regulation for the settlement of conflicts of interests and the obligation to comply with the requirements contained therein.
5.4. Organization and provision of work on conflict of interest settlement.
5.5. Organization of the declaration of the conflict of interests of candidates for vacant positions in PJSC Rosseti and SDCs when applying for a job, as well as when transferring to management positions in PJSC Rosseti and SDCs.
5.6. Organization of the annual declaration of the conflict of interests of employees of

PJSC Rosseti and SDCs.
5.7. Analysis of information obtained during the declaration of the conflict of interests of employees of PJSC Rosseti and SDCs.
5.8. A report on the declaration of the conflict of interests by employees of PJSC Rosseti and SDCs at the Central Commission of PJSC Rosseti.
5.9. Organization of the annual declaration of information on income, property and liabilities of property character of managers and family members of PJSC Rosseti and SDCs, as well as verification of the specified information.
5.10. Elaboration of measures to resolve the pre-conflict situation, to resolve conflicts of interest of a manager or employee (including the revision or change of job duties and labour functions, suspension of decision-making, which is the subject of the conflict of interests, transfer to another position, termination of employment contract, etc.).
5.11. Control over the application of legal liability measures provided by law in each case of non-observance of prohibitions, restrictions and requirements established for the purpose of combating corruption, including measures to prevent and (or) resolve conflicts of interests.
6. Development and implementation of standards and procedures aimed at ensuring good practice
6.1. Development (together with the participation of public associations) and implementation of a set of organizational, explanatory and other measures for the Company's staff to observe bans, restrictions and requirements established by Federal Law No. 273 "On Combating Corruption" and other Federal Laws in order to combat corruption.
6.2. Update of the code of ethics of PJSC Rosseti (including, in terms of determination of the provisions on promotion to a higher position only on the basis of the employee's business qualities, the ban on working in the organization of relatives on the condition of their direct subordination to each other, etc.).
6.3. Establishment of a ban on employment of persons who are in close relationship or property, if this is due to the subordination or control of one of them to another.
6.4. Development and adoption of rules governing the exchange of business gifts and business hospitality signs.
6.5. Conclusion with employees of PJSC Rosseti and SDCs of the Agreement on compliance with the requirements of the Anti-Corruption policy.
6.5. Publication of normative legal acts establishing additional guarantees for ensuring anti-corruption expertise of normative legal acts (draft normative legal acts).
6.7. Participation in the selection of candidates for positions in PJSC Rosseti and SDCs in order to prevent the corruption component, participation in the certification of employees in order to determine the suitability of the position held, and to avoid conflicts of interest.
6.8. Taking measures to prevent the misuse of insider information and market manipulation (development of a local regulation, keeping a list of insiders, analyzing transactions in the market, etc.).
7. Examination and verification of information on possible facts of corruption and other abuses

7.1. Control over the execution of the local regulation on the procedure for considering allegations of corruption in PJSC Rosseti and SDCs (the procedure for accepting, reviewing and resolving petitions, the timing of consideration, the procedure for interaction with structural units, the introduction of procedures for informing employers of cases of inciting them to commit corrupt practices and etc.).
7.2. Control over the continuous functioning of available information transmission channels, feedback mechanisms, trust line, hotline, etc. Control over the placement and updating of this information in production units, Distribution Zones of SDCs.
7.3. Control over the organization and provision of work on the consideration of calls. Participation of SDCs' employees in consideration of calls received by PJSC Rosseti.
7.4. Conducting analysis and monitoring of compliance with prohibitions, restrictions and requirements established for the purpose of combating corruption, including those relating to the receipt of gifts by certain categories of persons, the performance of other paid work, the obligation to report requests for the purpose of inducing corruption offenses.
7.5. Introduction of procedures for the protection of employees who have reported corruption offenses from formal and informal sanctions.
8. Legal education and formation of the basis for law-abiding behaviour of employees, counselling and training of employees
8.1. Development and publication of methodological and explanatory materials on anti-corruption standards of conduct.
8.2. Placement of information on the implementation of the Anti-Corruption policy of PJSC Rosseti and SDCs (hereinafter - the Anti-Corruption policy) on the corporate websites of PJSC Rosseti and SDCs, the corporate newspaper, the media and other sources.
8.3. Ensuring, when interacting with the mass media, the dissemination of positive experience of counteraction by employees and the Company to attempts of corruption pressure.
8.4. Providing annual upgrading of employees' skills whose duties include participation in combating corruption, according to the educational program of two levels (basic - for first time learners and advanced - for those who have been trained before).
8.5. Conducting educational and outreach activities on preventing and combating corruption (trainings, seminars, conferences, forums, roundtables, etc.) aimed at informing employees about the requirements of the legislation of the Russian Federation, international legislation on combating corruption, on the formation of anti-corruption consciousness of employees.
8.6. Carrying out work to create negative attitudes towards corruption among employees of the Company.
8.7. Organization of individual counselling of employees on the application (compliance) of anti-corruption standards and procedures.
8.8. Ensuring regular public lectures on anti-corruption topics in the Company's divisions, in SDCs in cooperation with educational and scientific organizations

8.9. 8.9. Organization of annual seminars-meetings on the part of PJSC Rosseti's Anti-Corruption Policy Implementation Department on the application of the anti-corruption legislation of the Russian Federation with heads of SDCs' units for prevention of corruption and other offenses.

9. Taking measures to prevent corruption when interacting with partners and counterparties

9.1. Control over implementation of special procedures for checking counterparties in order to reduce the risk of involvement of PJSC Rosseti and SDCs in corruption activities and other unfair practices (improving the single automated system for analyzing and collecting information on beneficiaries of counterparties (ASIB), which provides for verification of the level of reliability and financial stability of counterparties (absence of unscrupulous suppliers in the register, presence of negative information background, etc.)).

9.2. Control over implementation in PJSC Rosseti and SDCs of a single mechanism for anti-corruption control of procurement activities (Anti-Corruption Standard).

9.3. Update of the local regulation on the organization of work on disclosing information about the chain of owners of procurement participants and contractors of PJSC Rosseti and SDCs.

9.4. Distribution of programs, policies, standards of conduct, procedures and rules aimed at preventing and combating corruption, which are applied in PJSC Rosseti and SDCs (anti-corruption obligations, anti-corruption standard, anti-corruption clause, etc.) among counterparties and partners.

9.5. Informing the public about the degree of implementation and progress in implementing anti-corruption measures (posting relevant information on the official websites of PJSC Rosseti and SDCs, the media and other sources).

10. Interaction with state bodies exercising control and supervisory functions, cooperation with law enforcement agencies in the field of combating corruption

10.1. Development and approval of the local regulation on the procedure for cooperation between of PJSC Rosseti and control and supervisory and law enforcement agencies.

10.2. Interaction with federal state bodies on the practical application of the provisions of legislation in the field of preventing and combating corruption, improving the regulatory framework, including the development of proposals for amending the existing regulatory legal acts of the Russian Federation in the field of preventing and combating corruption, participation in working (expert) groups under the RF Prosecutor General's Office, Rosfinmonitoring, RF CCI, etc.

10.3. Assisting in the identification and investigation of corruption offenses by law enforcement agencies (ensuring that employees of PJSC Rosseti and SDCs do not interfere in their activities).

10.4. Assistance in conducting inspections and not interfering with the lawful activities of inspectors, reporting cases of corruption offenses.

11. Participation in joint initiatives for early prevention and prevention of corruption

11.1. Implementation of the provisions of the Anti-Corruption Charter of Russian Business:
11.1.1. Organisation and work provision on interaction with representatives of the Russian business community: Chamber of Commerce and Industry of the Russian Federation, the All-Russian public organisations «Russian union of industrialists and businessmen», «Business Russia», «OPORA Russia» and other participants of the Charter (participation in working groups, co-education etc.).
11.1.2. Carrying out of events of PJSC Rosseti as a participant of the Charter, directed on corruption prevention and counteraction: - provision of conformity of the requirements shown to Rosseti as to a participant of «the Register of reliable partners»; - participation in the Expert group at the Incorporated Committee of the Chamber of Commerce and Industry of the Russian Federation.
11.2. Participation in other joint initiatives:
11.2.1. Use of standard anticorruption reservations in joint contracts.
11.2.2. Placement on the websites of the public address of the head of the Company to employees, counterparties, partners of organizations on the rejection of corruption and bribery in business relations.
11.2.3. Public refusal of joint business activity with organisations (persons) who have been involved in corruption crimes.
11.2.4. Participation of specialists of PJSC Rosseti and SDCs in international and other anticorruption events.
12. Counteraction to bribery for foreign public officials and office holders of public international organisations
12.1. Development and approval of the local regulation about measures on counteraction to bribery for public foreign office holders in PJSC Rosseti and SDCs (the order of reporting by employees about known facts which they have become aware of bribery for public foreign office holders, forwarding data to the Investigative Committee of the Russian Federation, measures on counteraction to payoff).
12.2. Interaction with representatives of public authorities and law enforcement bodies of the Russian Federation, diplomatic and trade missions of the Russian Federation abroad, international and other organisations with a view of development and enhancement of measures on counteraction to bribery for foreign public officials and office holders of public international organisations in PJSC Rosseti and SDCs.
12.3. Monitoring of efficiency of accepted measures on counteraction to bribery for foreign public officials and office holders of public international organisations.
13. Accepting, analysis of application and revision of the Anticorruption policy
13.1. Monitoring of international standards, the anticorruption legislation of the Russian Federation, the local regulations of PJSC Rosseti and SDCs in the field of corruption prevention and counteraction.
13.2. Estimation of progress and efficiency of realisation of the Anticorruption policy.

13.3. Revision and modification of the accepted Anticorruption policy.