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APPROVED
By the Board of Directors
of Segezha Group PJSC
09 April 2021
Protocol No. 10/21 dated
09.04.2021

CODE
“INTERNAL AUDIT OF
THE SEGEZHA GROUP OF COMPANIES”
K 002-1-2021

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Internal Audit Department,
Managing Director - Chief Internal Auditor D.D.Bocharov

APPROVED:


By the decision of the Board of Directors of Segezha Group PJSC (Protocol No. 10/21 dated 09.04.2021)

IN SUPERSESSION OF K 002-2021. Of the Internal Audit Code of Segezha Group of Companies, approved by Order of the President of Segezha Group PJSC No. 15 dated February 12, 2021 (based on the decision of the Board of Directors of Segezha Group PJSC dated February 12, 2021 (Protocol No. 4/21 dated February 12, 2021))

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1. PURPOSE OF CODE

This Code regulates the internal audit processes in Segezha Group PJSC (hereinafter - the Company), as well as in other organizations of the Segezha Group of Companies (hereinafter - OSGC), for which the Managing Director – Chief Internal Auditor of the Company has been appointed responsible.

This Code establishes general goals, objectives, principles of functioning of the internal audit of the Company and OSGC and the distribution of responsibilities and powers of their subjects.

2. RESPONSIBILITY FOR APPLICATION

The following officials of the Company and OSGC are obliged to know and use this Code in their work:

- President;
- Vice Presidents;
- Heads of divisions;
- Heads of structural divisions;
- Heads of OSGC.

The Code becomes mandatory for use in OSGC from the moment of their accession to the Code by issuing a corresponding order. Control over compliance with the requirements and procedures provided for by this Code in the OSGC is carried out by the Managing Director - the Chief Internal Auditor.


The managers and employees of the Company and OSGC are personally responsible for compliance with the requirements of this Code, as well as for the actions of their subordinate employees in terms of compliance with the principles and requirements of the Code.

Persons guilty of violating the requirements of this Code may be brought to disciplinary, administrative, civil or criminal liability in the manner and on the grounds provided for by the legislation of the Russian Federation, the Charter of the Company, local regulations and employment contracts.

3. REFERENCES

The Code has been developed in accordance with the current legislation of the Russian Federation, taking into account international corporate governance practices and recommendations and provisions of the following documents:

- COSO Internal Control – a methodology for building and evaluating an internal control system developed by the COSO organization;
- The International Framework for the Professional Practice of Internal Auditing (hereinafter - IFPP), developed by the International Institute of Internal Auditors;
- Corporate Governance Code recommended by the Bank of Russia;
- Federal Law dated December 06, 2011 No. 402-FZ “On Accounting”;
- Information of the Ministry of Finance of Russia No. PZ-11/2013 “Organization and implementation by an economic entity of internal control of the facts of economic life, accounting and preparation of accounting (financial) statements”;
- Information letter from the Bank of Russia dated October 01, 2020 No. IN-06-28/143 “On recommendations for organizing risk management, internal control, internal audit, and the work of the audit committee of the Board of Directors (Supervisory Board) in public joint stock companies”;
- Foreign Corrupt Practices Act (FCPA) – Foreign Trade Fraud and Corruption Act 1977;
- The Code of Ethics of the Segezha Group of Companies approved by the Board of Directors of the Company (hereinafter - the Code of Ethics);

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- Code “System of internal control of the Segezha Group of Companies” approved by the Board of Directors of the Company;
- Regulations on the Audit Committee of the Board of Directors of the Company;
- Regulations of the Company “On the Internal Audit Department”;
- Other internal documents of the Company.

4. GENERAL PROVISIONS

Internal audit functions in the Company and OSGC are performed by the Internal Audit Department of the Company (hereinafter - the IAD).

IAD is a structural unit independent from the management of the Company, which provides the Board of Directors of the Company with independent and objective assurance and consultations aimed at increasing the shareholder value and improving the activities of the Company.

Provision of assurance is an objective analysis of the available audit evidence in order to provide an independent assessment of the internal control system, corporate governance and risk management processes in the Company.

Provision of consultations is the activity of internal audit on the provision of advice and recommendations, aimed at providing assistance and improvement of internal control, corporate governance processes, risk management in the Company, excluding the adoption of responsibility by internal auditors for management decisions.

The management of the IAD is carried out by the Managing Director - the Chief Internal Auditor, who reports to the President of the Company (administratively) and the Board of Directors of the Company (functionally). Managing Director - Chief Internal Auditor is appointed and dismissed by the sole executive body (President) of the Company on the basis of the decision of the Company`s Board of Directors. Consideration of proposals for the appointment (dismissal) of the managing director - the chief internal auditor, as well as the terms of the employment contract with him/her, including the amount of his/her remuneration and key performance indicators, is carried out by the Company`s Board of Directors with preliminary consideration of these issues by the Audit Committee of the Company`s Board of Directors.

At least once a year, the Managing Director - Chief Internal Auditor confirms the organizational independence of the IAD before the Audit Committee and the Board of Directors of the Company.


5. GOALS AND OBJECTIVES OF THE INTERNAL AUDIT

The purpose of the internal audit is to assist the shareholders and management of the Company and OSGC in increasing the shareholder value and improving the activities of the Company.

Such assistance is carried out by conducting audits and performing control measures aimed at assessing and improving the efficiency of the internal control system, risk management and corporate governance systems.

The objectives of internal audit are:

- providing the management and shareholders of the Company with objective information on the presence and likelihood of risks and threats;
- assessment of the efficiency of the internal control system of business processes;
- assessment of the effectiveness of the risk management and corporate governance system;
- ensuring the protection of the legitimate interests of all shareholders of the Company;
- raising the level of awareness of the management and shareholders of the Company about the results of the activities of the Company and OSGC;
- control over the fulfillment of goals and objectives set by the Board of Directors of the Company;

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- other tasks stipulated by other internal documents of the Company.

6. PRINCIPLES OF THE ORGANIZATION OF THE WORK OF THE IAD

As part of its activities, the IAD ensures the mandatory application and compliance with the Basic Principles for the Professional Practice of Internal Auditing, the Code of Ethics, Standards and the Definition of Internal Auditing (IFPP guidelines).

6.1. In their activities, IAD employees are guided by the principles of honesty, objectivity, confidentiality and professional competence (hereinafter - the Principles), as well as the current legislation of the Russian Federation, local regulations of the Company.

6.2. In order to confirm compliance with the Principles, all IAD staff annually sign a Declaration of Conformity (Annex No. 1), in which they are required to indicate all cases of deviations from the requirements for the internal auditor profession (if such occurred during the reporting year). Based on the results of the reporting period, the Managing Director - Chief Internal Auditor informs the Audit Committee of the Company's Board of Directors on the compliance of the IAD staff with the Principles, and in case of deviations - on the corrective actions taken to reduce risks.

6.3. The Managing Director - Chief Internal Auditor has the right to take part in the meetings of the Audit Committee of the Board of Directors and the Company's Board of Directors (as a permanently invited person), the Management Board of the Company (as a permanently invited person), as well as in the work and meetings of collegial OSGC governing bodies (everywhere without the right to vote). The Managing Director - Chief Internal Auditor may delegate the right to participate in the meetings of the collegial management bodies of the Company and OSGC to another employee of the IAD (also without the right to vote).

6.4. The Managing Director - Chief Internal Auditor has the right to direct access to the President of the Company, the Chairman of the Audit Committee of the Company's Board of Directors and the Chairman of the Company's Board of Directors.


6.5. When implementing the internal audit functions, independence is achieved by differentiating the administrative and functional subordination of internal audit.

6.5.1. Functional subordination to the Company's Board of Directors provides, including:

- approval of this Code, the Regulation "On the Internal Audit Department", the annual audit plan and the budget of the IAD;
- approval and dismissal of the managing director - the chief internal auditor, as well as the terms of the employment contract with him/her;
- obtaining an annual report on the activities of the function, including the results of internal and external evaluations of the activities of the IAD;
- interaction with the managing director - the chief internal auditor on the organization and implementation of internal audit;
- consideration of significant restrictions on the authority of the IAD or other restrictions that could adversely affect the implementation of internal audit activities.

6.5.2. Administrative subordination to the executive bodies of the Company provides, including:

- allocation of the necessary funds within the budget for the implementation of the internal audit function;
- receiving reports on the results of the IAD's activities and reports on the results of the audits carried out;
- administration of the regulatory documents of the IAD;
- providing support in the interaction of IAD with the divisions of the Company and OSGC.

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6.5.3. In order to ensure the independence and objectivity of the internal audit, the Board of Directors and the President of the Company are recommended to exclude factors that may create conditions for a conflict of interest of any kind, including those caused by:

- combining the managing director - chief internal auditor of management / decision-making functions in terms of the activities of the Company and/or OSGC, including membership in collegial executive bodies;
- participation (membership) of the managing director - chief internal auditor and/or employees of the IAD in the management bodies of the Company and/or OSGC: boards of directors and committees of the respective boards of directors;
- imposing on the managing director - the chief internal auditor or employees of the IAD with duties not related to the implementation of internal audit in the Company;
- inclusion of employees of other structural divisions of the Company or OSGC in the structure of the IAD, whose activities are not related to the implementation of internal audit.

6.6. As part of their activities, IAD employees can request any information necessary to perform their functions in writing (including by e-mail) from the heads of structural divisions and employees of the Company or OSGC, including obtaining access to any information resources necessary to perform their functions.

The heads of structural divisions and employees of the Company or OSGC are obliged to provide explanations in oral and written form at the request of the IAD, and not to allow any actions aimed at limiting the activities of the IAD.

6.7. The IAD has the right to receive the resources of the Company and OSGC necessary for the performance of audits, to attract external consultants and experts, provided that the disclosure of information to external consultants and experts for the purpose of performing audits does not entail a violation of the Company's internal procedures and applicable law.

6.8. Internal audit is carried out through audits and control measures on the basis of which reliability is assessed and recommendations are provided to improve the efficiency of internal control, risk management and corporate governance systems.

7. FUNCTIONS OF INTERNAL AUDIT


To achieve the goals and solve the assigned tasks, the IAD performs the following functions:

7.1. Planning, organizing and conducting audits of business processes, functions, projects, structural divisions and OSGC and other facilities of the Company on the issues of ensuring:

- evaluating the effectiveness of the internal control system, risk management and corporate governance systems;
- compliance with the requirements of legislation, industry regulations, internal regulatory documents, obligations under contracts and agreements;
- fulfillment of decisions and orders of management bodies, requirements of organizational and administrative documents;
- efficiency, effectivity and efficiency of activity;
- reliability, timeliness, reliability and completeness of preparation of financial and management reporting.

7.2. Conducting audits, fulfilling instructions of the Board of Directors, the Audit Committee of the Board of Directors, the Management Board and the President of the Company on issues related to the competence of internal audit.

7.3. Participation in official investigations on the facts of abuse and fraud, causing damage to the Company and/or OSGC, misuse of funds and assets, and other unfair actions of employees.

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7.4. Informing the Board of Directors, the Audit Committee of the Board of Directors and the President of the Company about the results of audits, providing recommendations for eliminating violations and deficiencies identified during the audits, proposals for improving the efficiency of the internal control system, risk management and corporate governance, and improving the Company's activities.

7.5. Monitoring the implementation of plans to eliminate deficiencies (hereinafter - PED) and implementation of measures to improve the efficiency of the internal control system and improve the activities of the Company.

7.6. Providing advice to the management and the Board of Directors of the Company on internal control, risk management and corporate governance issues (while maintaining the independence and objectivity of internal audit).

7.7. Other functions aimed at achieving goals and solving problems determined by the Code and the Regulation "On the management of internal audit".

8. CONDUCTING AUDIT

This section establishes the procedure for planning and conducting IAD audits, as well as the duties, responsibilities and principles of interaction of all employees of the Company and OSGC participating in this process.

In the event that third parties interfere with the process of conducting audits or influencing the independence of the IAD established by this Code, the Managing Director - Chief Internal Auditor informs the President of the Company, the Chairman of the Audit Committee of the Board of Directors of the Company and/or the Chairman of the Company's Board of Directors in writing for action.

8.1. Audits plan

8.1.1. The documentary basis for the activities of the IAD is the risk-oriented work plan for the corresponding year, in which, as a rule, at least 30% of the time is reserved for unscheduled audits at the request of the authorized management bodies of the Company.

8.1.2. The annual audit plan is formed on the basis of a matrix of risks and processes, combining information about the risks of the Company and OSGC, business processes and their materiality, the effectiveness of the internal control system of business processes (as assessed by the IAD), as well as other factors affecting the materiality and relevance those that may be subject to verification.

8.1.3. The heads of the Company and OSGC, on the basis of requests from the IAD, by October 31 of the year preceding the planned one, have a right to propose to include in the plan any topics, business processes, divisions or individual operations with justification for the need to check them. Such a request as a rule is sent by the IAD to the management of the Company at least 2 weeks before the deadline for providing information.


8.1.4. The IAD, by November 25 of the year preceding the planned one, draws up a draft annual audit plan, taking into account the proposals of the managers of the Company and OSGC accepted by the IAD. The draft annual plan is sent for discussion to the President of the Society. Until December 25 of the year preceding the planned one, the annual audit plan is considered by the Audit Committee of the Board of Directors of the Company and approved by the Company's Board of Directors (along with the resource plan and budget of the IAD for the year).

8.2. Grounds for the audit

8.2.1. The basis for the decision by the IAD to start preparing for the scheduled audit is the plan of IAD audits for the current year approved by the Board of Directors of the Company.

8.2.2. The decision to conduct an unscheduled audit is made by the Managing Director - Chief Internal Auditor, if any of the following grounds exist:

- decisions of the Board of Directors of the Company (Minutes/Extract from the Minutes of the meeting);

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- decisions of the Committees under the Board of Directors of the Company (Minutes/Extract from the Minutes of the meeting);
- orders/instructions of the Chairman of the Board of Directors of the Company;
- orders/instructions of the Chairmen of the Committees under the Board of Directors of the Company;
- orders/instructions of the President of the Company;
- decisions of the Managing Director - Chief Internal Auditor.

8.3. The main stages of the audit

When planning and conducting a planned or unscheduled audit of the IAD, the following main stages are distinguished:

- notification of the management of the audited subdivision of the Company/Head of OSGC/Owner of the business process (hereinafter - the Audit Object) about the start of the audit;
- planning the audit, including the preparation of the Audit Program;
- audit;
- holding a final meeting with the management of the audited entity;
- preparation and release of a preliminary report/conclusion of the IAD based on the results of the audit;
- discussion of the preliminary report/conclusion of the IAD with the management of the object of audit;
- preparation and release of the final report/conclusion;
- preparation of the PED by the management of the object of verification and its coordination with the IAD;
- monitoring the implementation of the PED based on the results of the audit.

8.4. Audit Notice and Audit Scheduling


8.4.1. Information about the upcoming audit can be sent in the form of a letter, message by e-mail or communicated by means of an official notification at a personal meeting of the head of the audit (employee of the IAD) and the audited division of the Company/OSGC.

8.4.2. At the stage of planning an audit, an audit team is formed at the IAD, and an audit leader is appointed. If it is necessary to include an employee of a structural subdivision of the Company or OSGC in the group, the Managing Director - Chief Internal Auditor coordinates his/her participation in the audit with the head of the corresponding structural subdivision. Upon agreement, the Managing Director - Chief Internal Auditor must take into account the risks of a conflict of interest.

8.4.3. At the stage of planning the audit and preliminary acquaintance with the information about the subject of audit, the audit team consolidates and documents information about the business process or area of activity in respect of which the audit will be carried out in order to clarify the main audit issues, methodology, scope of the audit and audit selection, required resources and time frames.

8.4.4. The results of the planning stage are formalized in the form of an audit program (hereinafter - the Audit Program), which contains the following mandatory information:

- the basis for the audit, the name of the audit object;
- the composition of the audit team;
- goals and main directions of audit;
- list of risks inherent in the object of audit;
- control procedures and audit activities;
- size and justification of the audit sample for conducting control procedures;

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- the timing of the start and end of the audit, including the timing of the formation of the preliminary report, the final report/conclusion, as well as the timing of the development of the PED and coordination with the IAD.

8.4.5. In some cases (when conducting urgent unscheduled audits, official audits on the facts of fraud, monitoring the implementation of the PED, as well as in other cases), by the decision of the Managing Director - Chief Internal Auditor, the audit program may not be drawn up.

8.5. The procedure for interaction during the audit

8.5.1. The term of the audit is set depending on the complexity and scope of the audit program. As a rule, the period for conducting an audit from the moment of approval of the Audit Program to the release of the preliminary report is no more than 8 calendar weeks.

8.5.2. Based on the received notification of the audit, the head of the audit object:

- within 2 working days, appoints an audit coordinator from among the top executives of the audit object, who is authorized to resolve issues related to ensuring the ongoing audit. A deputy coordinator is also appointed during his/her absence;
- within 3 working days, provides the audit team with a list of employees responsible for certain areas of activity within the framework of the audit, or persons replacing them, indicating their contact information and ensures their availability for interviews during the audit period. If it is necessary to meet with an employee who is not included in the previously agreed list of contact persons, then such a meeting is agreed with the audit coordinator in the working order;
- before the start of the audit, ensures the provision of the IAD with the necessary documents and information upon request for the development of the audit program, including access to the relevant information systems and databases;
- in the course of the audit, ensures that the members of the audit team are provided with the necessary documents and information, the opportunity to hold meetings and interviews with the employees of the audit object.

8.5.3. Also, the head of the audit object (if necessary) provides for the audit group:

- a separate room equipped with computer, telephone and electronic communications;
- access to databases of information related to the ongoing audit, local networks and the Internet;
- service transport, including delivery from and to the airport, railway station, etc., hotel booking (if necessary);
- other necessary conditions for work.


8.5.4. At the request of the members of the audit group, including oral requests, the employees of the audit group, within the timeframe determined by the audit group, submit the documents and their drafts, analytical information, and explanations on issues related to the audit. By decision of the members of the audit group, information is provided in electronic form and/or on paper, depending on the availability of this or that information carrier.

8.5.5. During the audit, the audit team leader may discuss preliminary findings with the management of the auditee and/or those responsible for the audited areas of activity in order to reach an understanding on the results obtained during the audit and to eliminate the identified deficiencies and risks.

8.5.6. In the event that important facts are revealed during the audit process that require the immediate intervention of the management of the object of audit or the Company, the head of the audit immediately notifies the Managing Director - Chief Internal Auditor, who decides to communicate this information to the management of the Company in order to eliminate the identified risk.

8.5.7. After completing the stage of collecting and analyzing information, the audit team can hold a final meeting with the management of the audit object. The purpose of the final meeting is to inform the management of the object of audit about the preliminary results of the audit, to receive comments on the correctness of the presentation of facts, to discuss measures to eliminate the identified deficiencies.

8.6. The order of interaction when agreeing on the results of the audit

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8.6.1. Based on the results of the audit, the audit team leader and members of the audit team draw up a preliminary audit report based on the working papers prepared by the audit team members.

The preliminary report includes the following information:

- objectives and scope of the audit;
- deficiencies in the risk management, internal control and corporate governance system, if any, that were identified by the auditors as key, that is, significantly affecting the effectiveness of the audited object;
- reasons for the identified deficiencies, if any;
- the consequences of the identified deficiencies (usually presented in numerical terms);
- preliminary findings of the review team;
- preliminary recommendations for eliminating deficiencies and improving the efficiency of risk management, internal control and corporate governance systems.

8.6.2. The preliminary report is issued within 2 weeks after the completion of the audit and is sent to the management of the object of the audit for approval. In the event of an unscheduled audit, a preliminary report is also sent to the initiator of the request for an audit.

8.6.3. After receiving the Preliminary Report, in case of disagreement with certain facts, conclusions or recommendations set out in the report, the management of the object of audit, within 1 week, prepares a detailed and reasoned justification for its disagreement, and also offers the correct, in their opinion, formulations of facts. Comments from the management of the audited entity are sent by e-mail to the head of the audit and the Managing Director - Chief Internal Auditor.

In case of untimely provision by the management of the object of audit of its reasoned disagreement, the preliminary report on the results of the conducted audit is considered to be agreed.

8.6.4. After agreeing on the preliminary report, the audit team prepares a final report/conclusion containing the most important information on the results of the work carried out during the audit. If the final report/conclusion includes information that is not agreed with the management of the subject of audit and is not specified in the preliminary report, then the head of the audit may inform the management of the subject of audit before the release of the final report/conclusion.


8.6.5. The final report/conclusion contains the following sections:

- brief information about the object of audit;
- observations, control criteria, identified shortcomings of the internal control system;
- assessment of the effectiveness of the internal control system, risk management system and corporate governance within the audited business process or project (if applicable);
- a set of reasons that led to the occurrence of violations and shortcomings;
- the risks and consequences of each of the key deficiencies of the internal control system, which significantly affect the effectiveness of the object of audit (the decision to classify the deficiencies as key is made by the Managing Director - Chief Internal Auditor);
- recommendations for eliminating the causes of the identified violations and shortcomings;
- assessment of the economic effect that can be obtained as a result of the implementation of the recommendations (if possible).

8.6.6. The final report/conclusion is issued by the audit team within 2 calendar weeks after receiving detailed and reasoned comments from the management of the audit object and other interested parties. The final report/conclusion includes the same sections as the preliminary report/act, and takes into account the comments received.

8.6.7. If disagreements persist between the auditors and the management of the object of audit, which were not resolved within the time limits established by this Code, this circumstance is reflected by the auditors in the final report/conclusion.

8.6.8. The final report/opinion is approved by the Managing Director - Chief Internal Auditor and sent to the President of the Company. Also, the report/conclusion can be sent to the Chairman of the

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Board of Directors of the Company, the Chairman of the Audit Committee of the Board of Directors of the Company, the initiator of the request (in case of an unscheduled audit).

8.7. Developing a plan to eliminate deficiencies and monitoring its implementation

8.7.1. After receiving the final report/conclusion, the management of the audit object develops a PED, which includes measures to eliminate key and other deficiencies identified during the audit, indicating the responsible persons and deadlines.

8.7.2. The PED should have such a level of detail that auditors can conclude that it is sufficient to eliminate the identified deficiencies. The PED must be developed by the auditee, signed by the head of the Audit subject and agreed by the Managing Director - Chief Internal Auditor.

8.7.3. The approved PED activities are entered by the IAD employees into the electronic document management system (hereinafter - EDMS). In order to ensure the timely and high-quality implementation of activities, the IAD organizes monitoring of the implementation of the PED.

8.7.4. If it is necessary to cancel, change the content or timing of the PED activities (change in business processes, organizational structure, performers, the influence of external factors, etc.), the head of the audit object or the employee responsible for the implementation of the PED sends a corresponding request to the EDMS indicating the justification changes. The decision to change the previously approved PED is made by the Managing Director - Chief Internal Auditor.

8.7.5. If it is necessary to change the content or the timing of the PED activities again, the head of the Audit Object sends a corresponding written request (Memorandum) addressed to the President of the Company indicating the reasons and grounds for the changes. After receiving the resolution of the President of the Company, the person responsible for the implementation of the PED sends a request for changes in activities through the EDMS and attaches the decision of the President of the Society. After that, the Managing Director - Chief Internal Auditor decides to change the previously approved PED or discusses alternative options for action with the President of the Company.

9. PROGRAM OF GUARANTEES AND IMPROVEMENT OF THE INTERNAL AUDIT

In accordance with the IFPP and the best practices, the IAD develops and implements a program of guarantees and improving the quality of the Company's internal audit (hereinafter - the Guarantee Program).


The main goal of the Guarantee Program is to provide reasonable confidence to all interested parties that the activities of the IAD are carried out in accordance with the Internal Audit Code of Segezha Group, the Regulation on the Internal Audit Department, the IFPP, the Code of Ethics; IAD performs its functions efficiently and with the required level of quality; the internal audit function in the Company is constantly being improved.

The Guarantee Program is developed by the Managing Director - Chief Internal Auditor and approved by the Audit Committee of the Board of Directors of the Company.

The Managing Director - Chief Internal Auditor annually informs the Board of Directors, the Audit Committee of the Board of Directors of the Company and the President of the Company about the results of the implementation of the Guarantee Program, the results achieved and the need for corrective measures. The report on the results of the implementation of the Guarantee Program is provided as part of the report on the results of the activities of the IAD for the reporting year.

10. PROCEDURE FOR MAKING CHANGES AND ADDITIONS TO THE CODE

Changes and additions to the Code can only be made by issuing a new edition of the Code. The new version of the Code may be approved no more often than once a calendar quarter, and come into effect from the 1st day of the first month of the quarter (with the exception of emergency situations related to amendments to the current legislation of the Russian Federation, regulatory requirements of higher authorities or targeted decisions of executive bodies of the Society).


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The initiators of amendments to this Code may be the Managing Director - Chief Internal Auditor, the President of the Company, members of the Audit Committee of the Board of Directors and members of the Company`s Board of Directors.

One of the grounds for adjusting the provisions of this Code may be amendments to the IFPP and/or professional standards in the field of internal audit. The Managing Director - Chief Internal Auditor on a periodic basis, but at least once a year, reviews the need to amend the Code.

If the Company acquires a public status, this Code continues to apply.

Responsibility for the development, revision and amendment of this Code lies with the Managing Director - Chief Internal Auditor.

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Annex No. 1.

DECLARATION ON INDEPENDENCE, OBJECTIVITY AND ABSENCE OF CONFLICT OF INTEREST WITH THE INTERNAL AUDITOR OF SEGEZHA GROUP

<p>Question 1: You are familiar with and understand all 4 principles of the Internal Auditor's Code of Ethics, namely: honesty, objectivity, confidentiality and professional competence?</p>	
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Question 2: Over the past 12 months, have you followed the principle of integrity of the internal auditor, which means:

<p>2.1) performed your work honestly, conscientiously and responsibly; 2.2) acted within the law and, if required by law or professional standards, disclosed relevant information; 2.3) deliberately did not participate in actions or actions that discredit the profession of the internal auditor or your organization; 2.4) respect the legally and ethically justified goals of your organization and contribute to their achievement.</p>	
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Question 3: Over the past 12 months, have you followed the principle of objectivity of the internal auditor, which means:


<p>3.1) did not engage in any activity that could damage your impartiality or be perceived as causing such damage. This also applies to activities and relationships that may be contrary to the interests of the organization; 3.2) did not accept anything as a gift that could damage your professional opinion or be perceived as causing such damage; 3.3) disclosed all material facts known to you, which, if not disclosed, may distort the reports on the audited object.</p>	
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Question 4: Over the past 12 months, have you complied with the principle of confidentiality of internal audit, which means:

<p>4.1) You have been reasonable and prudent in the use and storage of information obtained in the course of performing your duties; 4.2) did not use the information for personal interests or in any other way that is contrary to the law or that could prejudice the achievement of the legally and ethically justified goals of the organization.</p>	
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Question 5: In the past 12 months, have you followed the principle of professional competence, which means:

<p>5.1) You participated only in those tasks for which you have sufficient professional knowledge, skills and experience; 5.2) You have performed internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing; 5.3) You have continuously improved your professionalism, as well as the efficiency and quality of the services provided.</p>	
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Question 6: Do you confirm that as of the date of filling out this questionnaire:

- you do not have a conflict of interest with the Company or OSGC, circumstances that may give the impression that you are acting under the influence of a conflict of interest?

If you answered “NO” to any question(s), please describe what, in your opinion, was the inconsistency with the principles of the Code of Ethics of the Internal Auditor. If you have any questions, you can contact your immediate supervisor.

By signing this questionnaire, I confirm that it was filled out by me personally, voluntarily and the information I provided is current, accurate, complete and reliable, and I also agree to the processing of my personal data¹ contained in this questionnaire.

Employee`s full name	Employee`s position	Filling date	Employee`s signature

¹ The personal data contained in this questionnaire and received directly from the subject of personal data are processed by the Company in order to ensure the legitimate interests of the Company in the event of possible contradictions between them and the personal interests of the subject of personal data in the performance of labor or other duties. The processing of personal data is carried out using automation tools (and/or without their use) by collecting, systematizing, accumulating, storing, clarifying (updating, changing), using, blocking, depersonalizing and destroying.