



ANTI-CORRUPTION STATEMENT

The HMS Group, including HMS Hydraulic Machines & Systems Group Plc and all its direct and indirect subsidiaries (hereunder – «the Group»), its management and employees, recognizes the need to and importance of complying with anti-bribery and anti-corruption international standards.

The Group acknowledges its commitment to adhere to fair and lawful business practices both in Russia and abroad. Following the enactment of the UK Bribery Act 2010, the Group proposes to enhance its anti-bribery and anti-corruption policies and procedures by the following measures.

1. Risk Assessment

The Group is aware of the bribery risks it faces in the sectors and markets in which it operates, both in Russia and abroad. It recognizes that proper risk assessment is a necessary component of the effective anti-corruption policy and will lead to the more efficient prevention of corruption.

The Group employs skilled professionals to perform regular risk assessments of its operations, including an internal auditor and specialists in economic crime. The risk assessments are based on both internal (annual audit reports, internal investigation reports, focus groups and staff, client or customer complaints) and external (publicly available information, in particular on bribery issues in the sectors and jurisdictions where the Group operates) data.

2. Top-Level Commitment

The Group's top-level management (the board of directors and senior executives) promotes the corporate culture within the Group, in which corruption is unacceptable. It ensures that the Group's policy to operate without bribery is effectively communicated to all employees and business partners of the Group.

To endorse the «zero tolerance policy» towards bribery in all parts of the Group's business operations and other activities, top-level management takes responsibility for ensuring publication and communication of anti-bribery measures to all employees and partners (business and other) of the Group, including the consequences of and penalties for violating the corporate anti-bribery policy.

3. Due Diligence

The Group employs due diligence policies and procedures covering all parties to the Group's business operations and other activities, including the Group's supply chain, intermediaries and agents, all forms of joint ventures and similar relationships and all markets in which the Group performs its business operations and other activities.

The Group's due diligence policies and procedures include a general evaluation and detailed analysis of corruption risks faced by the Group's business operations and other activities in those countries where the Group operates and the measures to be taken to mitigate any identified corruption risks. The Group diligences particular business opportunities to identify any corruption risks, including examination of pricing for particular projects and whether their specifications and objectives are fair and lawful.

The Group exercises due diligences towards prospective partners, intermediaries, joint venture partners, and other persons and entities who provides services to the Group for evidence or risk of possible prosecutions, debarments, convictions or investigations for bribery and/or related offences and to determine whether there is a reputation for any such activities.

4. Clear, Practical, and Accessible Policies and Procedures

The Group promulgates and maintains clear, practical, accessible and enforceable policy that explicitly prohibits bribery in all forms and reflects various roles of relevant employees of the Group.

The policy include: a strategy for integrating the Group's «zero tolerance policy» into the Group's decision-making processes; guidance on the provision of gifts, political, governmental and charitable

contributions, bona fide hospitality and promotional benefits, to ensure that all such expenditures are transparent, proportionate and justifiable; guidance on applicable anti-bribery laws and regulations; guidance on appropriate actions to be taken in response to extortion or blackmail; and, guidance regarding whistleblowing.

Additionally, the Group promulgates specific regulations that detail the required standards of the Group's employees behavior when cooperating with profit and non-profit organizations and state authorities.

In updating its policy, the Group intends to modify existing policies and adopt new policies and procedures (such as the anonymous whistle-blowing hot line, procedures for monitoring the Group's response to corruption challenges and events and specific regulations).