

APPROVED
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of Yuzhnoye SDO
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**YUZHNOYE SDO
ANTI-CORRUPTION PROGRAM**

2017

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1. General provisions, scope of the Anti-Corruption Program of Yuzhnoye SDO

1.1. The Anti-Corruption Program has been developed to establish legal and organizational principles of the anti-corruption system functioning within Yuzhnoye SDO. The Anti-Corruption Program provisions and requirements are aimed at preventing corruption and compliance with the requirements of anti-corruption legislation by the enterprise officials, employees and other persons who have rights to act for or on behalf of Yuzhnoye SDO.

1.2. The Anti-Corruption Program establishes basic rules, principles, and procedures at the level of those provided for by the Law of Ukraine No. 1700-VII, Oct. 14, 2014 “On prevention corruption” (hereinafter referred to as the Law). The Anti-corruption Program applies in all areas of Yuzhnoye SDO.

1.3. The terms used in the Anti-Corruption Program have the same meaning as given in the Law.

1.4. Yuzhnoye SDO anti-corruption measures are aimed at:

- preventing and counteracting against corruption, finding and eliminating the roots of corruption (prevention of corruption);
- finding corruption offences;
- explanatory work;
- using the preventive anti-corruption mechanisms;
- minimizing and eliminating the consequences of corruption offences.

1.5. The requirements contained in the following regulations were taken into account in drawing up this Anti-Corruption Program:

The Law of Ukraine No. 1700-VII, Oct. 14, 2014 “On prevention corruption”;

The Law of Ukraine No. 1698-VII, Oct. 14, 2014 “On the National Anti-Corruption Bureau of Ukraine”;

The Law of Ukraine No. 1699-VII, Oct. 14, 2014 “On the principles of the State Anti-Corruption Policy in Ukraine (the anti-corruption strategy) for 2014-2017”;

The State Program on Implementing Principles of the State Anti-Corruption Policy in Ukraine for 2015-2017 accepted by Resolution of the Cabinet of Ministers of Ukraine, No. 265, Apr. 29, 2015;

The Model Provision on the Anti-Corruption Division (Officer) approved by Resolution of the Cabinet of Ministers of Ukraine No. 706, Sep. 04, 2013.

1.6. The Anti-Corruption Program applies to all employees of Yuzhnoye SDO and employees of all economic entities controlled by Yuzhnoye SDO, regardless their position and functions.

1.7. This document is posted on the official website of Yuzhnoye SDO and is available for its employees and business partners.

2. Goal of the Anti-Corruption Program

2.1. To minimize risk of involvement Yuzhnoye SDO's officials and employees regardless their positions, into corrupt activities.

2.2. To form a common understanding among employees, contractors, and other persons of Yuzhnoye SDO position regarding inadmissibility of corruption in all its forms and manifestations.

2.3. To generalize and clarify general provisions of the anti-corruption legislation of Ukraine.

2.4. To apply preventive anti-corruption mechanisms.

3. Principles of the Anti-Corruption Program

3.1. The General Director of Yuzhnoye SDO, the Deputies of the General Director and the Heads of structural units foster a culture of intolerance of any forms of corruption by personal example.

3.2. The General Director of Yuzhnoye SDO is responsible for all measures to implement all principles of the Anti-Corruption Program, including the appointment of the officials responsible for developing, implementing and control of anti-corruption measures.

3.3. The employees of Yuzhnoye SDO are to be guided by the current legislation and the Anti-Corruption Program, and comply with the principles and requirements of this Program and facilitate the implementation of it.

3.4. The Anti-Corruption Program applies to Yuzhnoye SDO's representatives and contractors, and other persons when the appropriate obligations are confirmed by contracts, their internal documents, or stipulated by law.

3.5. The key principles of developing measures to prevent and combat corruption are:

3.5.1. The principle of compliance of Yuzhnoye SDO with the current legislation and generally accepted standards.

Compliance of the implemented anti-corruption measures of the Constitution of Ukraine with the Ukrainian legislation and other normative legal documents, which are applicable in Yuzhnoye SDO.

3.5.2. The principle of the personal example of the Yuzhnoye SDO's management. The key role of the Yuzhnoye SDO's management in fostering a culture of intolerance of corruption and creating an internal system of preventing and combating corruption.

3.5.3. The principle of involving Yuzhnoye SDO's employees to take measures to prevent and combat corruption.

Yuzhnoye SDO's employees' awareness of the provisions of the anti-corruption legislation and their active participation in establishing and implementing the anti-corruption standards and procedures.

3.5.4. The principle of the effectiveness of the anti-corruption measures.

The corruption risks of Yuzhnoye SDO are taken into account in developing and implementing a set of measures to avoid Yuzhnoye SDO's employees being involved in corruption activities regardless their position.

3.5.5. The principle of accountability and unavoidability of punishment.

Personal responsibility of the Yuzhnoye SDO's management for the implementation of the internal anti-corruption policy and unavoidability of punishment of Yuzhnoye SDO's employees who have committed corruption offences pertaining to their job duties, regardless their position, length of service and other conditions.

3.5.6. The principle of constant control.

3.5.7. The principle of the anti-corruption legislation.

All Yuzhnoye SDO's employees have to comply with the established standards of the Constitution of Ukraine, the Ukrainian anti-corruption legislation, in particular, the Criminal Code of Ukraine, the Code of Ukraine on Administrative Offences, the Law of Ukraine "On prevention corruption", this Anti-Corruption Program, the international treaties approved by the Verkhovna Rada of Ukraine, and the other regulations, the main requirements of which are the prohibition of providing and obtaining illegal benefits, commercial bribery, or an intermediary participation in providing and obtaining illegal benefits.

4. Legal status, rights and obligations of the Anti-Corruption Officer

4.1. The Anti-Corruption Officer is a Yuzhnoye SDO's official who is appointed by the General Director of Yuzhnoye SDO in accordance with the legislation on labor in the procedure established by the Law of Ukraine "On prevention corruption".

4.2. The Anti-Corruption Officer is an individual who has capability due to his/her moral and manager's qualities, proficiency, and health statues to perform appropriate obligations.

4.3. It is prohibited to appoint as the Anti-Corruption Officer position a person who:

- 1) has an outstanding convictions or previous convictions that has not been expunged in the procedure established by the law;
- 2) in accordance with the court decision recognized as legally incapable or has limited legal capacity;
- 3) has been fired from state bodies, bodies of power of Autonomous Republic of Crimea, local governments for oath breaking, committed corruption or corruption-related offences, within three years since his/her dismissal.

It is prohibited for the Anti-Corruption Officer to hold posts as those provided in paragraph 1 of section 1 of Article 3 of the Law "On prevention corruption", or to take any other activities that arise actual or potential conflict of interests that may harm Yuzhnoye SDO legitimate interests.

If situations of the incompatibility of duties occur, the Anti-Corruption Officer is to report about this to the General Director of Yuzhnoye SDO within two days since these situations occurred, filing an application for severing a work contract of his/her own volition.

4.4. The Anti-Corruption Officer can be fired before the term of his/her duty is over in the event of:

- 1) severing a work contract of the Anti-Corruption Officer volition;
- 2) severing a work contract with the Anti-Corruption Officer on the General Director's initiative in accordance with the law;
- 3) court decision on recognizing the Anti-Corruption Officer as legally incapable or limitation of his/her civil capabilities, recognizing him/her missing or announcing him/her dead comes into force;
- 4) judgement of guilty as to the Anti-Corruption Officer comes into force ;
- 5) his/her death;
- 6) circumstances provided in paragraphs 3-5 of section 5 of Article 64 of the Law of Ukraine "On prevention corruption".

4.5. The main task of the Anti-Corruption Officer is to prepare, implement and

control of fulfilment of measures to prevent, combat and identify the corruption within Yuzhnoye SDO.

4.6. To execute his/her duties, the Anti-Corruption Officer is obliged to:

4.6.1. Execute his/her functions objectively and fairly.

4.6.2. Prepare the Yuzhnoye SDO internal documents related to formation and implementation of the anti-corruption policy, and develop suggestions on improving the anti-corruption legislation, projects of anti-corruption normative legal documents.

4.6.3. Ensure the implementation of controlling and monitoring of the compliance with anti-corruption legislation within Yuzhnoye SDO.

4.6.4. Immediately report to the General Director of Yuzhnoye SDO on any attempts of inciting Yuzhnoye SDO's employees to commit the corruption or corruption- related offences or having committed.

4.6.5. Report to the General Director of Yuzhnoye SDO about a conflict of interest that has arisen or may arise.

4.6.6. File annual report on the compliance with the anti-corruption legislation within Yuzhnoye SDO and the implementation status of the Anti-Corruption Program to the Yuzhnoye SDO's management.

4.6.7. Interact with the persons who notify about instances of corruption or corruption-related offences in good faith, complying with the confidentiality in accordance with the legal requirements.

4.6.8. Carry out and take part in official inquiries within Yuzhnoye SDO to identify the roots and conditions of committing the corruption or corruption- related offences, or non-compliance with the anti-corruption legislation.

4.6.9. Submit information if necessary to the official of the executive body whose power applies in Yuzhnoye SDO and special officers in the field of combating corruption about instances that may throw light on corruption offences committed by Yuzhnoye SDO's officials, in writing.

4.6.10. Keep the register of Yuzhnoye SDO's officials made liable for committing corruption offences.

4.6.11. Provide methodological and consulting assistance for Yuzhnoye SDO's employees on the matters of the implementation of the anti-corruption legislation, preventing and resolving a conflict of interests in the activities of Yuzhnoye SDO's officials, preparing suggestions on resolving a conflict of interest in the activities of Yuzhnoye SDO' officials, and filling a declaration of income, property and financial commitment. Inform the public about the anti-corruption measures

implemented by Yuzhnoye SDO.

4.6.12. Provide information to the public of all measures taken by Yuzhnoye SDO to prevent corruption.

4.6.13. Interact with state structures, non-governmental and international organizations on matters related to the prevention of corruption.

4.6.14. Ensure that measures related to the legislation on preventing corruption are implemented in selecting, placing Yuzhnoye SDO's officials taking into account the requirements of the anti-corruption legislation.

4.6.15. Carry out other commitments that arise directly or indirectly in performing the Anti-Corruption Program.

4.7. The Anti-Corruption Officer to ensure the performing of the official duties is entitled to:

4.7.1. Receive written and oral pleadings from Yuzhnoye SDO's employees on matters that are in his/her competency (including in conducting the preliminary study of the facts that may be evidence of the violation of the legislation on preventing corruption during providing official inquiries (checks)).

4.7.2. Study and receive any document materials that relate to Yuzhnoye SDO economic activity, and information with restricted access or information that contains state secret in the procedure established by the law.

4.7.3. Draw employees of other structural units into conducting checks and official inquiries according to previous agreement with the Head of the appropriate Yuzhnoye SDO structural unit.

4.7.4. Initiate the submitting of requests to state bodies, local governments, enterprises, institutions and organizations irrespectively of their patterns of ownership to receive appropriate information and materials from them.

4.7.5. Put a question to the Yuzhnoye SDO's management on making the employees of Yuzhnoye SDO liable for the violation of the legislation on prevention corruption.

5. The professional ethics standards of Yuzhnoye SDO's officials

5.1. Yuzhnoye SDO's officials and employees when performing their duties have to comply with the ethical standards and code of employee behavior, internal labor regulations taking into account the principles, provisions and limitations provided in this Anti-Corruption Program.

5.2. Yuzhnoye SDO's employees take political views, ideological persuasions and religious convictions of others with tolerance and respect, and they will not use their power for political parties' or politicians' benefits.

5.3. Yuzhnoye SDO's employees have to act impartially in spite of their private interests, political, ideological, religious or other personal views or convictions, or personal attitude to anyone.

5.4. Yuzhnoye SDO's employees have to perform their powers and duties, the decisions and instructions received from the bodies and officials they are accountable to or controlled by, in qualified manner. They should prevent abuses and non-effective using of national property.

5.5. Yuzhnoye SDO's employees should not disclose and use confidential information and information with limited access, that became known to them due to their official powers and duties, in other way than provided by the legislation and the Yuzhnoye SDO's documents, except as established by the law.

5.6. Performing their job duties, Yuzhnoye SDO's officials singly assess appropriateness of the decisions or instructions charged by the management, and the harm that will be done because of implementing such decisions and instructions. If the decisions and instructions that a Yuzhnoye SDO's official considers illegal or as a threat to legal rights, freedom or interests of certain citizens and legal persons, state or public interests have been charged, he/she has to immediately report the General Director of Yuzhnoye SDO, in writing.

6. The list of the anti-corruption measures and procedures and the procedure for implementing them

6.1. Yuzhnoye SDO ensures the performance of the measures that are necessary and well-grounded for preventing and obtaining corruption within Yuzhnoye SDO.

6.2 Anti-corruptions measures include:

- 1) anti-corruptions standards and procedures;
- 2) periodic assessment of corruption risks within Yuzhnoye SDO.

6.3. The Yuzhnoye SDO's main anti-corruption standards and procedures are:

- 1) introductory instructions on the Anti-corruption program, and measures on the matters of preventing and combating corruption carried out for new employees;
- 2) anti-corruption check of business partners;
- 3) anti-corruption clause stated in deeds, labor contracts and job descriptions of employees, provisions on structural units;
- 4) business partners selection criterion;
- 5) restrictions for supporting political parties by Yuzhnoye SDO;
- 6) mechanism of notifying the identified signs of the violation of the Anti-Corruption Program, committed corruption or corruption-related offences, and the confidentiality of such notifications and protection of accusers;
- 7) functions on prevention corruption performed by the Anti-Corruption Officer and other officials.
- 8) examination of accusers' notifications, including internal investigation and imposing of disciplinary punishment;
- 9) professional ethics standards, obligations and prohibitions for employees and officials;
- 10) restrictions related to gifts;
- 11) investigation of other fields of Yuzhnoye SDO's activity;
- 12) monitoring and controlling the compliance with the Anti-Corruption Program;

6.4. Yuzhnoye SDO establishes business relationships with contractors, who are to provide products, materials, and perform jobs and services on a tender basis (auctions, biddings and other ways of procurement) the main principle of conducting which is to choose a contractor with the best competitive offers. The tender defines:

- analysis of the market of offered services;
- equality, equity, non-discriminatory treatment in respect of contractors;

- honest and reasonable choice of the most eligible offers in carrying out complex analysis of benefits and costs (first of all prices and product quality);
- special-purpose and economically effective expenditures on products, jobs, services (inclusive of if necessary cost of purchased goods life-cycle) and the implementation of the measures aimed at the enterprise expenditure cutting;
- zero restrictions based on excessive requirements for a contractor to prevent the latter from participating in bidding;
- preventing corruption, conflict of interests, and powers abuses.

6.5. Yuzhnoye SDO seeks to establish business relationships with contractors who support the anti-corruption legislation, and contractors who implement their own measures to combat corruption.

6.6. Yuzhnoye SDO rejects any form of incentives for contractors' employees that could make them dependent on the enterprise, and are designed to procure that the contractor's employee takes some actions for benefit of the enterprise, including by giving him/her sums of money, gifts, performing work (services) for him/her on a free charge basis and in any other ways are not mentioned herein.

6.7. Yuzhnoye SDO makes efforts to minimize risks of creating business relationships with contractors who can be involved in corruption practices, including verifying if contractors have anti-corruption programs, their willing to comply with requirements of this Anti-Corruption Program and include an anti-corruption clause in a contract, and provide mutual assistance in the ethical conduct of business and the prevention of corruption.

6.8. Yuzhnoye SDO provides periodic internal assessment of corruption risks by investigating of specific areas of the Yuzhnoye SDO's activity to improve existing procedures in order to minimize existent corruption risks in its activity.

Corruption risk is a high likelihood of committing corruption or corruption-related offences, or violation of the Anti-Corruption requirements.

Corruption risks within Yuzhnoye SDO are assessed by a corruption risk assessment committee.

Procedural path and the composition of the committee are approved by the General Director of Yuzhnoye SDO.

Assessment of corruption risks is based on investigation of organizational/management, business and financial documents, contracts and projects, and others deeds of Yuzhnoye SDO to identify factors that give rise or may give rise to committing corruption offences.

These factors include:

- lack of proper procedures for making decisions;
- fixing unreasonably wide range of powers of Yuzhnoye SDO's official;
- lack of an exclusive list of grounds (an available partial list of grounds) for making decisions;
- lack of an order on necessity of foundation of the method chosen for solving problems ;
- contract includes a clause according to which Yuzhnoye SDO in case of non-fulfilment its obligations under the contract bears higher responsibilities than it is stipulated in the legislation;
- in accordance with contracts, Yuzhnoye SDO contractors' level of responsibility do not comply with the level stipulated in the legislation, or it is not included in contracts;
- initiating, making alterations in signed contracts that violate legal interests of Yuzhnoye SDO;
- other factors.

If such factors have been identified within anti-corruption inspection carried out by the Anti-Corruption Officer of his/her own initiative, he/she should prepare an inquiry in a free form with listing factors that give rise or may give rise to committing corruption or corruption-related offences and suggesting on eliminating them. This inquiry is submitted to the General Director on consideration and making a decision.

The results of the anti-corruption inspection carried out per the General Director's procurement, should be drawn as office memo to be submitted to the General Director of Yuzhnoye SDO.

6.9. Yuzhnoye SDO if necessary invites organizations that provide audit, legal and consulting services in order to conduct external assessment of corruption risks.

6.10. To identify the causes and conditions that gave rise to corruption or corruption-related offences, corruption risks, or non-compliance with the anti-corruption legislation requirements, the official inquiry is conducted in the procedure established by "Instruction on conducting an official inquiry" within Yuzhnoye SDO.

6.11. A verification of the compliance with anti-corruption legislation within the Yuzhnoye SDO's structural units is conducted in accordance with the preventive measures taken per the Yuzhnoye SDO's General Director's procurement.

The Anti-Corruption Officer deals with the inspection materials within his/her powers, in particular, informs the Yuzhnoye SDO's management and if necessary the law enforcement authorities, so that they take measures stipulated in the legislation.

The procedure for implementing the anti-corruption measures stipulated in this section can be particularized by accepting of the Yuzhnoye SDO' organizational/management documents.

7. The officials' and employees' rights and obligations related to preventing and combating corruption within Yuzhnoye SDO

7.1. Yuzhnoye SDO's officials and employees who are into employment relationships with Yuzhnoye SDO have rights to:

- apply to Yuzhnoye SDO's officials or the Anti-Corruption Officer for explanations for the Anti-Corruption Program provisions;
- submit notifications to the Anti-Corruption Officer about corruption or corruption-related offences committed by Yuzhnoye SDO's officials.

7.2. Yuzhnoye SDO's officials and employees who are into employment relationships with Yuzhnoye SDO are obliged:

7.2.1. Not to commit or participate in committing corruption offences.

7.2.2. Not to take the steps that can be considered as a willingness to commit corruption offences related to Yuzhnoye SDO's activity.

7.2.3. To urgently inform the Anti-Corruption Officer or the General Director of Yuzhnoye SDO about:

- instances of inciting the employees to commit corruption offences related to Yuzhnoye SDO's activity;
- a conflict of interest has arisen or may arise.

7.2.4. To take measures within their competency to put an end to corruption offences and urgently inform the Anti-Corruption Officer, the General Director of Yuzhnoye SDO of it being committed or identification of corruption or corruption-related offences committed by the employees or by other persons whose activities are related to Yuzhnoye SDO.

7.2.5. To urgently inform the Anti-Corruption Officer, the General Director of Yuzhnoye SDO of a conflict of interest has arisen or may arise.

7.2.6. To report within the compliance with requirements of paragraph 7.2 of this Anti-Corruption Program by submitting a signed free form writing or by anonymous way in accordance with paragraph 9.3.

7.3. Yuzhnoye SDO' officials are forbidden to:

7.3.1. Use their powers to accept illegal benefits for themselves or others, including the corrupting of Yuzhnoye SDO's property or assets.

7.3.2. Directly or through others, blackmail, ask for, or accept gifts for themselves or their relatives from entities or individuals in connection with their responsibilities, or from the persons who are subordinated to the person receiving gifts.

7.3.3. Directly or indirectly incite their subordinates to make decisions, act or take inactivity against the law in own benefits or in favor of third persons.

7.4. Yuzhnoye SDO's officials are obliged to:

7.4.1. Take measures to prevent potential conflict of interest.

7.4.2. Neither take actions nor to make decisions under conditions of an actual conflict of interest.

7.4.3. Take measures to resolve the resolution of an actual conflict of interest.

7.4.4. Report no later than the next business day from the day they revealed or should have revealed on an actual or potential conflict of interest existing within their official responsibilities to their direct supervisor.

7.5. Yuzhnoye SDO's officials in the procedure stipulated in the law and this anti-Corruption Program have rights to apply to the Anti-Corruption Officer and/or the National Agency for Prevention Corruption for explanations for the content and the procedure of implementing requirements of the anti-corruption legislation (including resolving of a conflict of interests).

7.6. The Yuzhnoye SDO's officials may accept gifts that meet a generally recognized concept of hospitality, except for the cases provided in paragraph 7.3.2 of this Anti-Corruption Program if the cost of the gift does not exceed a minimum pay set the day the gift was accepted, and total cost of such gifts accepted from a person (or a group of persons) within a year, does not exceed two living wages set for a legally able person on the first of January of the year the gifts were accepted.

The limitations stipulated in this paragraph of this Anti-Corruption Program do not cover the gifts presented by friends and relatives, or accepted as generally recognized discounts for the goods, services, or as generally accessible wins, prizes, bonuses.

Yuzhnoye SDO's officials in case of propositions on accepting illegal benefits or gifts, in spite of own interests, are obliged to instantly take the following measures:

- 1) to reject a proposition;
- 2) to identify the person who made a proposition, if it is possible;
- 3) to attract witnesses, if it is possible, including witnesses from among Yuzhnoye SDO's employees;
- 4) to report on a proposition to a direct supervisor (if he/she available) or the Anti-Corruption Officer or the General Director of Yuzhnoye SDO, in writing. If a Yuzhnoye SDO's official has found or received property that can be considered as an illegal benefit or gift, he/she is obliged to instantly or not later than a business day since this fact occurred report it to his/her direct supervisor, or the Anti-Corruption Officer or the General Director of Yuzhnoye SDO, in writing. In connection with the found property that can be considered as an illegal benefit or gift, it should be taken a formal note signed by the official found the illegal benefit or gift, and his/her direct supervisor (if he/she available) or the General Director of Yuzhnoye SDO.

The Anti-corruption Officer ensures the transferring of the articles of illegal benefit and the received or found gifts to the special anti-corruption officers within 15 calendar days since the formal note of these facts has been taken.

If a Yuzhnoye SDO's official has doubts on appropriateness of accepting a gift, hi/she has rights to apply to the Anti-Corruption Officer or local body of the National Agency for Prevention of Corruption to take opinion on this matter, in writing.

8. Monitoring and controlling the compliance with the Anti-Corruption Program

8.1. Due to changings of corruption risks character and other factors that effect economic activity of Yuzhnoye SDO, the Anti-Corruption Officer monitors the introduced, adequate measures to prevent corruption, controls the compliance with measures and makes proposals on revising and improving them.

9. Conditions of confidentiality under which employees inform the Anti-Corruption Officer of the facts about their being incited to commit a corruption offence or about corruption or corruption-related offences committed by other employees or persons

9.1. Yuzhnoye SDO' employees report to the Anti-Corruption Officer on violation of the anti-corruption legislation that may have been committed within Yuzhnoye SDO and /or the facts of incitement to commit corruption or corruption-related offences. This information should be submitted to the Anti-Corruption Officer in writing, dated and signed by a Yuzhnoye SDO employee.

9.2. To report on the instances stipulated in paragraph 9.1 of this Anti-Corruption Program, Yuzhnoye SDO employees can use:

- AntycorYu@ukr.net (helpline email);
- the telephone line for reporting corruption committed within Yuzhnoye SDO (25-65, 790-02-43);
- other ways if they are available in Yuzhnoye SDO.

Information to the “helpline email”, the telephone line and the postal address of Yuzhnoye SDO may be provided without specifying the authorship (anonymously). Such information will be considered under the conditions of paragraph 9.3.

9.3. An anonymous notification of a violation of the law is subject to review, if the information contained therein related to a specific person, contains factual data that can be verified.

Such notification is considered by the Anti-Corruption Officer within fifteen days from the date of its receipt. If it is not possible to check the information contained in the notification within the specified period, by the decision of the General Director of Yuzhnoye SDO the term of its consideration may be extend to thirty days from the date of its receipt.

To verify the information contained in the notification, the Anti-Corruption Officer has the right to initiate, in the established procedure, application of the measures provided for by this Anti-Corruption Program.

In case of confirmation of the information contained in the notification about a violation of the requirements of the anti-corruption legislation, the Anti-Corruption Officer shall submit a proposal to the General Director of Yuzhnoye SDO regarding taking measures for:

- termination of the revealed violation and elimination of its consequences;
- bringing the perpetrators to disciplinary responsibility;
- informing the specially authorized subjects in the field of combating corruption in case of revealing signs of a criminal or administrative offence.

10. The procedure for protecting the employees who have reported information about corruption or corruption-related offences

10.1. Yuzhnoye SDO ensures the conditions provided for by the legislation for the protection of employees, including Yuzhnoye SDO's officials who provide assistance in preventing and combating corruption in the activities of Yuzhnoye SDO (hereinafter referred to as the "Accuser")

10.2. A Yuzhnoye SDO employee, who provides assistance in preventing and combating corruption within Yuzhnoye SDO, cannot be released or compelled to be dismissed or brought to disciplinary responsibility or subjected to any enforcement actions applied by the management (transferring, certification, changing of working conditions, refusal to appoint to higher position, reduction of salary etc.) or the threat of such enforcement actions in connection with his/her notification about violation of the requirements of the anti-corruption legislation by another person.

10.3. Information about the Accuser can be disclosed only by his approbation, except for cases established by law.

10.4. If there is a threat to the life, dwelling and property of the Accuser or his/her relatives, in connection with the reported violation of the requirements of the anti-corruption legislation, the Accuser can:

- inform the Anti-Corruption Officer so that he/she will inform of law-enforcement bodies in accordance with the law;
- inform law enforcement bodies so that they take measures provided for by the Law of Ukraine "On Ensuring the Safety of Persons involved in Criminal Proceedings".

11. The procedure for informing the Anti-Corruption Officer about a conflict of interest has arisen or may arise, and the procedure for resolving the identified conflict of interest

11.1. Yuzhnoye SDO's officials are obliged to:

- 1) take measures to prevent a conflict of interest;
- 2) report no later than the next business day since the moment they revealed or should have revealed the existence of an actual or potential conflict of interests to their direct supervisor;
- 3) neither take actions nor to make decisions under the conditions of an actual conflict of interest;
- 4) take measures to resolve an actual or potential conflict of interest.

11.2. The direct supervisor, who became aware of the conflict of interest of his/her subordinate, is required to take measures prescribed by law to prevent and resolve the conflict of interest of such person by notifying him/her about it (including his/her own identifying the conflict of interest of his/her subordinate who did not submit the appropriate notification).

11.3. If a person has doubts about existence of a conflict of interest within his/her job duties, he/she is obliged to apply to the local body of the National Agency for Prevention of Corruption for explanations. A Yuzhnoye SDO's official has to no later of the next business day inform the Anti-Corruption Officer in writing of the application he/she submitted to the local body of the National Agency for Prevention of corruption.

11.4. If the person has not received a confirmation of the absence of conflict of interest, he/she should act in accordance with requirements stipulated in section V of the Law of Ukraine "On Prevention Corruption".

11.5. If a person has received a conformation of a non-conflict of interest, he/she is released from responsibility for a conflict of interest that later can be identified in the actions in connection with which he/she applied for explanations. A Yuzhnoye SDO's official, who has an actual or potential conflict of interest, can independently take measures to resolve it.

11.6. An external resolution of a conflict of interest is carried out by the General Director of Yuzhnoye SDO or the Head of a structural unit within their competency by implementing procedures provided for by Articles 30-34 of the Law of Ukraine "On Prevention Corruption".

11.7. The Head of a structural unit where a person, who has a conflict of interest, works submits a proposal to the General Director on resolving a conflict of interest of his/her subordinate by applying an office memo with the grounds for implementing the chosen procedure. This office memo is to be signed by the Anti-

Corruption Officer. The Head of a structural unit has the right to apply to the Anti-Corruption Officer for taking preliminary opinion about an appropriate measure to resolve a conflict of interest.

12. Individual consultations for Yuzhnoye SDO's employees on matters related to applying anti-corruption standards and procedures carried out by the Anti-Corruption Officer

12.1. Yuzhnoye SDO's employees during a working day may apply to the Anti-Corruption Officer or submit a written inquiry to him/her for receiving explanations and consultation assistance on the matter related to understanding of the content or the procedure for the implementation of the specific standards of the anti-corruption legislation.

12.2. A written inquiry can be drawn by one of the following methods:

- a letter in a free form, dated and signed by the person, and then submitted to the Anti-Corruption Officer in the procedure established within Yuzhnoye SDO;
- an office memo signed by the Head of a structural unit where the person works, and then it is registered and submitted to the Anti-Corruption Officer in the procedure established within Yuzhnoye SDO.

12.3. The Anti-Corruption Officer gives explanations within three business days from the date of a written inquiry receipt.

If the answer cannot be done within the specified period (in particular, due to the need to study additional documents, to submit inquiries to the authorities and the presence of other objective circumstances), the Anti-Corruption Officer informs the initiator of the written inquiry within three business days indicating the period the final answer being provided.

13. Disciplines applied to the identified facts on corruption or corruption-related offences within Yuzhnoye SDO

13.1. In the event of identification of the facts about the violation of the anti-corruption legislation by a Yuzhnoye SDO's official, the Anti-Corruption Officer takes the following measures:

- initiates the implementation of disciplinary punishment in the presence of sufficient grounds in the procedure established within Yuzhnoye SDO;
- initiates, in the procedure established within Yuzhnoye SDO, the implementation of measures provided for by the Anti-Corruption Program to investigate the identified facts in order to confirm or to defeat the information about the violation of the anti-corruption legislation that might have been committed by a Yuzhnoye SDO's official.
- informs, in the procedure established within Yuzhnoye SDO, the General Director of Yuzhnoye SDO and if necessary the specially authorized subjects in the field of combating corruption, about the identified offences so that they take the measures provided for by the legislation.

13.2. Disciplinary punishment may be imposed on Yuzhnoye SDO's officials who have committed the violation or mistreated the anti-corruption legislation requirements in accordance with the standards of the labor legislation.

14. Procedure for conducting internal investigation

14.1. In the event of receiving notifications or identification of the instances of the violation of the Anti-Corruption Program or the instances of corruption or corruption-related offences committed by a Yuzhnoye SDO official, the Anti-Corruption Officer reports this information to the General Director who takes measures stipulated in paragraph 14.2 of the Anti-Corruption Program.

In the event of receiving notifications or identification of the instances of the violation of the Anti-Corruption Program or the instances of corruption or corruption-related offences committed by the General Director of Yuzhnoye SDO, the Anti-Corruption Officer reports this information to the State Space Agency of Ukraine.

In the event of receiving notifications or identification of the instances of the violation of the Anti-Corruption Program or the instances of corruption or corruption-related offences committed by the Anti-Corruption Officer, the General Director of Yuzhnoye SDO reports this information to the State Space Agency of Ukraine, and takes measures stipulated in paragraph 14.2 of the Anti-Corruption Program.

14.2. Under the conditions stipulated in paragraph 14.1, the General Director of Yuzhnoye SDO is obliged to take the following measures:

1) to initiate, within three days, the conducting of the internal investigation to confirm or to defeat the information about the violation of the Anti-Corruption Program, or corruption or corruption-related offences that might have been committed;

2) in accordance with the internal investigation findings, to impose on the culpable persons disciplinary punishment if there are grounds for it;

3) in accordance with the internal investigation findings, to define the methods of eliminating the causes and consequences of the violation, if any, and take measures to prevent corrupt practices in the future;

4) if the administrative or criminal offences have been identified, to report this information to the specially authorized subjects in the field of combating corruption defined by the legislation of Ukraine, within ten days.

14.3. An internal investigation is carried out only if the submitted or identified information is related to the specific persons, and contains actuals that can be verified.

14.3.1. An internal investigation is appointed by the General Director of Yuzhnoye SDO and implemented by the committee.

The committee should include the Anti-Corruption Officer except for the instances when an investigation is carried out in connection with the identified facts or submitted information about corruption or corruption-related offences, or the violation of the requirements of the Anti-Corruption Program committed by the

Anti-Corruption Officer.

14.3.2. The investigation period should not exceed 30 days.

14.3.3. The materials of the conducted internal investigations are kept in the archives of the Anti-Corruption Officer for at least 5 years.

14.3.4. If, in accordance with the internal investigation findings, disciplinary punishment has been imposed on the Anti-Corruption Officer, this information is submitted to the National Agency for Prevention of Corruption in writing, within two days from it was imposed.

15. Procedure for amending the Anti-Corruption Program

15.1. In the event of detection of insufficiently effective provisions of this Anti-Corruption Program or related to them the anti-corruption measures taken by the enterprise, or in case of changing the requirements for the Ukrainian current legislation in the field of anti-corruption policy, the General Director of Yuzhnoye SDO shall arrange for the designing and implementation of the program for revision and modification of this Anti-Corruption Program and/or the anti-corruption measures.

15.2. The Anti-Corruption Program and its amends are approved by order of the General Director.

After the anti-Corruption program being approved, it is made public on the official website of Yuzhnoye SDO.