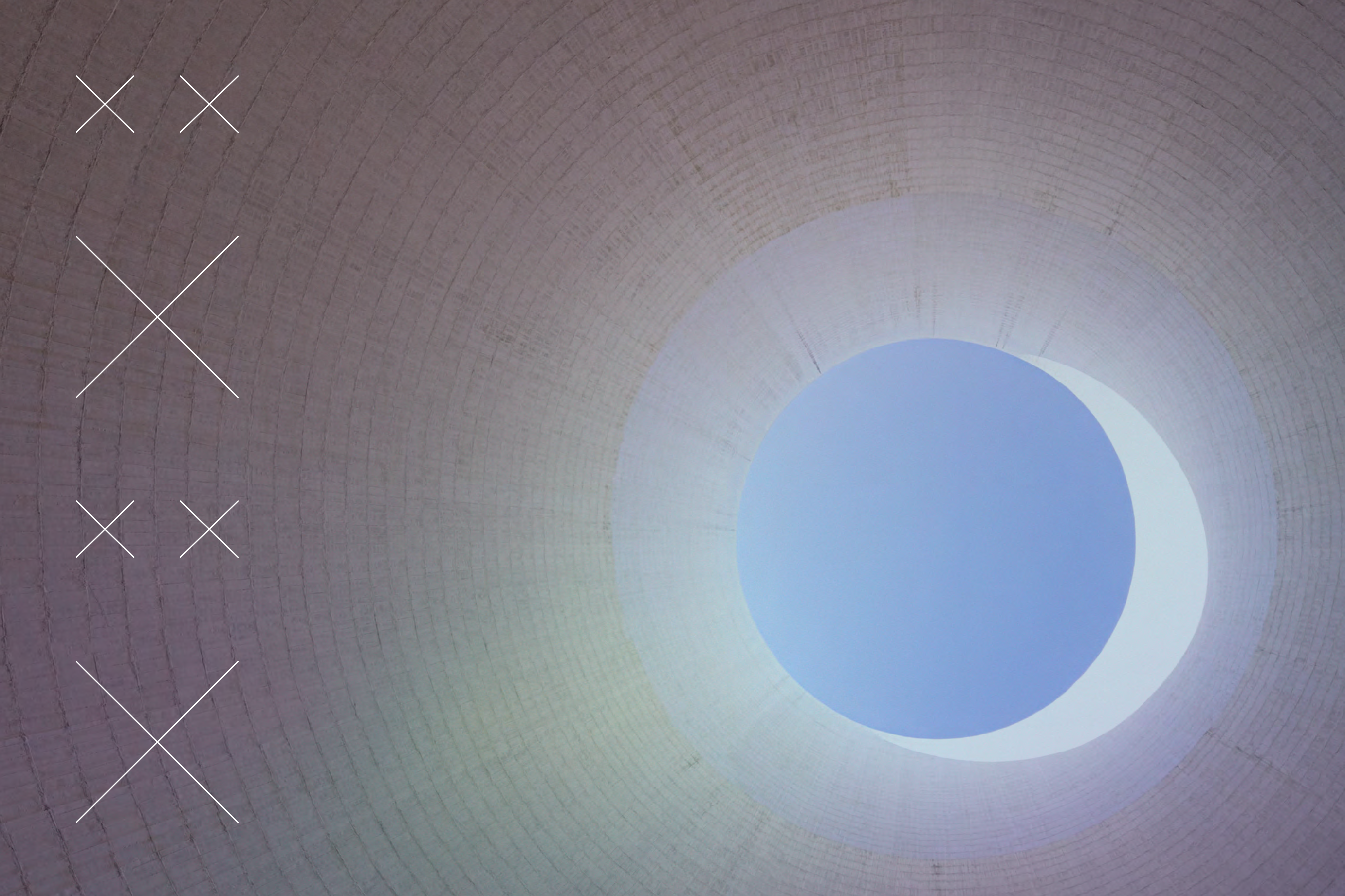
SLOVENSKÉ ELEKTRÁRNE

Zero tolerance of corruption plan



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Zero Tolerance of Corruption Plan

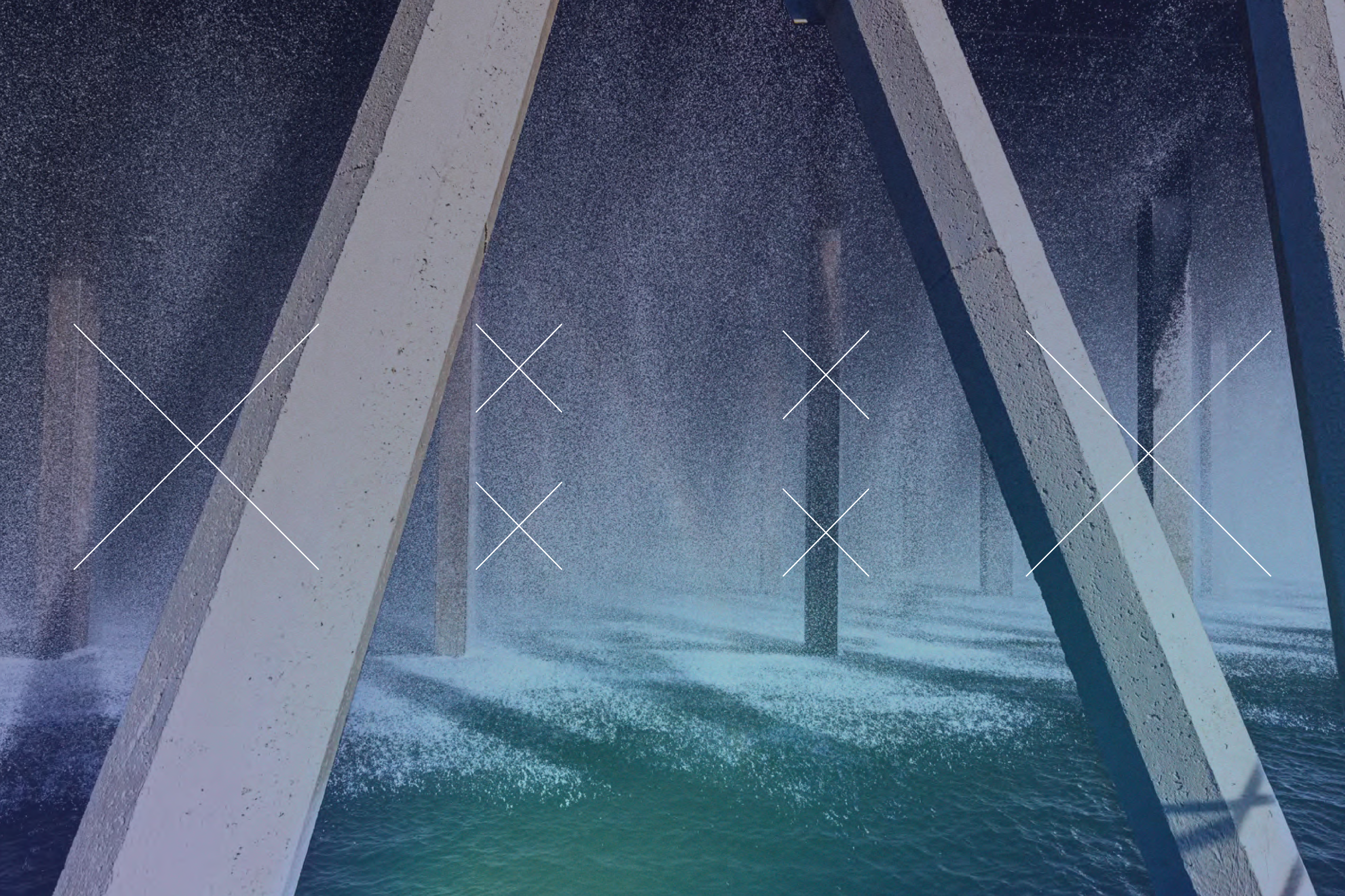
Under this Zero Tolerance of Corruption Plan ("ZTC Plan"), all stakeholders[1] having a relationship with Slovenské elektrárne, a.s. ("Company"), are obliged to report every breach or suspected breach of the ZTC Plan to the Company's Risk management and internal audit division.

Notifications may be submitted by:

- E-mail to the address eticky.kodex@seas.sk,
- Completing the form on the Company's website: www.seas.sk/eticky-kodex,
- Post to the address: Slovenské elektrárne, a.s., Risk management and internal audit division, Pribinova 40, 811 09 Bratislava, Slovak Republic; please state on the envelope: "Confidential – Do Not Open",
- In person, at the Company's head office (Pribinova 40, Bratislava) – in the form of a letter marked "Confidential – Do Not Open" and addressed to the Risk management and internal audit division.

The Company processes the personal data of the data subjects in respect of submitted notification for the following purposes: "Verification of compliance of persons' actions with internal regulations, law regulations, whistleblowing, performance of internal audit and cooperation with responsible authorities". Further information on the processing of personal data for this purpose and the rights of data subjects can be found on the Company's website at www.seas.sk/gdpr, in the section titled "Ensuring compliance of the Company with law regulations, internal regulations and principles of responsible business conduct", specifically with the purpose of "Verification of compliance of persons' activities with internal regulations, law regulations, whistleblowing, performance of internal audit and cooperation with responsible authorities".

[1] For the purposes of this Zero Tolerance of Corruption Plan, stakeholders include all employees of the Company, members of the Company's bodies, Company's partners i.e. all natural and or legal persons in any legal relationship with the Company who are obliged to adhere to the Zero Tolerance of Corruption Plan based on a contract or other legal grounds (e.g. shareholders, suppliers, trading counterparties, interest associations, non-governmental and non-profit organisations, state bodies or institutions, etc.) and persons or groups living or working in areas that have been or may be affected by the Company's activities – (hereinafter referred to as the affected communities).



01 General principles

The company is committed to ensuring compliance with the Zero Tolerance of Corruption Plan based on the UN Global Compact[2] and simultaneously requires strict adherence from:

- Persons employed under an employment contract or other employment relationship ("employees");
- Members of the Company's Board of Directors and Supervisory Board (members of the Company's bodies");
- Other natural persons and legal persons obliged to adhere to the ZTC Plan based on a contract or other legal grounds (e.g. shareholders, customers, suppliers, trading counterparties, interest associations, non-governmental and non-profit organisations, state bodies or institutions, etc.) ("Company's partners").

The Company is committed to conduct all its business activities in an honest and ethical manner and expects the same from all stakeholders of the Company. The Company does not tolerate any form of corruption, whether active or passive, direct or indirect and combats corruption in all its forms.
It therefore requires its employees and the members of the Company's bodies to demonstrate honesty, transparency and integrity in carrying out their work or duties and it imposes the same expectation on the Company's partners.

Employees and members of the Company's bodies must adhere to and fulfil the commitments arising from the ZTC Plan, which they accept upon signing their employment contract or contract of service. The Company's partners must adhere

[2] The United Nations Global Compact is a programme supported by the UN since July 2000 aimed at engaging the business world to commit to sustainable and socially responsible policies through the adoption of ten universal principles on human rights, labour, environment and anti-corruption. This initiative seeks to ensure that the relationships of all employees and members of the Company's bodies and its partners are based on respect, dignity, mutual trust, integrity and communication (www.unglobalcompact.org).

to and fulfil the commitments arising from the ZTC Plan which they accept by signing the relevant contract or which apply to them in connection with another legal title (legal act or legal fact).

In compliance with the tenth principle of the Global Compact initiative which states that "Businesses shall work against corruption in all its forms, including extortion and bribery", the Company engages in the fight against corruption in line with the PACI[3] initiative by applying the criteria of transparency recommended by Transparency International.

This commitment is expressed in the following general principles:

> Slovenské elektrárne, a.s., rejects corruption in all its forms – active or passive, direct or indirect.
>
> Slovenské elektrárne, a.s., has a Zero Tolerance of Corruption Plan in place.

[3] This initiative, supported by the World Economic Forum, under the title "Partnering Against Corruption Initiative" has been signed by 80 international companies from various sectors including energy, construction and mining.

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02 Commitments

Based on an analysis of activities with the highest risk of corruption, the Company has adopted the following commitments in respect of its activities:

2.1 Corruption and its Forms

Corruption can take various forms and includes primarily (though not exclusively) the following unlawful acts:

- Acceptance of a bribe, which means a situation where a person, directly or through an intermediary, for personal benefit or the benefit of any other person, accepts, requests a bribe or is promised a bribe for himself/herself to induce the receiver to act or refrain from acting such that they violate their duties resulting from their employment, profession, profession or position.
- Bribery, which means a situation where a person, directly or through an intermediary, promises, offers or provides a bribe to another person in order to induce them to act or refrain from acting such that they violate their duties resulting from their employment, profession or position or for this reason, directly or through an intermediary, promises, offers or provides a bribe to another person.
- Indirect corruption, which means a situation where a person, directly or through an intermediary, for personal benefit or the benefit of any other person, accepts or requests a bribe or is promised a bribe for himself/herself in return for the bribed person will act through his/her influence or through the influence of another, or acted on specified persons (e.g. a public servant, but also on another person to violate their duties in the ways referred to above in respect of accepting or giving a bribe).

"The Company has zero tolerance for corruption and prohibits it in every form."

If Company employees, members of the Company's bodies or the Company's partners become aware of corrupt practices or reasonable grounds to suspect corruption, they are obliged report their concerns to the Company's Risk management and internal audit division without undue delay using the channels established for such notifications under the ZTC Plan.

2.2 Donations to Political Parties

The Company refrains from any direct or indirect attempts to influence politicians; it does not finance or otherwise support political parties, movements, their representatives or candidates and it does not sponsor events intended as political propaganda. The Company's property and premises must not be used for any propaganda of political parties or movements, or their representatives or candidates.

2.3 Contributions to Charity Organisations and Sponsorship

The Company provides gifts and sponsorship and enters into special agreements to support initiatives on the environment, culture, sport, education and social affairs. These might be implemented through events that are important on the national scale or address specific local or regional needs.

In providing support, the Company pays particular attention to every possible conflict of interest on both the personal and corporate level[4].

[4] Internal regulation "Conflict of Interest".

2.4 Remuneration and Benefits

The Company prohibits its employees, members of the Company's bodies and other stakeholders of the Company from offering or accepting, directly or indirectly, for themselves or for another person, payments, other forms of remuneration or any undue advantage from any person to expedite processes or actions or provide unauthorised benefits to any other person.

Employees, members of the Company's bodies or other stakeholders of the Company who become aware of any such promise, offer or request relating to such benefits, must inform the Company's Risk management and internal audit division without undue delay using the channels established for such notifications under the ZTC Plan.

2.5 Gifts and Courtesies

Employees and members of the Company's bodies must not offer the Company's partners gifts, hospitality or other benefits with the intention of influencing them – with the aim of obtaining or retaining business or commercial advantages or giving a reward for providing or continuing business or commercial advantages.

Employees and members of the Company's bodies must not accept gifts, hospitality or other benefits provided by the Company's partners with the intention of influencing employees or members of the Company's bodies – with the aim of obtaining or retaining business or commercial advantages or giving a reward for providing or continuing business or commercial advantages.

Employees and members of the Company's bodies must not abuse their position or contacts to obtain benefits for themselves, the Company or third parties.

Any form of gift whose value exceeds, or can be construed as exceeding, the limits of customary commercial practices or ethics, or which is in any way meant to obtain favourable treatment in the pursuit of any activity tied to the Company is **prohibited**. In determining what is customary, it is expected that employees and members of the Company's bodies will exercise good judgement and take into account all circumstances relevant to the gift, hospitality or other benefit under consideration, including but not limited to the value, character and purpose of the gift, hospitality or benefits, the positions of the provider and recipient, the business context, reciprocity and applicable provisions of law and social standards.

It is expressly prohibited to provide any gifts to representatives of public authorities in the Slovak Republic or abroad, representatives of political parties, auditors, members of the Company's bodies or their relatives where such gifts could affect independence of judgment or lead to the obtaining of any advantage.

There shall be no exceptions to this rule, even in those countries where offering valuable gifts to business partners is a custom, regardless of whether such gifts are promised, offered or received. The term "gift" also refers to any type of benefit (e.g. participation in conferences free of charge, the promise of a job, etc.).

The Company provides advertising materials and promotional items to its partners to support the promotion of the business and enhance its reputation.

Every provision of gifts and promotional items with more than a modest/symbolic value must be documented and authorised in accordance with the Company's internal regulation[5]. If employees and members of the Company's bodies receive gifts or benefits that do not meet the criteria defined by the Company (not in accordance with the Company's rules and standards of behaviour, not provided or received only occasionally, not provided within the framework of usual business practices, ethics or local customs, i.e. a maximum value of EUR 300, the recipient requested them, they appear to create an undue influence or commitment or provide an undue advantage, or their exposure or disclosure would damage the reputation of an employee of the Company, members of the Company's bodies, the Company itself or another person having a relationship with the Company), they must report the gifts or benefits without undue delay to the Company's Risk management and internal audit division (Internal audit department), which will assess their suitability.

2.6 Conflict of Interest and its Prevention

When carrying out any activity, situations must not arise in which the stakeholders involved in such activities would be in a conflict of interest, or in which such conduct would give rise to a reasonable fear of a potential conflict of interest. Such situations include not only those in which an employee or a member of the Company's bodies advocates for an interest that is contrary to the Company's legitimate interests or disrupts the balance of interests of the stakeholders, but also situations in which they obtain a personal advantage from the Company's business opportunities, or in which the representatives of the stakeholders undermine the Company's reputation and good name. A conflict of interest also arises if an employee, a member of the Company's bodies or one of their relatives[6] obtains undue personal benefits in connection with the work position/function held/performed in the Company.

Employees and members of the Company's bodies are expected to take appropriate measures to avoid situations that could constitute a conflict of interest.

[5] Internal regulation "Conflict of Interest".
[6] Relatives in the direct line: children, spouse, partner, children of a spouse, children of a partner, other dependents.

To avoid or eliminate any conflict of interest, employees and members of the Company's bodies are obliged to report any facts indicating their actual (or potential) occurrence to the Company's Risk management and internal audit division (Internal audit department) immediately upon becoming aware of them. The assessment and solution for a conflict of interest depends on the circumstances of each case and fall within the remit of the Company's Internal audit department. More detailed information and explanations regarding conflicts of interest and their prevention can be found in the Company's internal regulations[7].

2.7 Conflict of Interest in Public Procurement and its Prevention

Conflicts of interest in public procurement is primarily governed by Section 23 of the Public Procurement Act ("PPA"). One major source of conflicts of interest is in situations where a person involved in public procurement who can affect its outcome or course has a direct or indirect financial interest, economic interest or other personal interest that could be deemed to compromise their impartiality and independence in relation to public procurement (Section 23 (2) of the PPA). For the purposes of this provision, "person involved in public procurement" means (i) an employee of the Company involved in the preparation or implementation of public procurement or another person who performs support activities for a contracting authority or contracting entity and who is involved in the preparation or implementation of public procurement or (ii) a person with decision-making authority within the Company who can influence the outcome of public procurement without being directly involved in its preparation or implementation.

Another major source of conflicts of interest arises where the impartial and objective performance of the duties of a person involved in public procurement is put at risk by family or emotional factors, political or national affiliation, economic interest or any other interest in common with a tenderer in a procurement process.

A conflict of interest may arise between, on the one hand the Company (as the entity awarding a contract) or an individual (involved in the award of the contract in any way), and on the other hand tenderers seeking to win and conclude the contract. A conflict of interest may also arise in connection with the subcontractors of the tenderers submitting bids.

[7] Internal regulation "Conflict of Interest".

A person involved in public procurement must report any conflict of interest in relation to (i) an economic operator participating in preparatory market consultations, (ii) a candidate, (iii) a tenderer, (iv) a participant or (v) a supplier or entities on the supplier's side in public procurement to the Company (Internal audit department) immediately upon becoming aware of such a situation (Section 23 (4) of the PPA).

More detailed information and explanations regarding conflicts of interest in public procurement and their prevention can be found in the Company's internal regulation[8].

[8] Internal regulation "Conflicts of interest in public procurement".

Implementation framework

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03 Implementation framework

Fulfilling the Company’s commitments in the fight against corruption requires the participation of all stakeholders of the Company.

3.1 Organization and Responsibility

The Company requires all stakeholders of the Company to follow the rules and principles of the ZTC Plan.

3.2 Relationships with the Company’s Partners

The Company’s partners are made aware that the Company conducts all its business activities and relationships in accordance with the principles laid down in this ZTC Plan, which is published on the Company’s website: www.seas.sk/eticky-kodex. Partners are also required to comply with the principles of the ZTC Plan in their dealings with the Company.

The Company’s partners must report any breach of the rules of conduct set out herein without undue delay using the channels specified herein.

If the Company’s partners are found to behave in a manner violating the ZTC Plan, the Company shall take appropriate measures in accordance with applicable legislation, which may also include termination of an existing relationship with them.

3.3 Communication and Training

The Company seeks to communicate the ZTC Plan to all stakeholders by distributing copies of the ZTC Plan to all employees and members of the Company’s bodies, via the public web page www.seas.sk/eticky-kodex and by including information on the ZTC Plan in all contracts concluded between the Company and any third party.

The Company’s Risk management and internal audit division provides advice to employees and members of the Company’s bodies in cases that the ZTC Plan does not cover in sufficient detail. Employees with questions or requests for clarification may have recourse to any of the communication channels intended for notifications, as well as Ethics handbook. To ensure that all employees have correctly understand the ZTC Plan, a regular training plan has been implemented focusing on knowledge of ethical rules and standards.

3.4 Notifications from stakeholders

The Company provides communication channels through which individuals may report violations or suspected violations of the ZTC Plan. Notifications can be also submitted anonymously by filling out the form on the Company‘s website: www.seas.sk/eticky-kodex (see page 7).

The Company’s Risk management and internal audit division will investigate these notifications and take all necessary actions to clarify the situation. It will also take measures to ensure that persons reporting violations are not exposed to any resulting danger and guarantee the confidentiality of the notifier’s identity in accordance with legal provisions and the Company’s internal regulations.

The results of investigations of notifications of violations of the ZTC Plan are communicated to the General Director of the Company together with recommended or adopted measures.

3.5 Control Activities

3.5.1 Internal Control System

All Company employees and members of the Company’s bodies have accepted the Company’s commitment to fighting corruption. Every manager is responsible for setting up suitable conditions for checking compliance with the ZTC Plan in their field of competence.

3.5.2 The Company’s Risk management and internal audit division

The Company’s Risk management and internal audit division carries out the following tasks:

- Receiving, recording and analysing notifications related to violations or suspected violations of the ZTC Plan,
- Informing notifier about investigation results (in a reasonable extent),
- Monitoring the effectiveness of measures implemented by various units within the Company to ensure fulfilment of the ZTC Plan and adopted measures, including in particular the proposal of changes to improve internal control systems.

3.6 Violations of the ZTC Plan

Every stakeholder who has been (or believes they have been) offered a bribe, or who has reasonable grounds to suspect that another form of corruption or a violation of the rules of the ZTC Plan has occurred or could occur, must reject such behaviour and report it or any other violation of the rules of the ZTC Plan and/or related internal regulations of the Company without undue delay using the channels specified herein.

The Company's Risk management and internal audit division contacts the senior employees of the Company responsible for the areas to which a report relates and communicates information on breaches of the ZTC Plan and proposed improvements. The Risk management and internal audit division will work together with the relevant units of the Company to define corrective measures that are needed to prevent such violations.

Violations of the ZTC Plan may result in disciplinary action carried out in accordance with the Company's Work Rules.

3.7 Implementing Provisions

The Company shall, wherever necessary for the implementation of the respective provisions of the ZTC Plan, issue internal implementing regulations that are legally binding in the same measure as the ZTC Plan itself.

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