

Policy for Anti-Corruption Legal Compliance by Employees

1. SCOPE AND PURPOSE

This Policy determines key principles of and requirements to corruption prevention and compliance with anti-corruption legislation of the Russian Federation by employees of JSC CROC incorporated (hereinafter referred to as "Company").

2. LEGAL REFERENCES

Key legal instruments on corruption:

- 1) Federal Law on Counteraction to Corruption No. 273-FZ of December 25, 2008.
- 2) United Nations Convention against Corruption (adopted by the General Assembly on October 31, 2003).
- 3) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted by the Organization for Economic Co-operation and Development (OECD) on November 21, 1997).
- 4) Civil Law Convention on Corruption (adopted by the Committee of Ministers, Council of Europe on November 4, 1999).

3. TERMS AND DEFINITIONS

- Corruption**
- a) Abuse of an official position, the giving of a bribe, the receiving of a bribe, abuse of authority, commercial bribery or other unlawful use by an individual of his/her official position in contempt of lawful interests of the society and the state with the purpose of getting a benefit in the form of money, valuables, other property or services of property nature, other property rights for himself/herself or third parties, or unlawful provision of such benefit to a specified party by other individuals;
 - b) Performance of acts specified in subparagraph (a) above on behalf or for the benefit of a legal entity.

- Counteraction to corruption**
- The activities of organizations and individuals within their authority to:
- a) Prevent corruption, including identification and follow-up elimination of the cause of corruption (preventive measures);
 - b) Identify, prevent, suppress, solve, and investigate corruption offences (corruption fight);
 - c) Minimize and/or mitigate the consequences of corruption offences.

4. GENERAL

This Policy outlines the commitment of the Company and its directors to transparent and fair business practices in order to foster corporate culture, adopt best practices in corporate governance, and uphold the Company's reputation.

The Company pursues the following goals:

- Minimize the risk of engagement of the Company, its directors, and employees (irrespective of their position) in corruption activities.
- Have employees adopt a uniform understanding of the Company's anti-corruption principles and intolerance of corruption in any form.
- Bind the Company's employees to learn and follow the Policy principles and requirements, key provisions of applicable anti-corruption legislation, and adequate anti-corruption practices.

5. BASIC ANTI-CORRUPTION PRINCIPLES

Based on legislation of the Russian Federation, the Company has set the following basic anti-corruption principles:

- 5.1 Comply with anti-corruption legislation of the Russian Federation set forth in (including, without limitation) the Criminal and Administrative Codes of the Russian Federation, the Federal Law on Counteraction to Corruption, and other legislative instruments that prohibit the giving of a bribe, the receiving of a bribe, commercial bribery, or mediation in bribery.
- 5.2 Comply with international anti-corruption legislation.
- 5.3 Develop corporate culture which promotes intolerance of corruption.
- 5.4 Screen contractors for adoption of anti-corruption policies; provide assistance to contractors in order to conduct business in an ethical manner and prevent corruption.
- 5.5 Develop a corruption assessment system for agreements; include anti-corruption clauses in the agreements.
- 5.6 Develop an effective financial and operational risk management system.
- 5.7 Conduct comprehensive and random internal checks of the Company's business and financial operations; verify completeness and accuracy of books and records; and control compliance with applicable legislation.
- 5.8 Develop corruption assessment metrics jointly with the Security Service, Financial Department, Legal Department, and HR Department; monitor such metrics from time to time.

The following are examples of corruption red flags:

- Significant increase of the Company's income or expenditure;
- Negative publications about the Company in the mass media;
- Increased number of customer claims about the quality of products and services, etc.

If monitoring reveals a corruption red flag then the Company should initiate corruption investigation in order to determine:

- Whether the Company suffered any damage (or if it is threatened);
- What ineffective or illegal actions (or omissions) of the Company's officers caused such damage;
- What employee(s) committed such actions;
- Whether such actions violated any established rules or job regulations;
- Whether an individual who committed such actions was aware of their hazard effect to the Company and whether such individual understood that he/she was breaching his/her job responsibilities.

If an employee is concerned about the legality or ethics of his/her actions, or third party actions, omissions, or proposals then such employee should inform his/her line manager thereof. No employee

will get any penalty (including employment termination, demotion, or bonus deprivation) for notification of any alleged corruption.

6. EMPLOYEE RESPONSIBILITIES FOR COMPLIANCE WITH ANTI-CORRUPTION LEGISLATION

- 6.1 The Company's employees should comply with anti-corruption legislation of the Russian Federation, including relevant international legal acts.
- 6.2 The Company's employees should not engage (directly or indirectly, in person or by proxy) in any corruption activities.
- 6.3 The Company's employees should fulfill their job responsibilities in good faith and in a workmanlike manner in order to ensure efficient performance of the Company.
- 6.4 The Company's employees should avoid any actions connected with personal, property (financial) or other interests which conflict with honest fulfillment of their job responsibilities.
- 6.5 The Company's employees should report to their management about all signals made by any parties to induce them to commit a corruption offence.
- 6.6 The Company's employees should follow code of business and professional ethics.
- 6.7 The Company's employees should refrain from making any public statements, judgments, and assessment about the Company's or its directors' activities unless this is within the scope of their job responsibility.
- 6.8 The Company's employees should not disclose any information about the Company (including proprietary, confidential, and trade secret information) nor use such information for personal benefit or for the benefit of third parties or otherwise in violation of legislation of the Russian Federation.
- 6.9 The Company's employees should protect from unauthorized disclosure the confidential information for which they are responsible and/or which became known to them in the course of their job activities.
- 6.10 The Company's employee having managerial and administrative authority over other employees should be a professional role model, have impeccable reputation, and contribute to the creation of healthy moral and psychological environment for effective work.
- 6.11 The Company's employee having managerial and administrative authority over other employees should take measures to prevent their subordinates from potentially corruptive behavior and should be a role model of an honest, fair, and just person.
- 6.12 The Company's employees should promote good business relationships and effective cooperation within the Company.

7. LIABILITY FOR BREACH OF ANTI-CORRUPTION LEGISLATION

- 7.1 The Company's employees shall bear criminal, administrative, civil and disciplinary liability for corruption offence under the legislation of the Russian Federation.
- 7.2 Should the Company's employee having managerial and administrative authority over other employees fail to take measures to prevent his/her subordinates from breaching ethical and business rules of conduct then he/she shall be liable for their actions or omissions under the legislation of the Russian Federation.