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CEO

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# COMPLIANCE POLICY OF DTEK

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## **I. DECLARATION OF COMPLIANCE POLICY OF DTEK**

### **MISSION OF DTEK'S COMPLIANCE SYSTEM**

DTEK Group (hereinafter – the Group) declares and confirms its adherence to the principles of business ethics and compliance with the requirements applied to the Group

### **TARGETS OF COMPLIANCE POLICY IMPLEMENTATION**

- To establish a unified approach to compliance risk management at all the enterprises of the Group
- To create compliance culture within the Group
- To ensure compliance of the Group's activities with the regulatory requirements and business ethics principles in the markets the Group operates in

### **PRINCIPLES OF COMPLIANCE POLICY**

In order to implement the Compliance Policy the Group:

- Declares compliance with the Corporate Ethics Code and internal business ethics principles its priority
- Introduces the compliance culture at all the enterprises of the Group
- Prevents potential conflicts of interest of the employees
- Ensures compliance with legal requirements and cooperation with regulator of the markets the Group operates in
- Introduces regulatory practices into risk management and internal control processes
- Maintains an effective control system in order to avoid manipulations at the securities market
- Manages obligations on financial drawings
- Ensures prevention of corruption and financial crimes
- Minimizes risks of personal responsibility of the Group's managers

## **II. ORGANISATION OF COMPLIANCE PROCESSES**

### **1. List of compliance processes**

- 1.1. "Internal ethical requirements management" – the process of monitoring and control of the employees' compliance with the Corporate Ethics Code, requirements on avoiding conflict of interest and internal ethical standards.
- 1.2. "Legal and regulatory requirements management" – the process of ensuring compliance

of the enterprises' and Group's activities with the legislation and requirements of regulators of financial markets and stock markets, legal change management and cooperation with the regulators and their controlling bodies.

- 1.3. "Prevention of insider information misuse and securities market manipulations" – process of minimization of compliance risks associated with potential manipulations with securities of the Group's enterprises and misuse of insider information.
- 1.4. "Financial drawings covenants' management" – process of monitoring and control of compliance with covenants undertaken by the enterprises of the Group in terms of loan agreements and issue of debt securities and other securities.
- 1.5. "Corruption and financial crimes prevention" – process of risk minimization with regard to possibility of corrupt actions and financial crimes involving the Group's assets and resources.
- 1.6. "Managing risks of top-managers' personal responsibility" – process of minimization of the risks of possible sanctions imposed on the Group's management due to non-compliance of their actions with the applied requirements.

## **2. Objectives and requirements to organization of compliance processes**

### **2.1. Ethical requirements management process**

#### **Objectives**

Declaring its commitment to the Corporate Ethics Code the Group pursues the following objectives:

- To conduct business in an ethical manner and to require the same from its employees, partners and counterparties
- To prevent conflicts of interests of employees
- To make compliance culture an integral part of the corporate culture

#### **To achieve the objectives the Group commits to observe the following principles:**

- 2.1.1. The Group adopted the Corporate Ethics Code. The Code sets out ethical requirements to the behavior of the Group's employees in their relations among themselves, with partners, counterparties, governmental bodies and regulators
- 2.1.2. The Group implements best practices on monitoring and minimization of cases of non-ethical behavior
- 2.1.3. Responsibilities were allocated; procedures for handling of cases of the Code violations were established
- 2.1.4. The Group ensures compliance with the obligations regarding ethical business conduct undertaken in terms of participation in the relevant agreements
- 2.1.5. Timely notification on cases of non-ethical behavior of employees, partners and

counterparties is encouraged

- 2.1.6. All the employees of the Group's enterprises are informed about the necessity to immediately report on conflicts of interests, i.e. situations when personal interests of an employee can influence business decision-making
- 2.1.7. Registration of reported conflicts of interests was organized. The Group tries to organize the control system in such a way as to limit the possibilities of the reporter to make decisions in the area of their conflict of interests
- 2.1.8. Issues regarding the establishment of compliance culture and observance of ethical requirements by the employees are continuously controlled by the top management
- 2.1.9. Representatives of the top management set the example of ethical business conduct and behavior for other employees
- 2.1.10. The Group promotes the development of compliance culture by conscious and fair compliance risk management, training, fixing responsibility and involving in core compliance processes Top management and employees of the Group, consideration of all significant deviations from the established requirements

## **2.2. Legal and regulatory requirements management process**

### **Objectives**

Ensuring compliance of its business with the applicable legal and regulatory requirements on all the markets the Group operates on, the Group pursues the following objectives:

- To minimize risks of sanctions in case of failure to comply with the applicable requirements
- To take advantage of possibilities associated with legal and regulatory changes
- To be maximally transparent for regulators

**To achieve the objectives the Group commits to observe the following principles:**

- 2.2.1. The Supervisory Board and Top management of the Group understand and have determined the legislation areas and regulators, whose requirements the Group's activity should meet
- 2.2.2. The Group regularly monitors changes in the legislation and regulatory requirements. The findings are disseminated among the employees, whose activity is influenced by those changes, and it is done centrally
- 2.2.3. The Group analyses risks and opportunities, connected with changes in the legislation and regulatory requirements. Decisions on risks management and using opportunities are made centrally
- 2.2.4. Key managers of the Group are informed and regularly trained in regulatory and legal

requirements, risks and opportunities connected with them

- 2.2.5. Material facts about activity of the enterprises and the Group as a whole are disclosed and financial statements are submitted in line with the requirements of the legislation, regulators and best practices
- 2.2.6. The Group ensures that special regulatory recommendations are introduced into its activities, and specifically in risk management and internal control processes
- 2.2.7. The Group builds its relationship with the regulators based on transparency and readiness to cooperate
- 2.2.8. The process of cooperation with regulators during inspections is established and observed

### **2.3. Insider information misuse and securities market manipulation prevention process**

#### **Objectives**

The Group strives:

- To prevent manipulations with the Group enterprises' securities
- To prevent fraudulent misrepresentation of data on the Group's securities, forecasts and financial situation
- To prevent misuse of the insider information

#### **To achieve the objectives the Group commits to observe the following principles:**

- 2.3.1. The Group has a system in place to inform the persons having access to insider information of their obligations and responsibilities
- 2.3.2. The Group controls access and dissemination of internal corporate information that may have impact on the stock market
- 2.3.3. The Group controls the compliance by its employees with internal and external requirements aimed at limiting possibilities for manipulations on securities markets
- 2.3.4. Any abuses of insider information and manipulations with Group enterprises' securities are investigated

### **2.4. Financial drawings covenants' management process**

#### **Objectives**

By complying with the obligations related to fundraising, the Group strives:

- To prevent risks of default of the enterprises and the Group as a whole due to a breach of obligations undertaken (hereinafter referred to as the covenants)
- To improve its image as a reliable borrower and win confidence of financial institutions

**To achieve the objectives the Group commits to observe the following principles:**

- 2.4.1. The Group has a centralized monitoring of covenant compliance in place
- 2.4.2. The Group has a uniform register of effective covenants with indicated their validity periods and persons responsible for their compliance. All responsible persons are made aware of the requirements and implications of their violations for the Group
- 2.4.3. Business transactions are conducted following the principle of compliance with the effective covenants. The Group has procedures in place for covenant breach communication and covenant violation risk management
- 2.4.4. As part of its commitments, the Group discloses updated and complete information to its lenders/investors and authorized third parties
- 2.4.5. Additional financial borrowing is subject to strict observance with the effective covenants

**2.5. Corruption and financial crime prevention process**

**Objectives**

Openly and transparently conducting its business, the Group strives:

- To prevent corruption activities of both Group employees
- To prevent any possibility to use Group assets and resources for financial crimes

**To achieve the objectives the Group commits to observe the following principles:**

- 2.5.1. The Group ensures the operation of an efficient system to prevent financial crimes by using its assets and resources based on international standards
- 2.5.2. The Group introduces applicable practices to comply with the requirements to prevent terrorism financing and legalization of proceeds of crime
- 2.5.3. The Group creates and develops an efficient corruption prevention mechanism on the basis of the applicable legislation and best practices. Group's employees are aware of the most risky in terms of corruption areas in the enterprises' activities
- 2.5.4. The Group does not tolerate any forms of giving and taking payments/gifts to resolve some business tasks
- 2.5.5. The Group guarantees a transparent mechanism for purchases/funds allocation, financing of charity programs and interaction with contractors

**2.6. The process of managing risks of top management personal responsibility**

**Objectives**

The Group strives to minimize risks of regulatory sanctions towards the Supervisory Board and Top management in view of their activity not meeting the applied requirements

**To achieve the objectives the Group commits to observe the following principles:**

- 2.6.1. The Group is informed and understands the regulatory requirements to the members of the Supervisory Board and representatives of Top management
- 2.6.2. The Group has an efficient mechanism for monitoring and preventive managing of the risks of the Supervisory Board, Top management and the enterprises directors' actions not meeting legal and regulatory requirements
- 2.6.3. Personal responsibility of the Supervisory Board and Top management to the stakeholders is insured
- 2.6.4. The Group has prepared plans and procedures to minimize consequences of the risks of personal responsibility when extraordinary situations occur
- 2.6.5. Members of the Supervisory Board, Top managers and enterprises directors are informed about the risks connected with personal responsibility, and are qualitatively trained in managing those risks

### **3. Responsibility and control**

- 3.1. Each employee of the Group should observe the Compliance Policy
- 3.2. The Compliance Management Department, Top management and the Supervisory Board of the Group exercise control over proper observance of the Compliance Policy