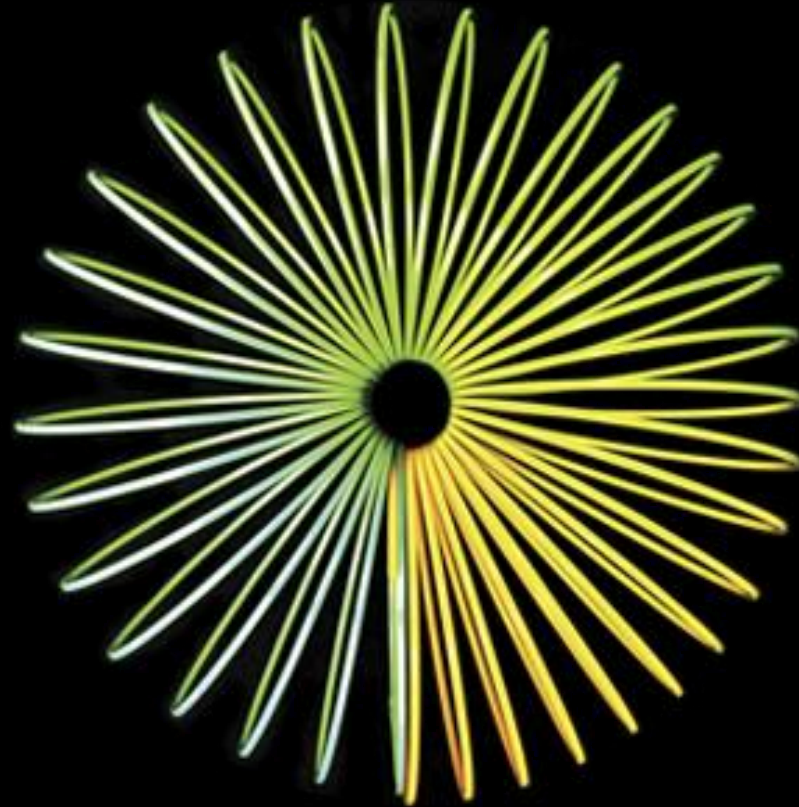


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Compliance practice survey results

Companies Circle for the Development of Corporate Governance

November 2017

List of respondents – members of the Companies Circle on the development of corporate governance 2017

- | | |
|--------------------|---------------------|
| 1. Alrosa | 7. Norilsk Nickel |
| 2. Aeroflot | 8. Russian Railways |
| 3. Moscow Exchange | 9. Rostelecom |
| 4. VTB Bank | 10. RusHydro |
| 5. Inter RAO | 11. Sberbank |
| 6. Lukoil | 12. Transcontainer |

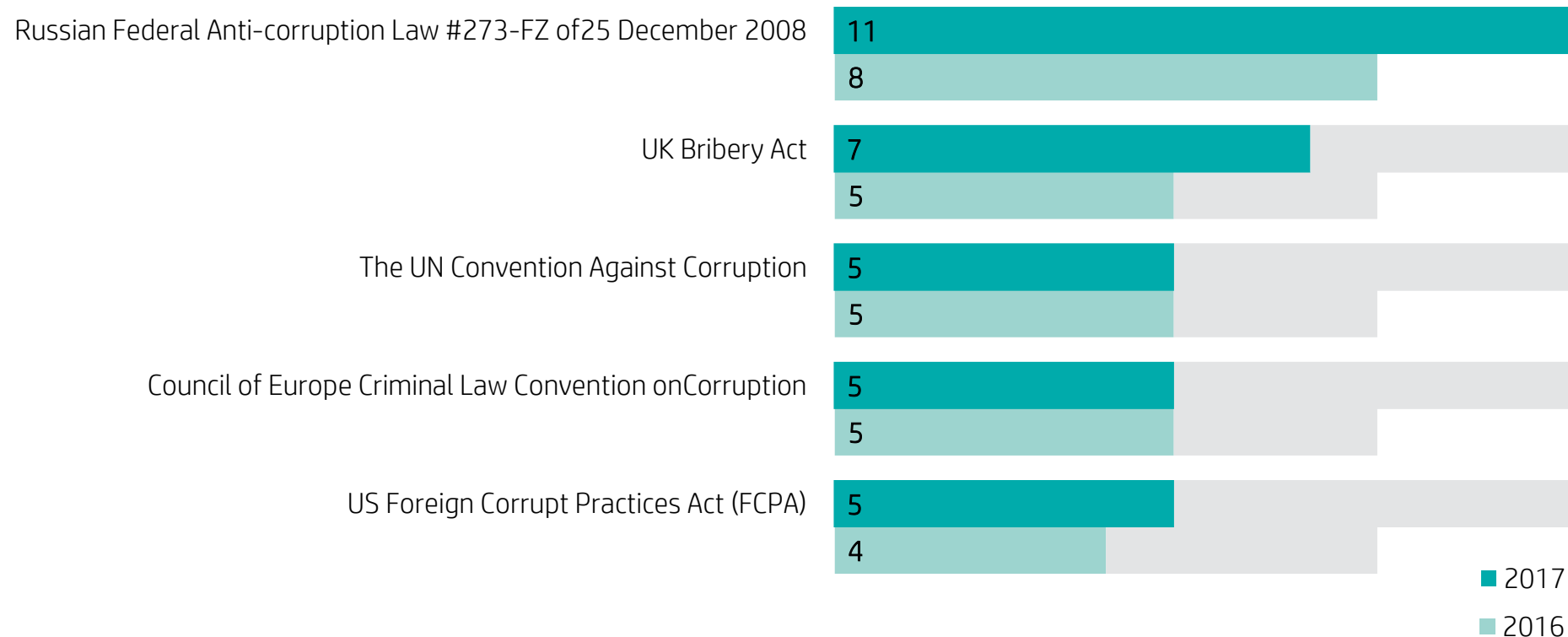
The questionnaire for 2017 was sent to the members of the Companies Circle on the development of corporate governance.

*In 2017 **11** companies responded to the questionnaire.*

*In 2016 **8** of the **12** member companies responded to the questions.*

General terms

Anti-corruption legislation the respondent companies are guided by:



Among the other documents that determine the Company's activities in the field of combating corruption, the respondents noted the following:

The Constitution of the Russian Federation, the Criminal Code of the Russian Federation, the Code of the Russian Federation on Administrative Offenses, the National Anti-Corruption Strategy, the National Plan for Combating Corruption for 2016-2017, the Normative-Legal Acts of the President of the Russian Federation and the Government of the Russian Federation

OECD* documents in the area of ensuring integrity in business known to respondents:



*Organisation for Economic Co-operation and Development

Compliance function

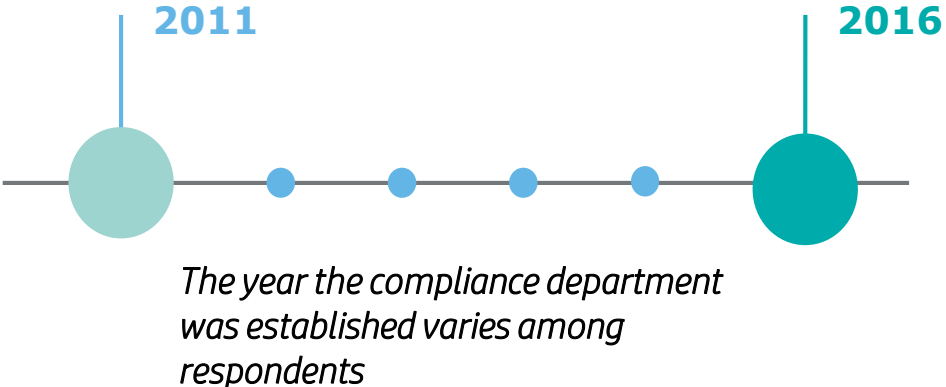
The company has a department or an employee responsible for compliance with internal policies and anti-corruption law:



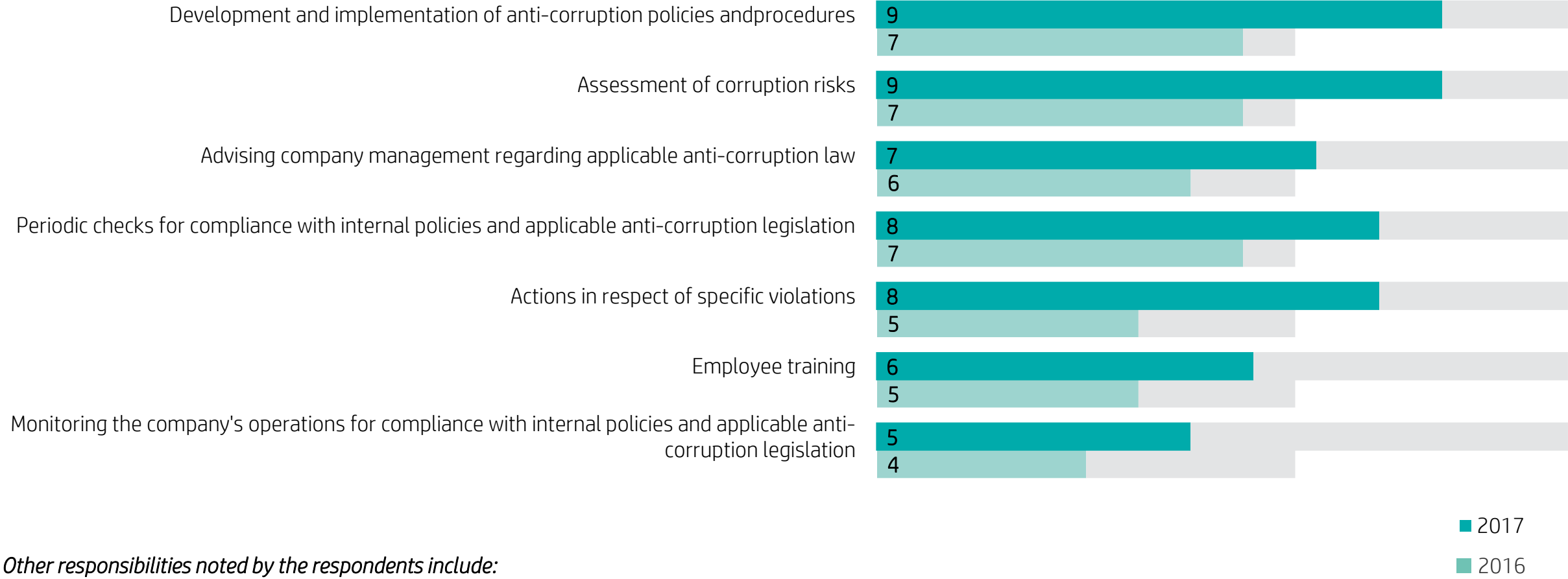
Companies have a compliance function represented by a department or employee



Company does not have a compliance function



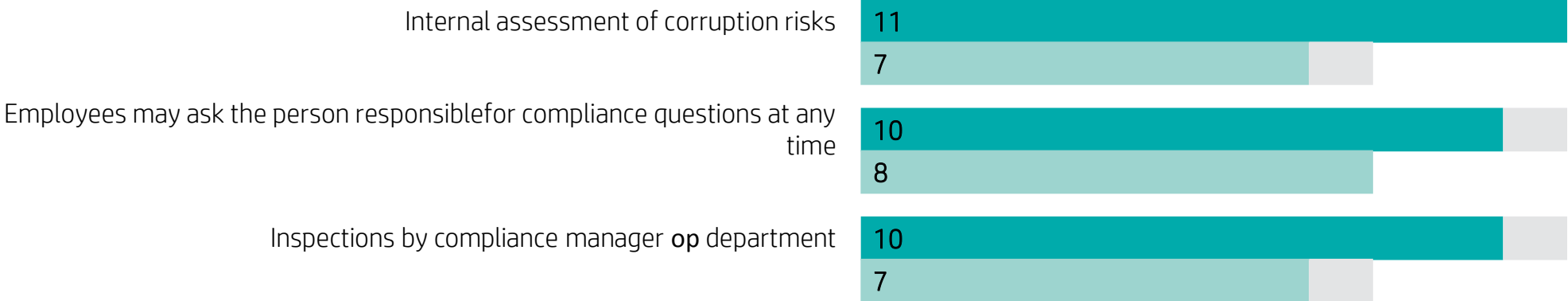
For companies with a dedicated compliance function, the responsibilities of the employee include the following:



Other responsibilities noted by the respondents include:

- *Advising on changes in legislation relating to compliance issues*

Compliance procedures



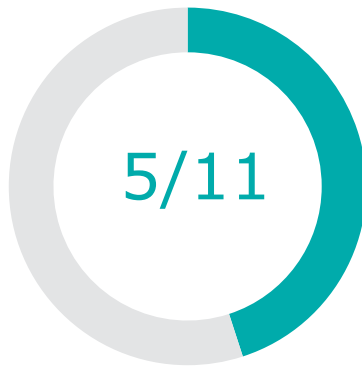
■ 2017
■ 2016



respondent answered that the internal assessment of corruption risks is held once every 2 years

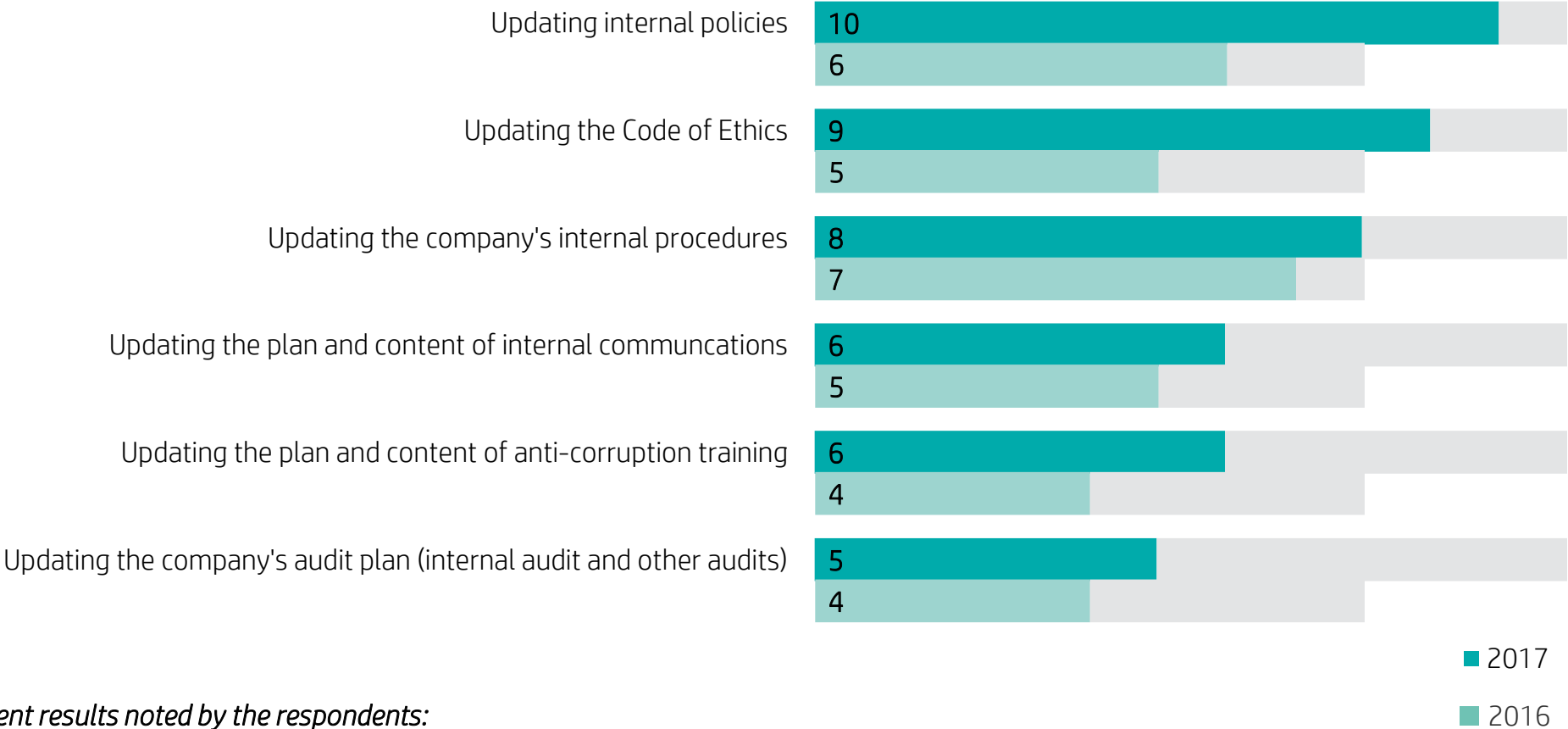


respondents answered that an internal assessment of corruption risks is conducted annually



respondents answered that an internal assessment of corruption risks is carried out as and when required

Results of the internal assessment of corruption risks are used in the following way:

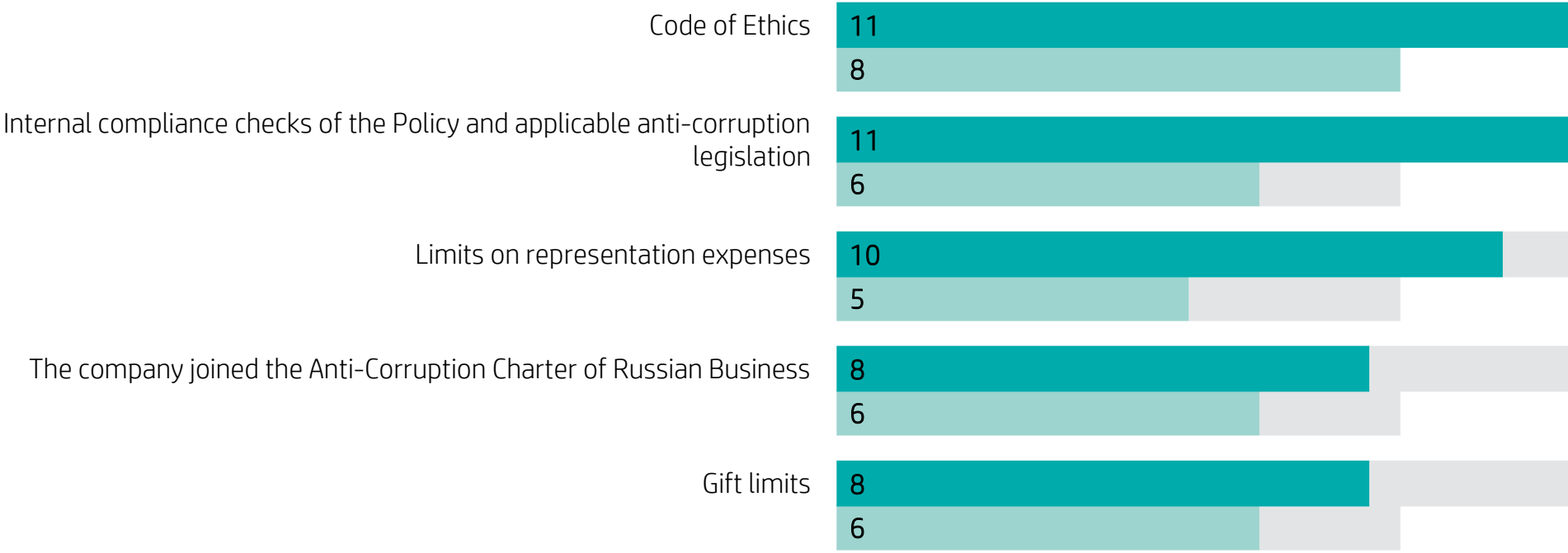


Other uses of risk assessment results noted by the respondents:

- Informing the Company's Management and collegiate bodies
- Adopting corrective measures for risk reduction
- Conducting investigations, developing and implementing new documents

Internal policies of the company

The results of the internal assessment of corruption risks in the Company are used as follows:



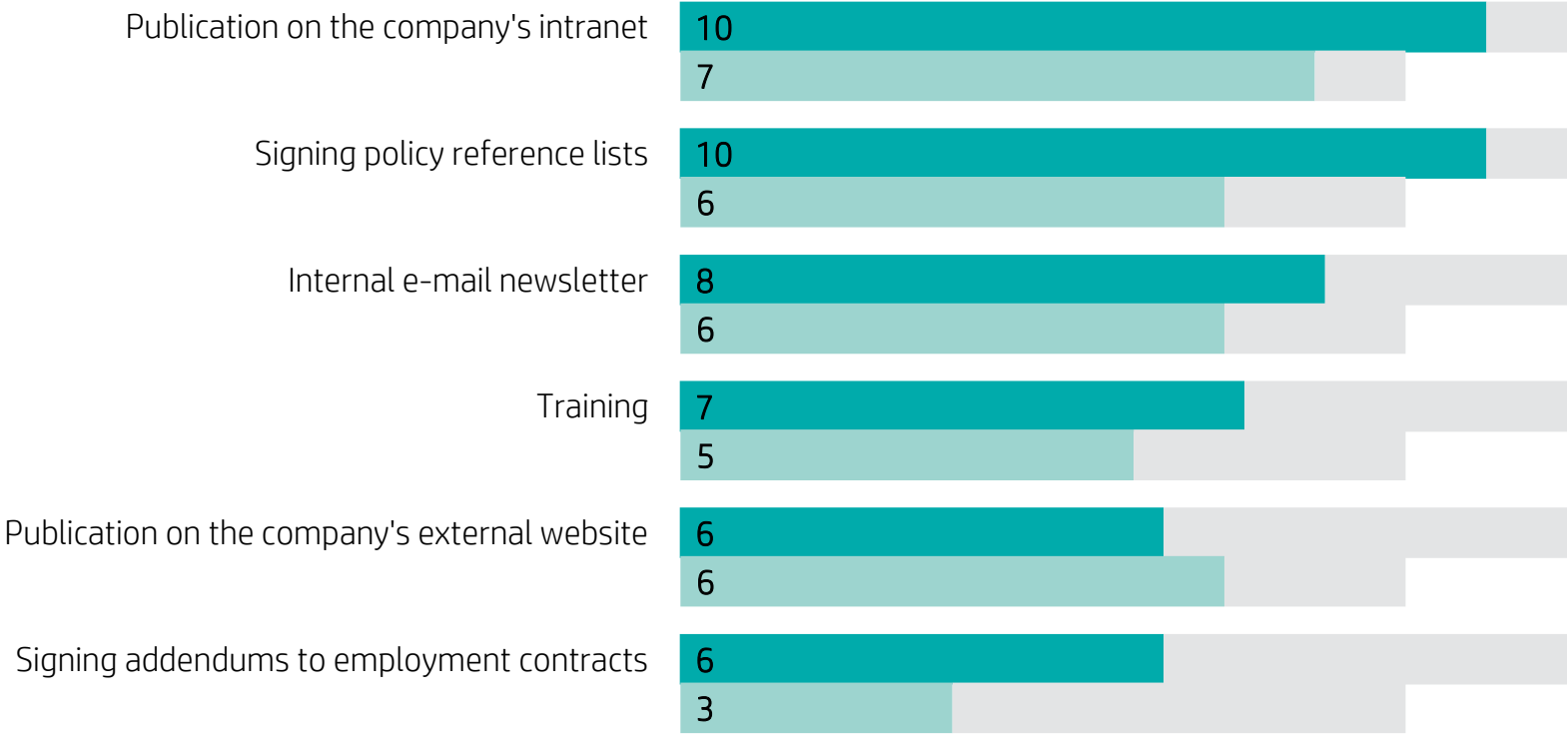
■ 2017
■ 2016



respondents could not answer the question about limits on representation expenses

₽ up to 3000 limits on gifts indicated by respondents in 2017

The following methods are used to familiarize staff with internal policies:



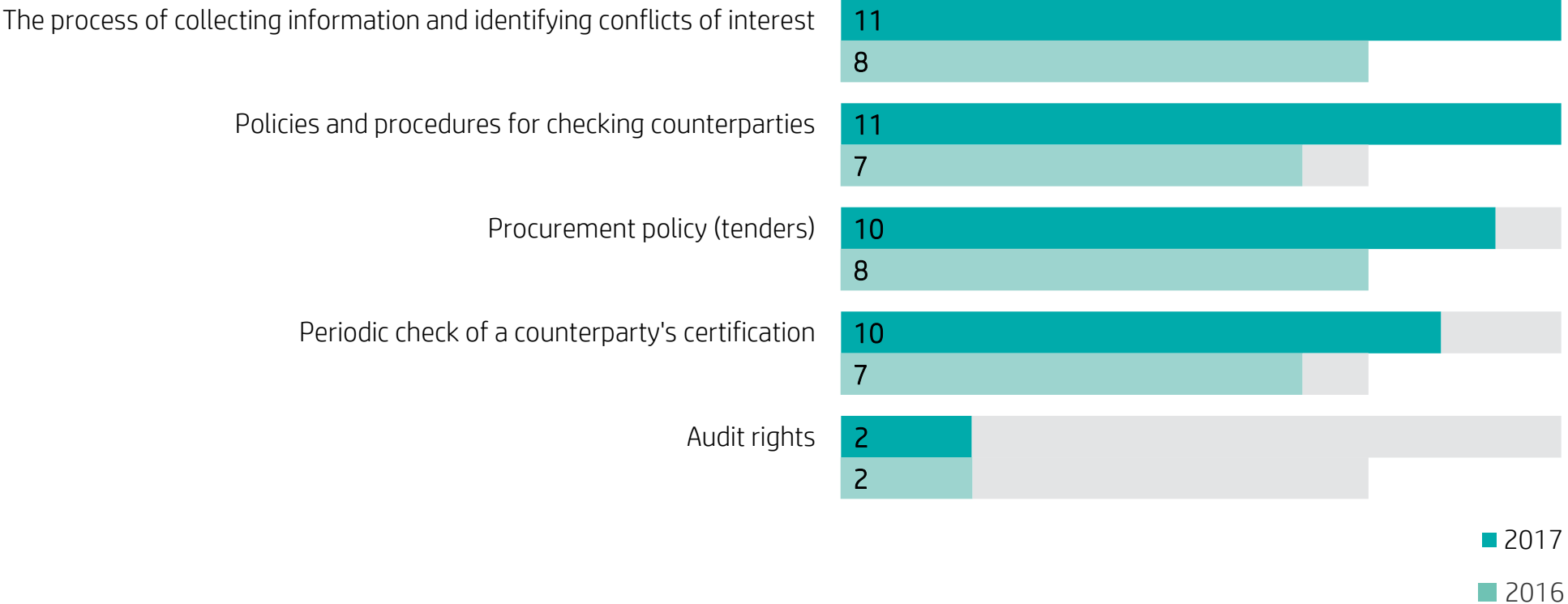
■ 2017
■ 2016



all respondents in 2017 have a procedure to familiarize all employees with internal policies

Policies and procedures for working with
counterparties

Policies and procedures for working with counterparties



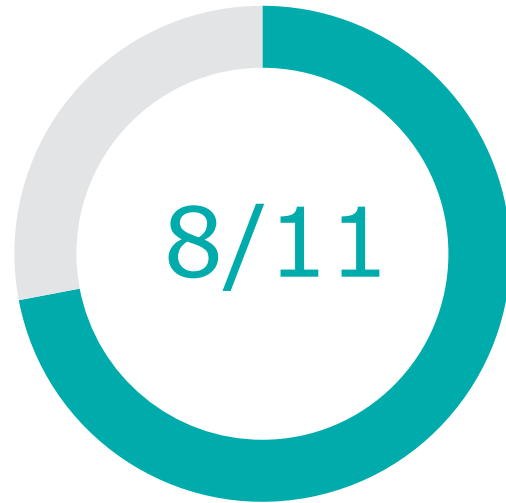
respondent could not answer the question about which division is responsible for checking counterparties



respondents do not include a clause in the contract with counterparties on the right to audit records related to working with the company

Participation in state procurement

Participation in state procurement



respondents participate in state tenders,
performing work (providing services)
under state contracts



companies do not have a separate
policy for interacting with state
companies and public officials

Checks on employees

Checks on employees



respondents conduct background checks on the personal data and reputation of all employees



respondents conduct background checks on the personal data and reputation of some employees

Employee compliance training

Employee compliance training

Employee compliance training is held regularly



Compliance training is sufficient



■ 2017
■ 2016



respondents hold training on an annual basis

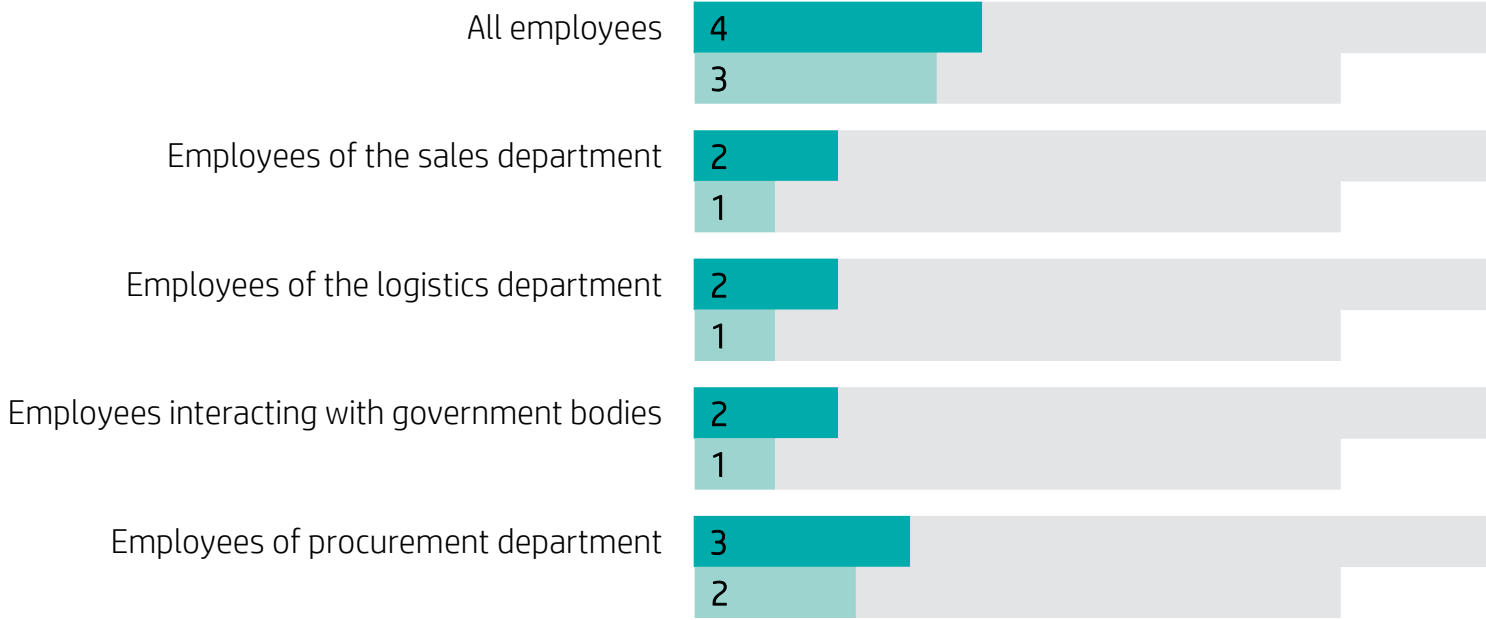


respondent holds training more than once a year



respondent holds training less than once a year

The following employees participate in internal training aimed at combatting corruption:



respondent only trains managers and key employees of structural units

■ 2017
■ 2016

Reporting compliance violations

Existing resources for reporting violations of internal policies or applicable laws



■ 2017

■ 2016

Existing resources for reporting violations of internal policies or applicable laws

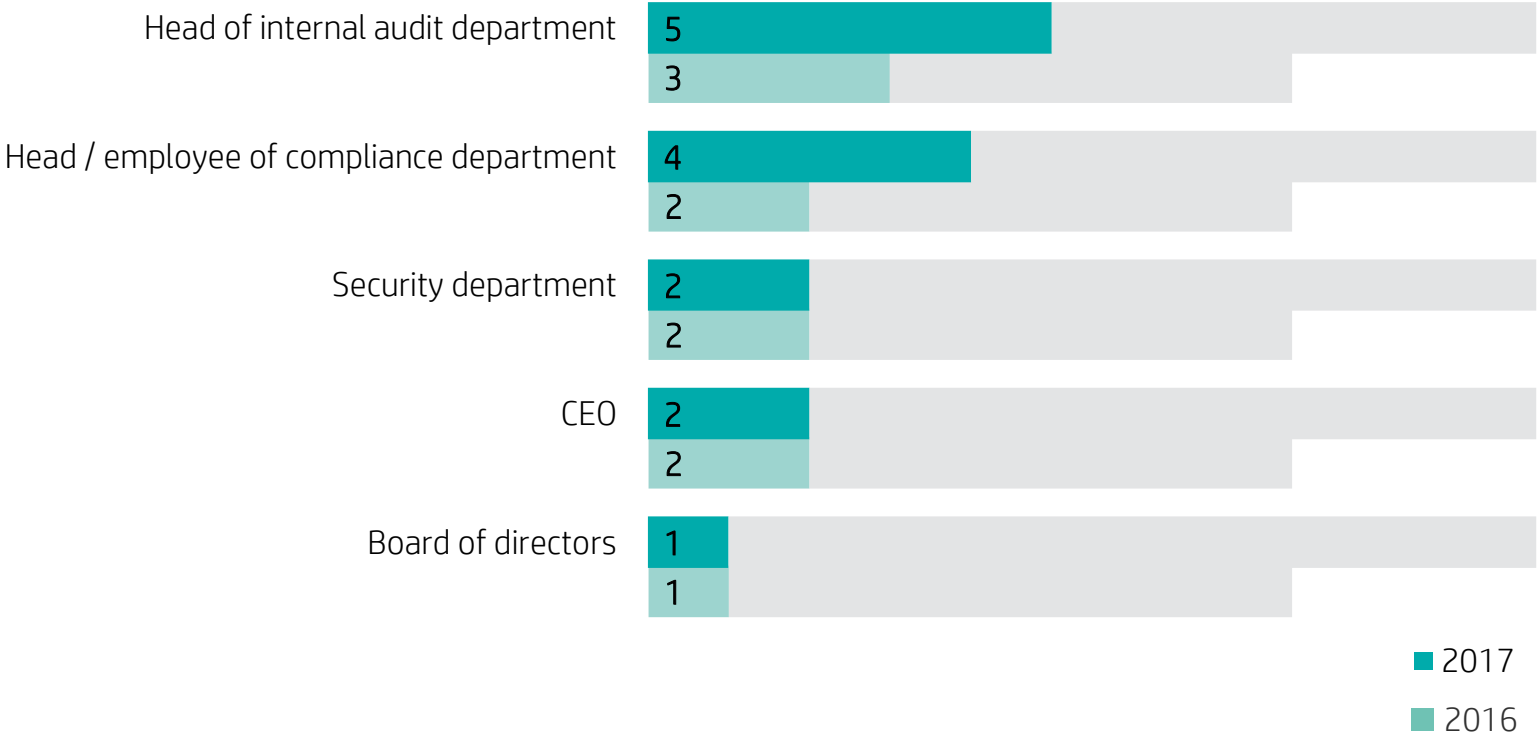


All respondents consider the existing violation reporting channels to be anonymous



All respondents have 3 or more ways of reporting violations of internal procedures or applicable laws

Employees responsible for processing notifications of violations of internal policies and applicable laws:

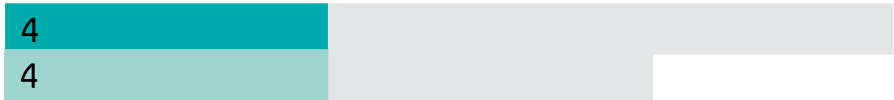


Existing procedures for the protection of employees who report compliance violations

Informing the employee about the policy against retaliation and instructing the employee in the event that a retaliation is made against him/her



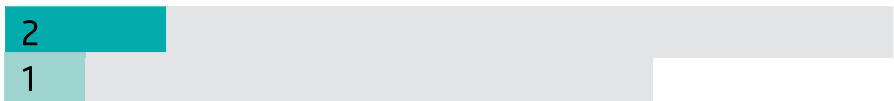
Follow-up interview with the employee to determine if any retaliation has been made against him / her



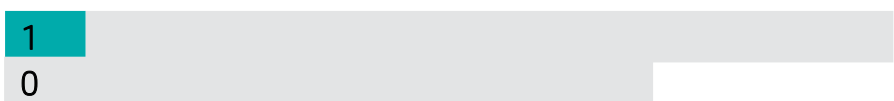
Procedure for determining whether an employee who was fired reported cases of violation or whether he / she was a witness during the investigation of violations.



Monitoring changes in the assessment of an employee's work or work assignments



Monitoring changes in an employee's status (for example, if they are added to a redundancy list)



■ 2017
■ 2016



respondents answered that before reporting the violation, it is good practice to discuss this issue with management

Thank you for attention!



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