

Regulation on Hotline for fighting fraud, corruption, and embezzlement at Gazprom Group

1. General provisions

1.1. This Regulation identifies the key tasks and objectives of the Hotline for fighting fraud, corruption, and embezzlement at Gazprom Group (hereinafter referred to as the “Hotline”), its main design concepts, operating principles and a procedure of task and authority distribution among structural units of Gazprom (hereinafter also referred to as the “Company”) as well as among its subsidiaries and entities.

1.2. This Regulation has been developed in compliance with **the Federal Law on Corruption Counteraction** No. 273-FZ dated December 25, 2008, **the Federal Law on Anti-Corruption Expert Appraisal of Regulatory Acts and Their Drafts** No. 172-FZ dated July 17, 2009, **the Russian President’s Decree on Anti-Corruption Measures** No. 815 dated May 19, 2008, the Russian Prime Minister’s assignments regarding the provision of information about the chain of owners including beneficiaries (final beneficiaries inclusive), other Russian legislative and regulatory acts governing relations in the area of fighting fraud, corruption, and embezzlement, as well as with local regulations of Gazprom.

2. Terms and definitions

2.1. The following terms are used throughout this Regulation:

“Gazprom Group” means Gazprom and entities incorporated into the Company’s organizational structure;

“Hotline of Gazprom Group (Hotline)” means a set of organizational measures and technical means enabling Gazprom Group’s employees and other individuals to report about facts and evidence of fraud and corruption, about a conflict of interest among employees and contractors, thefts and misuse of property and assets, as well as about violations of procedures covering the procurement of goods, works and services at Gazprom Group;

“Hotline support group” means a structural unit within the Economic Security Directorate under the Corporate Security Service of Gazprom entrusted with managing the Hotline related activities;

“Corporate Ethics Commission” means a commission set up within Gazprom in line

with Gazprom's **Code of Corporate Ethics** approved by the Board of Directors' Decision No. 2309 dated February 25, 2014;

“conflict of interest” means a situation when personal interests of one or several officers or employees of Gazprom Group or their family members collide with the interests of Gazprom Group, including cases when one and the same individual fulfills contradictory functions simultaneously (for instance, performs the work and supervises it, holds concurrently managerial positions at a customer company and a contracting company);

“corporate fraud” means action or inaction of officers and/or employees of Gazprom Group with a view to gain personal benefits to the detriment of Gazprom Group's interests and/or to cause non-pecuniary damage by means of fraud, breach of trust, misinterpretation or otherwise (through accounting misstatement, acts of corruption and theft or misuse of the Company's assets);

“acts of corruption” means the use by an official of her/his authoritative/administrative powers, rights vested in her/him and her/his authority for the purposes of personal benefits, which is contrary to the laws and moral principles and is effectuated in any form;

“Hotline phone of Corporate Ethics Commission” means a contact phone number for reaching representatives of the Corporate Ethics Commission, as indicated in Gazprom's Code of Corporate Ethics.

3. Main objectives and tasks of Hotline

3.1. The main objectives of the Hotline are:

increasing the efficiency of measures aimed at preventing acts of corruption, corporate fraud and embezzlement at Gazprom Group;

mitigating legal and reputational risks arising from the violation of professional and ethical standards by Gazprom Group's employees;

ensuring the transparency of Gazprom Group's operations;

creating conditions for revealing acts of corruption, corporate fraud and embezzlement by involving Gazprom Group's employees in the prevention of these offences.

3.2. The main tasks of the Hotline are:

ensuring prompt receipt, recording and review of information regarding acts of corruption, corporate fraud and embezzlement at Gazprom Group;

coordinating the activities of Gazprom's structural units responsible for the prevention of

acts of corruption, corporate fraud and embezzlement;

building an efficient communications system among Gazprom's structural units and entities incorporated into Gazprom Group;

analyzing information received by the Hotline in order to improve Gazprom's local regulations governing relations in the area of preventing acts of corruption, corporate fraud, and embezzlement.

4. Hotline design concepts

4.1. The Hotline is a means for collecting and analyzing information. It is a part of the multi-level system designed to combat corruption, corporate fraud, and embezzlement. Among other things, it includes an offence risk assessment system and an offence detection & investigation methodology and is used for identifying perpetrators and building a culture of zero tolerance for fraud, corruption, and thefts.

4.2. A thorough analysis of information received by the Hotline shall pursue the following goals:

harmonizing Gazprom Group's local regulations and business processes in order to fight corruption, corporate fraud, and embezzlement, as well as to identify preconditions for the emergence of corruption and formulate consolidated proposals aimed at reducing incentives for corruption at Gazprom Group;

planning and carrying out measures for better detection and investigation of cases of corruption, corporate fraud and embezzlement, correct classification of offences and precise distinction of criminal acts from civil matters following, inter alia, the recommendations of **the Resolution on Judicial Practice in Cases of Bribery and Other Corruption Crimes** No. 24 dated July 9, 2013 by the Plenum of the Russian Federation Supreme Court.

4.3. The Hotline operation is based on the following principles:

complying with international standards and recommendations for the prevention of abuses of corrupt nature;

complying with the Russian laws and regulatory acts governing relations in the area of corruption, corporate fraud and theft prevention;

carrying out organizational & technical activities to ensure the anonymity and confidentiality of information received by the Hotline as well as its protection from unauthorized use.

4.4. Independent hotlines to fight corruption and register incoming information may be established throughout Gazprom Group.

4.5. When setting up independent hotlines to fight corruption, Gazprom Group's entities based in foreign jurisdictions shall follow international anti-corruption conventions and standards, for instance, the Global Compact of the United Nations, **the United Nations Convention against Corruption** approved by the UN General Assembly through the Resolution 58/4 dated October 31, 2003, foreign extraterritorial laws (for instance, the UK Bribery Act dated April 8, 2010 and enacted on July 1, 2011) and the relevant national legislation.

5. Information receipt by Hotline

5.1. Incoming primary information shall be received by the Hotline support group around-the-clock by phone, e-mail, mail, fax or through the Hotline stationary boxes installed in the Company's office buildings.

5.2. Individuals who contact the Hotline shall be asked to provide, if possible, the following data:

time and place of an alleged wrongdoing;

first, middle and last name of a person engaged in fraud or acts of corruption,

description of the alleged wrongdoing,

potential damage to Gazprom Group as a result of improprieties described in the allegation,

other essential information regarding the wrongdoing.

5.3. The Document Management and Control Department under the Management Committee Administration shall register the Hotline related documents coming from the Corporate Security Service of Gazprom.

6. Hotline information processing

6.1. The Hotline support group shall check on a daily basis for the availability of information received by the Hotline, carry out its preliminary processing in terms of relevance to Gazprom Group, authenticity, anonymity, importance, novelty, presence of the described facts in the media, etc.

6.2. Information received by the Hotline, including personal and contact data of a complainant, shall be communicated exclusively to persons who are involved in the

review and decision-making process related to such information. The mentioned persons assume the obligation not to disclose their sources of information.

The complainant's identity and the received information shall be kept confidential during processing. No action against the person who provides the information is allowed.

6.3. Anonymous information shall be accepted for processing if it contains specific details of the facts or evidence of fraud, perceived corruption, embezzlement, or any other criminal encroachments on the Company's property and its business reputation.

If the anonymous information is general by nature or contains slander or insults, it shall not be accepted for review.

6.4. Information not related to Gazprom Group shall not be accepted for review. Such information may be forwarded with the complainant's consent to respective public bodies and agencies.

6.5. If an allegation received by the Hotline relates to a conflict of interest or corruption and other dubious activities falling within the scope of Gazprom's **Code of Corporate Ethics**, it shall be forwarded to the **Corporate Ethics Commission**.

6.6. If the allegation received by the Hotline contains data regarding a wrongful act intended, actual or committed as well as a relevant person, such allegation shall be forwarded to law enforcement authorities according to their competence.

6.7. Information related to beneficiaries of Gazprom Group's counterparties and complaints received by the Hotline shall be further verified and assessed by experts of the Corporate Security Service, the Internal Audit Department under the Management Committee Administration and the Legal Department in terms of evidence of fraud, corruption, embezzlement and misconduct.

The procedure of interaction on the mentioned issues among the Company's structural units shall be governed by a separate local regulatory act.

6.8. Relevant documents and written explanations may be requested from the Company's structural units and Gazprom Group's entities in the process of the Hotline information assessment.

6.9. Experts from other structural units of the Company and entities of Gazprom Group may also be engaged in gathering additional information and conducting verification related activities.

7. Hotline information processing results

7.1. After processing the information received by the Hotline, in the cases when:

the relevant information is confirmed,

other facts revealing fraud, corruption, and embezzlement at Gazprom Group are detected,

facts of unreliable information are detected in respect of the beneficiaries of Gazprom Group's counterparties and the affiliation of Gazprom Group's counterparties with Gazprom Group's employees,

the Corporate Security Service shall prepare a final report and forward it to the Management Committee Chairman in accordance with an established procedure.

The procedure of interaction among the Company's structural units during the report preparation shall be governed by a separate local regulatory act.

7.2. The report shall contain reasoned proposals on:

the need for conducting an internal inspection,

the creation of working groups (commissions),

measures to be taken when a conflict of interest and other violations related to a position held by a Gazprom Group employee are detected,

preventive measures to be taken to fight fraud, corruption, and embezzlement at Gazprom Group,

other proposals based on the contents of information received by the Hotline.

If necessary, reference information in the form of notices, audio records and other data may be attached to the report.

7.3. Reference information about allegations received by the Hotline shall be stored by the Corporate Security Service over three years from the day of receipt.

7.4. The results of information review and data about the measures taken may be communicated to the complainant if it does not damage the interests of Gazprom Group.

8. Final provisions

8.1. This Regulation with all amendments and additions hereto shall become effective from the date a Gazprom executive document on its approval is signed.

8.2. If individual rules in this Regulation collide with the Russian law, they shall lose their

force, and the corresponding provisions of the Russian law shall apply. The invalidity of individual rules herein shall not imply the invalidity of other rules and the Regulation in general.