

**APPROVED**

by order of Limited Liability Company Gas  
Transmission System Operator of Ukraine

dated \_\_\_\_\_ No. \_\_\_\_\_

**Code of Corporate Ethics**  
**Limited Liability Company**  
**Gas Transmission System Operator of**  
**Ukraine**

**Kyiv 2019**

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## Introduction

The Code of Corporate Ethics (hereinafter – the Code) is a set of rules that defines the basic values and principles, rules of ethics and business conduct of all employees of Limited Liability Company Gas Transmission System Operator of Ukraine (hereinafter – the Company).

The Code provides a clear understanding of the principles of doing business and the requirements to be followed by all employees of the Company regardless of their functional responsibilities, location or position.

Every employee is obliged to know the Code and comply with it during the performance of their duties.

Every employee shall remember that his/her behavior directly affects his/her reputation and the reputation of the Company, and therefore compliance with the Code is also welcome in the daily lives of employees.

The Company expects that existing or potential partners, including clients, intermediaries and agents of the Company (hereinafter – the Counterparties) share the values and principles, rules of ethics of the Company.

## 1. Mission and corporate values of the Company

### **The Company's mission is:**

- to ensure the efficient operation of the gas transmission system;
- strengthening the role of Ukraine in ensuring Europe's energy security;
- ensuring a decent life for employees and society as a whole through sustainable growth of their incomes, creating conditions for self-realization, development and creative work;
- formation, development and dissemination of corporate traditions and a high level of personal involvement in the corporate spirit.

**Corporate values** are the basis of our morality and the main tool for achieving the mission and strategic goals that play an important role in building business processes and determine the rules of interaction of employees with each other, with contractors, competitors, the state and society.

Every employee must share corporate values and be aware of mandatory nature thereof in their professional activities.

### **Our corporate values**

**Reliability:** we aim to build an impeccable reputation, responsibly and moderately take strategically important decisions, adhere to high standards of business ethics in relations with staff, partners, competitors, the state and society, based on trust and mutual understanding.

**Professionalism:** our employees are focused on self-improvement and constant development of their professional qualities, know their job, have the necessary skills and are competent in the field of the Company's activity, able to develop, master and introduce new knowledge and technologies, quickly, clearly and creatively perform any tasks, recognize the importance of discipline, the principles of respectful and correct attitude to each other and finding compromises in solving production problems.

**Responsibility:** we work in the interests of our state and society, strive to honestly and consistently fulfill contractual obligations, ensure and maintain high quality cooperation, openly and responsibly carry out corporate governance.

**Development:** we are constantly focused on new and promising both for the introduction of modern technologies and the latest equipment, and for the formation of new areas of activity, improving the level of corporate governance, promoting a culture of production, communication and relationships in the Company.

## 2. Rules and principles of our business ethics

The company builds its activities on the principles of strict compliance with the laws of Ukraine and the laws of other countries in which it operates.

Employees of the Company must cooperate with each other and form relationships with the Company's Counterparties, based on the principles of respect, honesty and integrity.

The Company undertakes to adhere to the following principles:

- occupational safety of our staff and the safety and health of surrounding communities is important;

- integrity, transparency and respect in relations with participants in our processes, including our employees, contractors, business partners, government agencies and communities;
- intolerance of bribery or corruption in any form and unacceptability of these phenomena;
- respect for human rights;
- the desire to minimize our impact on the environment by recognizing the potential impact of our activities;
- cooperation with our partners and the countries in which we operate.

The Company respects the right of each employee and the counterparty to confidentiality and ensures compliance with the requirements of the legislation of Ukraine in the field of personal data protection.

The Company's policy is to ensure full, fair, accurate, timely and understandable disclosure of information in reports and documents submitted by the Company to the various control authorities provided by law and in public relations.

The Company does not accept the presence of employees under the influence of alcohol or drugs while performing their duties.

Employees shall adhere to a business style of behavior during performance of their duties.

Familiarization with this Code is a mandatory requirement and responsibility of all employees of the Company.

Any violation or disregard of this Code entails serious consequences. Based on the results of objective consideration of the circumstances of the violation, in accordance with the current labor legislation, disciplinary measures are applied to employees who have committed violations, up to the possibility of dismissal, if the violations are systemic or critical. Therefore, all employees are expected to be aware of their obligations under this Code.

This Code should be applied in combination with our other policies and procedures that define additional guidelines and directions that help in making of appropriate decisions by our Company.

### **3. Labor protection and fire safety policy**

One of the main principles of the Company's policy is the priority of life and health of employees and the full responsibility of every employee of the Company, from employee to top manager, for creating safe and harmless working conditions.

The Company builds its work in this area on the basis of occupational safety and fire safety management systems, which are constantly updated and improved in accordance with legislation and international standards.

Employees of the Company are obliged to understand and take care of personal safety and health, as well as the safety and health of those around them in the process of performing any work or during their stay at the territory of the Company.

Employees of the Company are obliged to know and comply with the requirements of regulations on labor protection and fire safety.

Each employee of the Company is directly responsible for violations of labor protection and fire safety.

The company seeks to ensure the implementation of best European and world practices in labor protection and fire safety:

- 1) responsibility and leadership in ensuring labor protection and fire safety of each employee;
- 2) creation of safe workplaces, means and tools;
- 3) ensuring proper harmless working conditions and work hygiene;
- 4) reduction of harmful factors that may affect employees in the performance of their duties;
- 5) use of safe and serviceable equipment;
- 6) providing employees with high-quality personal protective equipment;
- 7) proper training and professional development of personnel, including on labor protection and fire safety issues;
- 8) investment in personnel (motivation of employees to form and effectively functioning management systems for labor protection and fire safety, change of the role of employees from passive to active, as an integral part of the main process, laying an incentive basis for safe work).

Employees must understand the responsibility for their own safety and consciously follow the rules of labor protection and fire safety specified in state regulations documents and local regulations documents of the Company.

In the event of a situation that threatens the life or health of the employee or others, employees must immediately notify their immediate superior and the structural unit for labor protection and fire safety.

The Company complies with national and international legislation, standards and requirements in the field of labor protection and fire safety.

#### **4. Health care policy**

The Company's employees are the main valuable asset, and therefore the Company is doing everything possible to preserve their lives and health.

To implement the above, the Company provides:

- identification and assessment of health risks related to the activities of the Company, which could potentially affect its employees;
- determining the ability of employees for health reasons to perform their work without undue risk to themselves or others;
- conducting voluntary health promotion programs aimed at increasing labor productivity.

#### **5. Environmental policy**

The Company is aware of the full extent of responsibility to present and future generations for the impact of our activities on the environment. The company carries out environmentally sustainable and safe practices aimed at minimizing and mitigating negative impacts on the environment and adheres to the principle of

dynamic economic development with the most rational use of natural resources and reducing waste and emissions.

The company undertakes to constantly improve the environmental indicators of its activities and implements the following:

- adheres to the norms of national and international environmental legislation relating to its activities and applies the relevant standards in cases where there is no proper regulation and legislation;
- encourages each employee to respect and caring attitude to the environment, as well as personal participation in improving the environmental impact indicators of the Company, conducts appropriate training of employees;
- in its work aims to prevent emergencies and control emissions and waste, to bring mentioned to a safe level through effective designing, operation and maintenance of facilities;
- provides quick and effective response to all environmental incidents arising from its activities, including interaction with public authorities;
- carries out and promotes research and analysis of the impact of the Company's activities on the environment in order to improve it to better meet the needs of environmental protection;
- carries out regular monitoring and evaluation of its activities in view of compliance with the provisions of this policy.

Employees are actively involved in environmental projects of the Company.

If there is information about a situation or conditions that could be potentially hazardous to the environment, employees shall immediately inform the immediate superior and the structural unit responsible for environmental and industrial safety.

In its activities, the Company is guided by internal documents on environmental issues, which in turn are aimed at minimizing the environmental impact of production activities.

## **6. Human rights policy**

Human rights are a universal value, and equality of rights and freedoms of all people is the highest social value. The Company builds relationships with employees on the principles of human rights, protection of personal dignity and the creation of equal opportunities for all employees. The Company guarantees that the legal rights of employees will never be violated. The organization of the work process in the Company and the regulation of labor relations is based on the following principles:

- freedom of social gathering and collective bargaining. The Company respects the right of employees to independently choose and join trade unions or other organizations to represent their interests. The Company guarantees the provision of negotiations with a representative who has been voluntarily elected by the employees in accordance with the established procedure;
- proper working conditions and remuneration conditions. The Company undertakes to create safe and comfortable working conditions for employees;
- prohibition of discrimination, forced and child labor. Employment of persons under the age of 18 and performance of their labor duties is allowed only in cases specified by law.





## **7. Occupational safety policy**

The Company strives to continuously improve the performance of the Occupational Safety Policy by setting clear goals, the achievement of which is supported by the Company's occupational safety and health management system.

The Company undertakes:

- create a safe working environment that protects against injury and minimizes harmful factors;
- establish clear responsibilities and requirements for occupational safety at all levels of the organization;
- systematically identify and manage risks in the field of occupational safety;
- provide sufficient resources for successful management of risks related to occupational safety;
- guarantee the competence and ability of the Company's employees and contractors to perform the work that we instruct them to do;
- adhere to standards based on the best practices of the oil and gas industry and meeting legal and regulatory requirements in all areas of activity;
- inform about our goals and indicators in the field of occupational safety;
- investigate occupational safety incidents and take appropriate action.

In its activities, the Company is guided by the Occupational Safety Policy, which aims to minimize the risks of dangerous events, accidents, occupational diseases of employees.

## **8. Antitrust and competition policy**

The Company operates in accordance with the principles of free, respectable competition, as well as the principles of loyalty and corporate culture..

The company receives information about competitors only in the manner prescribed by law, adhering to the principles of industry loyalty and good commercial practice.

In relations with competitors the Company:

- does not allow the conclusion of agreements with competitors on pricing, customers or terms of sale;
- does not conclude any deals with competitors aimed at restricting competition;
- builds relationships with competitors on the principles of mutual respect, always welcomes and supports mutually beneficial cooperation;
- prevents any manifestations of unfair competition, as well as violations of civilized business standards and rules of business conduct.

Employees of the Company avoid harsh statements against competitors and unreasonable criticism of their products and services, as well as do not disseminate false (unverified) information about competitors.

## **9. Principles of interaction**

### **9.1 Employee interaction policy**

The Company builds relationships with its employees on the principles of respect for human rights, protection of personal dignity and the creation of equal opportunities for all employees.

To implement mentioned, the Company:

- provides a stable and decent salary;
- creates favorable and safe working conditions;
- introduces and develops systems of training, motivation, assessment of their potential, provides opportunities for training, upskilling, effective work;
- provides social security, medical care and other elements of corporate social responsibility within the programs implemented by the Company.

In turn, employees should:

- conscientiously perform labor duties;
- improve professional knowledge and skills;
- maintain an impeccable reputation and a positive image of the Company;
- comply with the requirements of the legislation, comply with the decisions of the general meeting of participants of the Company, internal regulatory documents of the Company and instructions of the management of the Company;
- comply with the Rules of internal labor regulations, norms and rules of conduct established by the Company.

The Company guarantees equal opportunities to all employees and candidates for relevant positions in the Company. The main criteria for making decisions about staff are the employee's qualifications, professional abilities, specific achievements and other factors related to his work.

The company maintains polite and correct relations between colleagues, an atmosphere of cooperation, mutual understanding and stability, exchange of experience and information, teamwork to achieve the best results.

In communication, the Company's employees adhere to the principle of subordination: interaction with senior management, as a rule, is carried out through the immediate superior.

The Company does not accept threats or physical violence, sexual harassment or any other harassment, bullying of employees in the performance of their duties or communication with colleagues or any other persons who are on the premises or on the territory of the Company.

Use alcohol, drugs, toxic or psychotropic drugs on the premises or on the territory of the Company, as well as in vehicles belonging to the Company or used in production activities is prohibited.

Being in the premises or on the territory of the Company or in the above-mentioned vehicles in a state of alcohol or drug intoxication is the basis for imposing disciplinary sanctions on the employee.

The Company recognizes that the use of alcohol, drugs or other psychotropic substances by employees has a negative impact on their ability to properly perform their duties and on the safety, efficiency and productivity of other employees and the Company as a whole.

The Company may also require employees to undergo a medical examination or test for alcohol and drug use if there are objective grounds to suspect the use of alcohol or drugs, in particular in the event of incidents at work.

Smoking at the workplace, in premises or on the territory of the Company except for specially designated places for smoking is prohibited.

Employees are not allowed to carry weapons into the premises or territory of the Company, except as provided by internal regulations of the Company or the relevant legislation of Ukraine.

Employees are obliged to adhere to the business dress code established by the internal documents of the Company. The appearance of the employee should not be bold or careless.

## **9.2 Counterparties interaction policy**

The Company values the development and support of partnerships based on long-term cooperation, mutual benefit, respect, trust and justice, objectivity.

The Company faithfully performs its duties to business partners under the terms of contracts, agreements, deals and requires the same from them.

The Company carefully selects Counterparties and strives to work with partners who have an impeccable reputation and are not subject to sanctions, comply with the law and generally accepted norms of corporate and business ethics.

The Company complies with the legislation on intellectual property and uses only those intellectual property objects that are created independently by the Company or obtained legally.

The Company remains persistent and principled in defending its rights and interests guided by high ethical standards of behavior, principles of law and the supremacy of law, respecting the rights, legitimate interests, honor, dignity, business reputation of partners. At the same time, all misunderstandings that arise in the process of activities, the Company always resolves legally, negotiating and trying to reach a compromise.

Employees of the Company do not disclose information about business partners, which may lead to material or moral damages of the Company and/or business partner, except in cases where the information is provided in accordance with the law.

The Company always takes into account the requirements of the legislation of the countries with business entities of which it maintains business relations.

## **9.3 Government relations policy**

The Company, realizing the social significance of the results of its activities, seeks to build and maintain stable, constructive relationships with government authority and local government, based on the principles of legality, good faith, professionalism, partnership, mutual trust, respect and stability of commitment.

The Company considers corporate social responsibility to its employees, members of their families, to the population of Ukraine and society as a whole to be an important element of interaction between the state, business and society.

Within the framework of the corporate social responsibility policy, the Company:

- provides information provided by law at the request of state authorities in the amount and in the manner prescribed by law, does not hide, does not delay and does not distort the information;
- does not take part in campaigns on agitation, political activity and does not finance political organizations;
- does not provide assets (premises, office supplies, e-mails, facsimiles, copiers, etc.) for the purpose of preparing and distributing campaign materials, does not provide assets as contributions to political organizations or in favor of candidates for elected office;
- does not conclude an agreement with the Company that is wholly or partly owned by a civil servant, member of parliament or their close relatives, without prior agreement with the Compliance Unit (Service);
- avoids harsh statements and unreasonable criticism of public authorities.

Employees have the right to carry out social, religious or political activities, but only in their free time from work in the Company, without using its name and resources. Employees inform the immediate superior in advance if they plan to hold elected positions, and discuss with him the possible negative impact of the elected position on official duties.

#### **9.4 Media relations policy**

The Company constantly interacts with the media and builds relationships on the principles of openness and transparency, efficiency and readiness for dialogue, adherence to high ethical standards of communication.

Responsible for interaction with the media and the source of official information about the Company is the Corporate Communications Division, which uses all available channels of communication with the public and the press: distribution of press releases, press conferences, placement of various information materials in print media, on radio, television, Internet, etc.

The Company does not allow the dissemination of false information, distortion of facts that could harm it, its partners and the country as a whole.

Only the heads of the Company or their authorized persons have the right to speak publicly on behalf of the Company in the mass media and at other events with the participation of media representatives.

Without such authority, employees should avoid any statements that may be perceived as an official position of the Company and affect its reputation. The transfer to the media of information and documents, including the current financial condition of the Company and forecast financial statements, by unauthorized persons is a violation of corporate ethics.

All communications of the Company's employees with the media should take place through the Corporate Communications Division, which is responsible for providing actual information about the Company at the request of journalists and, if necessary, can give recommendations to the Company's employees concerning answers to certain questions about the activities of the Company, especially in the case of resonant events.

## **10. Informational security**

Each employee must comply with the requirements of the Company's internal documents governing access, use and disclosure of the Company's commercial secrets and confidential information.

Discussion or transfer by employees of confidential information and documents related to commercial secrets to third parties is prohibited, except as provided by the laws of Ukraine or the countries in which the Company carries out its activities. In this case, the employee must first obtain permission from the Economic and Information Security Division to transfer commercial secrets of the Company or confidential information.

The Company respects the right of each employee and the Counterparty to confidentiality and ensures compliance with the requirements of the legislation of Ukraine in the field of personal data protection.

The Company does not allow the dissemination of false information, distortion of facts that could harm it, its partners and the country as a whole.

Employees must follow the rules for using IT services:

- use of personal computer;
- use of Internet resources;
- use of corporate e-mail.

Employees must comply with the requirements of the concept of information security.

Employees shall not share known internal information, which was not disclosed or made public in the manner prescribed by law, with anyone, including relatives and friends, except when it is part of their functional responsibilities.

Employees receive, transmit, store, destroy information in accordance with the law and internal documents of the Company.

During the term of the employment agreement/contract and for five years after its termination, the employees are obliged to maintain confidentiality regarding the information of the Company and its Counterparties and to take measures to prevent its unauthorized disclosure.

## **11. Policy of use and protection of the Company's resources**

All employees are obliged to take care of the Company's resources and use them effectively in accordance with the established rules.

Resources: tangible assets (eg, movable and immovable property, funds, etc.) and intangible assets of the Company (intellectual property, including licenses, software, equipment used individually).

In particular, but not limited to, violations in the use of the Company's resources are the following actions of employees:

- use of equipment, official transport, office equipment and other property of the Company in violation of internal regulatory documents;
- use of work telephones, fax machines, copiers, personal computers and similar equipment for own needs;

- irrational use of funds, working time and other resources of the Company by employees;
- theft, fictitious write-offs, dismantling, as well as concealment of information about such facts;
- negligent handling, which may lead to damage or intentional damage to machinery, equipment, personal protective equipment, which are issued to employees to perform their duties.

Illegal use of the Company's assets is a ground for disciplinary, administrative or criminal liability.

## **12. Conflict of interest policy**

The Company considers its employees as the main value, because the realization of their creative abilities is the key to its successful operation.

However, the Company cannot be indifferent to the situation when due to personal, family or other circumstances the employee loses (or may lose) loyalty and objectivity towards the Company. In this case, a conflict arises between the personal interests and professional duties of the employee, which poses a threat to the reputation of the Company, may harm its legitimate interests and negatively affect the efficiency of its activities.

Conflict of interest means that the employee has a private interest in the area in which he/she performs his/her functional duties, which may affect the objectivity or impartiality of his/her decision-making or the commission or imperfection of actions in the performance of these duties.

The employee is obliged to independently assess the conditions and actions that could potentially affect the objectivity of his/her work.

Common situations that may lead to conflicts of interest include, inter alia, include the following:

- second job, if it interferes with the performance of functional duties in the Company;
- providing consulting and other services to business partners or competitors of the Company;
- ownership of corporate rights by an employee or a member of the employee's family in another company that is a business partner or competitor of the Company;
- the work of the employee or members of the employee's family in the company, which is a business partner or competitor of the Company;
- hiring family members of the employee or other relatives under their direct authority.

The employee shall immediately notify his immediate superior and the Compliance Unit (Service) in writing of a potential or actual conflict of interest. Such notification must be made by the employee prior to the occurrence of a conflict of interest in the form of a declaration set out in Annex 3 to this Code.

In the area of conflict of interest, the employees shall adhere to the following basic principles:

- avoidance of situations and circumstances in which the personal interests of the employee in the performance of his functional duties may affect the objectivity of his

decisions or acts/inactivity in the interests of the Company or in any other way may lead to a conflict of interest;

- decision-making within the functional powers and only in the interests of the Company;

- refusal to use any assets, resources, information to which the employee has access in connection with the performance of functional duties for personal financial benefit, as well as the benefit of other individuals or legal entities.

In order to prevent conflicts of interest, the Company:

- recruits family members of employees subject to selection on general and equal terms with other candidates;

- establishes a prohibition of labor for family members of employees in positions that may lead to a conflict of interest;

- monitors situations of conflict of interest on the basis of declarations of employees regarding conflicts of interest (according to the form given in Annex 3) and takes appropriate measures to eliminate or minimize the impact of conflicts of interest.

The Company's policy consists in restricting employees from holding managerial positions in non-affiliated, commercial organizations and prohibiting employees from holding a managerial position in other companies if this could create a conflict of interest or interfere with the employee's performance of his or her duties in the Company. Any employee may hold senior positions in non-affiliated, non-commercial organizations, provided that this does not lead to a conflict of interest.

The employee shall notify (according to the form given in Annex 3) the Compliance Unit (Service) in advance (no later than 5 business days) about:

- the intention to combine work in the Company with other types of labor and business activities;

- the intention to acquire a share in legal entities, if the percentage of participation is 10% and above;

- the intention to join the governing bodies of another legal entity;

- hiring a member of the employee's family or other relative of the employee;

- the emergence of new affiliates of the employee;

- the appearance of signs of interest during the Company's transaction, if: 1) the employee is a member of the executive body of the legal entity that is a party to the transaction; 2) the employee receives remuneration for such a transaction from the Company or from a legal entity that is a party to the transaction; 3) the employee participates in the transaction as an intermediary; 4) as a result of such a transaction the employee acquires property;

- the intention to accept/provide gifts or business hospitality, the value of which exceeds the allowable amount established by this Code, if such gifts/business hospitality are carried out in connection with the performance of his/her duties by the employee.

The Compliance Unit (Service) reviews the received information and in case of the absence of grounds for a conflict of interest or other reasonable factors that may negatively affect the activities/reputation/interests of the Company, approves the employee's declaration.

Terms of approval of declarations and competence of the Compliance Unit (Service) are determined by the relevant Regulations on the Compliance Unit (Service) and the Conflict of Interest Settlement Policy.

If the previously declared circumstances have changed, the employee is obliged to submit an updated declaration (Annex 3) to the Compliance Unit (Service) within 5 business days.

If it is impossible to resolve the conflict of interest between the employee and the Company, disputed issues shall be resolved in accordance with applicable law.

### **13. Business hospitality and gifts policy**

The Company allows the possibility of accepting or providing gifts that correspond to generally accepted ideas about hospitality, except as provided by the Law of Ukraine “On Prevention of Corruption”.

In this case, the value of the gift may not exceed one minimum subsistence level for employable persons established by law, on the day of acceptance of the gift, on a single occasion.

The total value of gifts received from one person (group of persons) during the year should not exceed two subsistence minimums established for an employable person on January 1 of the year in which the gifts are accepted.

Gifts and business hospitality accepted and offered must meet such criteria:

- they are presented not for the purpose of gaining an illegal advantage or influence;
- the value corresponds to the position of the recipient and the situation in which the gifts or business hospitality are provided, ie they cannot be perceived as bribery;
- should not be in the form of cash or easily convertible into cash;
- the frequency of gifts or business hospitality does not give the impression of their illegality;
- gifts and business hospitality do not contradict the current legislation.

Employees of the Company do not offer, do not give, do not promise to provide any illegal benefit (cash, valuable gifts, etc.) to any persons (including, inter alia, authorized persons of legal entities, civil servants, officials) for illegal purposes.

Employees of the Company do not demand, do not accept and do not agree to accept from any person, directly or indirectly, illegal benefit (cash, valuable gifts, etc.).

Before offering, providing or receiving gifts or business hospitality in excess of the cost limit established above, the employee shall submit a declaration in the form of Annex 4 to this Code and obtain the approval of the Head of the Compliance Unit (Service).

In case of discovery of property that may be an illegal benefit or a gift in his/her office, the employee immediately notifies in writing (but not later than one business day) about this fact to his/her immediate superior and the Compliance Unit (Service).

### **14. Anti-fraud policy**



The Company prohibits fraud, which means theft of property or the illegal acquisition of the right to property of the Company through fraud or breach of trust.

In particular, but not limited to, fraud is following actions:

- receiving or providing employees with illegal remuneration that affects the business decision of the employee or the Counterparty;
- supply or acceptance of products/equipment with qualitative or quantitative characteristics that do not correspond to those specified in the documents;
- fictitious deliveries of inventory, including in case of collusion of the employee with the Counterparty;
- actions aimed at obtaining personal benefit while conducting claims work in collusion with the Counterparty;
- presenting fake payment documents for payment.

In accordance with the Company's policy, all business transactions carried out in the course of its activities shall be properly reflected in the accounting registers. Any unauthorized interference with the accounting records, falsification of reporting, creation of unofficial bank accounts or other actions for the purpose of illegal alteration of accounting data or financial statements are strictly prohibited.

The Company's internal control system cannot work without honesty, including honest accounting, fair plans and budget proposals and fair economic evaluation of projects.

## **15. Anti-corruption and money laundering policy**

The Company declares zero tolerance and absolute inadmissibility of any forms of corruption. The Company does not resort to corruption in order to obtain any benefits in the field of its activities from governmental and international organizations, does not make illegal payments for the facilitation or simplification of formalities in connection with economic activities, in particular to ensure faster resolution of certain issues, and acts in strict compliance with anti-corruption legislation.

To implement this policy, the Company:

- complies with anti-corruption legislation and legislation in the field of money laundering in all countries in which the Company carries out its activities;
- cooperates with organizations and partners that comply with the requirements of anti-corruption legislation;
- develops and implements anti-corruption program, policies and procedures in accordance with current anti-corruption legislation and international practices aimed at strengthening control over financial and accounting reporting.

The Company does not carry out activities related to the legalization (laundering) of proceeds from crime.

The Company does not enter into any agreements that are in doubt as to the origin and purpose of the funds to be received or paid.

In its activities, the Company complies with the regime of economic sanctions against any states imposed by the Government of Ukraine, as well as sanctions of the USA, UN, EU, which prohibit business with legal persons or individuals related to these states or to terrorist activities and other illegal activities.

Employees shall notify the Compliance Unit (Service) in the event of any suspicion of Counterparties and the terms of the transactions offered to the Company.

## 16. Liability for Code Violation

The employee is responsible for strict compliance with the provisions of this Code.

The Company will apply disciplinary measures to each violator of the Code. The Company will issue warnings, send warning letters or reprimand for minor violations. Violations of a more serious nature or repeated violations may lead to temporary unpaid suspension from work, transfer to a lower position, loss or reduction of bonuses, allowances or other components of wages, taking a combination of the mentioned measures up to the possibility of dismissal, according to the requirements of the current labor legislation.

In case of discovery of the fact of violation of the law by the employee or the Counterparty, the Company reserves the right to transmit information about the detected violation to law enforcement authorities to bring the perpetrators to administrative or criminal liability.

## 17. Final provisions

This Code is an integral part of the rules of internal labor regulations of the Company.

Compliance with the provisions of the Code by the Company's employees is a key condition for the successful implementation of the Company's mission and consolidation of corporate values, protection of the interests of its employees and business partners.

All employees of the Company shall be acquainted with the Code when applying for a job in the Company and must sign the employee's obligations in the form of Annex 2 and the declaration in the form in accordance with Annex 3.

The information provided by employees in these declarations is considered confidential and is not subject to disclosure to any third parties. Declarations of the employees are for internal use only.

All employees shall be timely informed of changes to the Code.

If the employee for any reason in the prescribed manner did not read the Code or did not sign the mentioned employee's obligation in the form in accordance with Annex 2, it does not relieve him/her from the obligation to comply with the Code.

Employees must immediately inform the Compliance Unit (Service) of possible violations of the Code or by using a hotline, as well as their immediate superior.

All such messages are kept confidential and may be submitted on an anonymous basis. The Company does not prosecute or allow any measures to be taken for providing a fair report on violations of this Code.

Control over compliance with the provisions of this Code is assigned to the Compliance Unit (Service).

### **Seeking advice or reporting a violation**

If you have any questions regarding the interpretation and application of the provisions of the Code, please contact the Compliance Unit:

- phone: (044) 299-73-94
- e-mail: [compliance-ogts@tsoua.com](mailto:compliance-ogts@tsoua.com)

## GLOSSARY

**Counterparty** – current or potential partner of the Company (including clients, intermediaries and agents);

**employee** – an individual, who has concluded an employment agreement / contract with the Company or another civil law agreement that provides for the personal performance of a certain function for a fee;

**family members of the employee** – husband/wife, son/daughter, son-in-law/daughter-in-law, father/mother, person under the guardianship or custody of the employee, guardian (trustee), brother/sister, another person living together and connected with a common life with the employee;

**affiliated persons of the employee:**

- 1) family members of the employee;
- 2) legal entities in which the employee or a member of the employee's family:
  - owns directly or indirectly, independently or jointly with other persons a share in the amount of 10 percent or more of the authorized capital or voting rights in a legal entity; or
  - is the ultimate beneficial owner (controller);

**ultimate beneficial owner** – an individual who, regardless of formal ownership, has the ability to exercise decisive influence on the management or economic activity of a legal entity directly or through other persons carried out, in particular, by exercising the right to own or use all assets or a significant part of it, the right to decisive influence on the formation of the membership, the results of voting, as well as the commission of transactions that provide an opportunity to determine the conditions of economic activity, give mandatory instructions or perform the functions of a governing body, or which has the ability to exercise direct or indirect (through another individual or legal person) ownership by one person, independently or jointly with related individuals and/or legal entities of share in the legal entity in the amount of 25 percent or more of the statutory capital or voting rights in a legal entity;

**gift** – cash or other property, benefits, privileges, services, intangible assets provided / received by employees free of charge or at a price below the minimum market in connection with the performance of duties by employees;

**business hospitality** – expenditure on social, corporate, sporting, cultural activities, meals, accommodation or entertainment for the purpose of establishing business relations or expressing gratitude, which are carried out in connection with the performance of duties by employees.

OBLIGATIONS  
of the Company's employee

I, \_\_\_\_\_

\_\_\_\_\_,  
(full name, position), hereby confirm that I have read the Code of Corporate Ethics and undertake to strictly adhere to the provisions of this Code.

I agree that this obligation is an integral part of my employment agreement (contract) and its breach may result in disciplinary action.

I also understand and agree that this obligation applies to all changes and additions to this Code.

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

\_\_\_\_\_  
signature

/ \_\_\_\_\_ /  
full name

Annex 3  
to the Code of Corporate Ethics

**Conflict of Interest Declaration <sup>1</sup>**

Date of birth		
Full name		
Position held		
Number of a Taxpayer's Record Card / Tax Identification Number (TIN)		
Personnel No.		
	<b>Questions</b>	<b>Answer (Yes/No; If «Yes», please indicate the details in the comments)</b>
		Yes/No      Comments
1.	Do you have affiliated legal entities <sup>2</sup> ? If «Yes», please indicate the name of this legal entity, the Identification code of legal entity (EDRPOU code), % of share of equity holdings and/or the full name of the employee's family member, the degree of kinship in the comments, as well as the following information:  - whether the mentioned legal entity is in business relations or in negotiates with LLC Gas TSO of Ukraine?  - is this legal entity a competitor of LLC Gas TSO of Ukraine?	
2.	Are you or members of your family <sup>3</sup> members of the Governing bodies (Executive Board, Supervisory Board), Executive Director, member of the Audit Committee, Advisor, authorized person of a legal entity that is in a business relationship or negotiating with LLC Gas TSO of Ukraine? If «Yes», please indicate the type of activity, the legal entity name, the Identification code of legal entity (EDRPOU code) and/or the name of the family member and the degree of kinship in the comments.	
3.	Do you work part-time or are you registered as an individual entrepreneur? If «Yes», please indicate the following information in the comments: the type of your activity, legal entity name, Identification code of legal entity (EDRPOU code), the number of the Certificate of the State Registration of an Individual Entrepreneurs.	
4.	Do you or your family members plan any transaction that could lead to a conflict of interest? If «Yes», specify the type of transaction, legal entity name, Identification code of legal entity (EDRPOU code), which is involved in the transaction.	
5.	Have you received any gifts/tickets for any events/other tangible or intangible values from third parties with whom LLC Gas TSO of Ukraine has/plans business relations during the current year? If «Yes», indicate the gift type and the estimated cost in your opinion.	
6.	Do your family members or other relatives work in LLC Gas TSO of Ukraine? If «Yes», please indicate the name and position.	
7.	Are your family members public figures? If «Yes», please provide details in the comments.	

Before completing this Declaration, I read (reviewed) the Code of Corporate Ethics and the Anti-Corruption Program. I confirm the veracity of the information contained in this Declaration and grant permission for the processing of personal data and verification of this information.

Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
signature full name

<sup>1</sup> This document is confidential and not be disclosed to any third parties. The Declaration is intended solely for internal use.

<sup>2</sup> Affiliated legal entities are the legal entities of which an employee or family member of an employee: (i) owns, directly or indirectly, alone or jointly with other persons a share of 10% or more of the authorized capital or voting rights in a legal entity; or is the ultimate beneficiary owner (controller).

<sup>3</sup> Family members of employee are husband/wife, son/daughter, daughter-in-law/son-in-law/sister-in-law/brother-in-law, father/mother, guardian, brother/sister, other person living together and is related to a common life with an employee.

**DECLARATION**  
on receiving/giving a gift <sup>4</sup>

<b>Date</b>				
<b>Full name</b>				
<b>Position</b>				
N o .	Giver/Recipient and its relationship with the Company	Gift description	Approximate market value	Date and place of receiving/giving the gift
1 .				
2 .				
3 .				

\_\_\_\_\_ / \_\_\_\_\_ /  
*signature* *full name*

<sup>4</sup> Gift – cash or other property, benefits, privileges, services, intangible assets provided / received by employees free of charge or at a price below the minimum market in connection with the performance of duties by employees.