

APPROVED BY

Order of Director General of Joint Stock
Company (ZAO) CROC incorporated

of January 31, 2020 No. 44a/SMK

QUALITY MANAGEMENT SYSTEM

ANTIMONOPOLY POLICY

OD 06.20



JSC (ZAO) CROC incorporated

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1 PURPOSE AND SCOPE

1.1 This Policy is an internal regulatory document of JSC (ZAO) CROC incorporated (hereinafter – the “Company”) and should be followed by all Company employees, including top managers.

1.2 JSC CROC incorporated is a customer-centric company striving to maintain competition in the market. Fair competition ensures that the company's customers get products and services at favorable prices and the company itself solves its business tasks in good faith.

1.3 JSC CROC incorporated is a socially responsible company striving to maintain good reputation in the eyes of its customers, employees, competitors, the state and society as a whole. The Company's activities are subject to the Antimonopoly Legislation and therefore associated with antimonopoly risks. In order to manage regulatory risks, the Company has implemented and is continuously developing Antimonopoly Compliance.

1.4 Antimonopoly Compliance is one of the crucial elements of the Company's Compliance and is based on the leading global practices in this domain.

1.5 Antimonopoly Compliance is applied to all areas of the Company business.

2 TERMS AND DEFINITIONS

2.1. **Antimonopoly Legislation** means legislative acts based on the Constitution of the Russian Federation and the Civil Code of the Russian Federation, including the Federal Law "On Competition Protection", other federal laws and by-laws governing relations concerning the competition protection, prevention and suppression of monopolistic activity and unfair competition, as well as similar applicable foreign legislation.

2.2. **Antimonopoly Compliance** means an internal system that ensures the Company's compliance with the Antimonopoly Legislation.

2.3. **Antimonopoly Risk** means a risk of the Antimonopoly Legislation violation.

2.4. **Compliance Hotline** means email compliance@croc.ru

2.5. **Top Managers** mean CROC Director General, Deputy Directors General, and Heads of Departments.

2.6. **Employees** mean all Company's employees, including Top Managers.

2.7. **Tender** means a procedure for the procurement of goods, works, services or software licenses, conducted in accordance with Federal Law No. 44-FZ "On the Contract System in State and Municipal Procurement of Goods, Works and Services" of 05.04.2013; Federal Law No. 223-FZ "On Procurement of Goods, Work, Services by Legal Entities of Certain Types" of 18.07.2011; as well as commercial procurements conducted by legal entities to choose suppliers, contractors, licensors, etc.

3 GENERAL

3.1 Goals of the Antimonopoly Compliance in the Company:

- Ensure compliance of the Company's activities with the Antimonopoly Legislation;
- Prevent, reveal, and suppress Antimonopoly Legislation violations by the Company and its Employees.

3.2 Tasks of the Antimonopoly Compliance in the Company:

- Identify and manage risks associated with ensuring compliance of the Company's activities with the Antimonopoly Legislation;
- Create control mechanisms ensuring compliance of the Company's activities with the Antimonopoly Legislation;
- Implement mechanisms for internal control over compliance with the Antimonopoly Legislation;
- Regulate procedures of internal control over compliance with the Antimonopoly Legislation;
- Train Company's employees to ensure they comply with the Antimonopoly Legislation;
- Monitor the Antimonopoly Compliance operation and improvement.

3.3 GOALS OF THE ANTIMONOPOLY POLICY ADOPTION:

- Demonstrate Company's commitment to comply with laws, including the Antimonopoly Legislation
- Embrace world's best practices of corporate governance and good corporate conduct standards at the Company.

3.4 THE ANTIMONOPOLY POLICY PROVIDES FOR THE FOLLOWING MEASURES TO REDUCE ANTIMONOPOLY LEGISLATION VIOLATION RISKS:

- Strengthen Antimonopoly Compliance principles at the Company,
- Define Company bodies and business units responsible for the Antimonopoly Compliance operation,
- Define basic rules of doing business in areas causing the greatest Antimonopoly Risks for the Company,
- Establish a procedure to identify Antimonopoly Risks and prevent Antimonopoly Legislation violations,
- Establish a procedure to conduct internal Antimonopoly Legislation compliance audits,
- Document a procedure to eliminate Antimonopoly Legislation violations and reduce the Antimonopoly Risks for the Company,
- Establish disciplinary sanctions and other measures with regard to employees who have violated the Antimonopoly Legislation,
- Define a procedure to incentivize employees to observe the Antimonopoly Legislation in good faith,
- Establish a procedure to train employees in the Antimonopoly Compliance basics and mechanisms that prevent violations,
- Document a procedure to monitor the Antimonopoly Compliance effectiveness at the Company.

4 ANTIMONOPOLY COMPLIANCE ENFORCEMENT PRINCIPLES

4.1. Legality and "zero tolerance" to violations. The Company understands the importance of continuous improvement of legal culture of both its employees and society as a whole, and therefore declares its rigorous commitment to the principles of legality (i.e. strict observance of all provisions of the Antimonopoly Legislation) and "zero tolerance" to any unfair competition aspects and Antimonopoly Legislation violations. All Company employees are required to observe the Antimonopoly Legislation and Antimonopoly Policy.

4.2. Regular assessment of the Antimonopoly Legislation violation risks. In doing its business, the Company seeks to continuously reveal, identify, assess and reduce Antimonopoly Risks

4.3. Due diligence and KYC. To reduce the risk of being involved in an Antimonopoly Legislation violation, the Company takes reasonable measures to check its customers (the "know your customer" rule) and, when necessary, its customers' customers for their compliance with the Antimonopoly Legislation.

4.4. Tone at the top. Company's Top Managers and employees in management positions are required to lead by example in observing the Antimonopoly Legislation and this Antimonopoly Policy.

4.5. Awareness of the Antimonopoly Compliance adopted at the Company. The Company shall make its customers, counterparties, competitors, employees, government bodies and any other stakeholders aware of the Antimonopoly Compliance adopted at the Company, including by publishing relevant information on the Company's official website (<https://www.croc.ru/>) and deliver regular trainings to the Company's employees in the Antimonopoly Legislation and this Antimonopoly Policy followed by exams and certifications.

4.6. Monitoring of Antimonopoly Compliance effectiveness. Since the existence of the Antimonopoly Compliance in itself does not guarantee its effective operation, the Company regularly monitors effectiveness of the Antimonopoly Compliance operation and verifies whether its goals are achieved and tasks are solved.

4.7. Supervised elimination of Antimonopoly Legislation violations. If an Antimonopoly Legislation violation by the Company or its employees is revealed, then the Company shall take all possible measures to eliminate such violations as soon as possible, with the Compliance Service monitoring how such measures are exercised.

4.8. Liability and inevitability of punishment for violating the Antimonopoly Legislation and Antimonopoly Policy. If an Antimonopoly Legislation violation by an employee is revealed, a violator must be disciplined. If a competent government body initiates an investigation of an Antimonopoly Legislation violation by the Company or its employees, then the Company will do its best to assist with a comprehensive, complete and objective investigation. If necessary, the Company will provide any required information to government bodies, while observing the legislation on the protection of commercial secret, other legally protected secrets, and confidential information.

4.9. Continuous Antimonopoly Compliance operation. In order to timely identify signs of Antimonopoly Legislation violations, suppress them and prevent their occurrence, the Antimonopoly Compliance shall operate in the Company on continuous basis.

4.10. Antimonopoly Compliance improvement. Company's Compliance Service shall continuously scrutinize results of its activity monitoring and the Antimonopoly Compliance operation at the Company as a whole. The monitoring results are used to continuously improve the Company's Antimonopoly Compliance, this Antimonopoly Policy, and activities of Compliance Service and all other Company business units that can affect Company's compliance with Antimonopoly Legislation.

5 BODIES AND BUSINESS UNITS RESPONSIBLE FOR THE ANTIMONOPOLY COMPLIANCE OPERATION.

5.1 Director General of JSC CROC incorporated is responsible for the operation of the Antimonopoly Compliance at and observance of the Antimonopoly Legislation by the Company. Compliance Service and Legal Department ensure the Antimonopoly Compliance operation at the Company within the scope of their competence, as established by the Antimonopoly Policy.

5.2 With respect to Antimonopoly Compliance, Director General of the Company shall:

- Create and support the operation of effective Antimonopoly Compliance;
- Assess the effectiveness of the Antimonopoly Compliance and develop measures to improve it;
- Review documents regarding the Compliance Service organization;
- Take all necessary measures to 1) ensure prompt execution of recommendations of government authorities supervising compliance with the Antimonopoly Legislation, legislation on government defense contracts, and legislation regulating procurement activities, and 2) remedy flaws revealed by these authorities.

5.3 To perform functions listed in clause 5.2 of the Antimonopoly Policy, the Director General of the Company exercises the following powers:

- Approves and amends this Antimonopoly Policy, and adopts other Company's internal documents governing the exercising of the Antimonopoly Compliance;
- Sets forth the responsibility for violation of this Antimonopoly Policy;
- Reviews materials, reports and results of periodic assessments of effectiveness of the Antimonopoly Compliance operation and takes measures to eliminate the deficiencies revealed;
- Supervises the elimination of deficiencies of the Antimonopoly Compliance;
- Ensures the development of Compliance Service KPIs;
- Applies mechanisms to incentivize business units to meet the Antimonopoly Compliance requirements;
- Ensures the analysis of the Antimonopoly Compliance operation and further improvement at the Company;
- Takes other measures related to the Antimonopoly Compliance organization, which fall beyond the competence of other Company management bodies.

5.4 The Compliance Service is a permanent business unit of the Company, and its employees are exempted from any functions at the Company, other than compliance.

5.5 The Compliance Service consists of head of the Service and employees.

5.6 Head of the Compliance Service is Chief Compliance Officer.

5.7 Company's Compliance Service operates on the following underlying principles:

- **Independence.** The Company's Compliance Service is independent from any other Company bodies or officers. None of the above-mentioned persons may influence in any way on the Compliance Service employees. When establishing the Compliance Service, any conflicts of interest among its employees must be avoided
- **Compliance Service accountability to the Company's Top Management.** The Head of the Compliance Service shall report directly and exclusively to the Director General of the Company. Compliance Service employees are accountable exclusively to the Head of the Compliance Service.
- **Providing the Compliance Service with necessary powers and resources to solve its tasks.** Company's Compliance Service powers should be sufficient for its smooth and efficient operation so that to achieve the Company's Antimonopoly Compliance goals.

5.8 In order to develop the infrastructure necessary for the Antimonopoly Compliance fostering, implementation, maintenance and continuous improvement, the Head of Compliance Service ensures the Compliance Service has the necessary resources and requests (if necessary) the Director General of the Company to increase the Service headcount, and also determines, creates and maintains the infrastructure necessary for the Antimonopoly Compliance to operate.

5.9 The Compliance Service exercises the following powers with regard to Antimonopoly Compliance:

- Develops and submits for approval, to the Director General of the Company, proposals on amending this Antimonopoly Policy, as well as other Company's internal documents, which regulate the exercising of Antimonopoly Compliance;
- Identifies Antimonopoly Risks, while taking into account the related circumstances, and determines the probability of their occurrence;
- Reveals conflicts of interest between Company employees and business units, and suggests how to address them;
- Consults and organizes trainings for Employees, including Company Top Managers, on the matters related to Antimonopoly Compliance;
- Arranges the interaction with other Company business units on the matters related to Antimonopoly Compliance;
- Organizes and participates in internal audits related to Antimonopoly Compliance;
- Arranges internal legal expert examination of decisions made by Company's Top Managers with regard to the Antimonopoly Legislation violations;
- Interacts with the Director General of the Company and organizes assistance to him with regard to revealed violations, audits, and disciplinary sanctions;
- Informs the Director General of the Company about internal documents that may cause an Antimonopoly Legislation violation or contradict with the Antimonopoly Legislation or this Antimonopoly Policy;
- Informs the Director General of the Company about the existing and potential Antimonopoly Risks for the Company, and regularly discusses Antimonopoly Compliance matters with the Director General;
- Advises Company business units, Top Managers, and individual Employees on Antimonopoly Compliance matters, Antimonopoly Legislation and its application practice;
- Tracks Antimonopoly Legislation changes;
- Summarizes judicial practice on antimonopoly regulation violations and Russian Federal Antimonopoly Service practice;
- Submits to the Director General annual reports on the Antimonopoly Compliance operation at the Company;
- Takes inventory of and stores Antimonopoly Compliance documents;
- Exercises other powers related to the Antimonopoly Compliance operation at the Company, which fall beyond the powers of other Company bodies or business units.

5.10 The Compliance Service is structurally separated from all other Company business units, in particular, from those performing Company's operational, supporting or economic activities.

5.11 Other Company business units must assist the Compliance Service in exercising its powers.

5.12 Company Top Managers must regularly demonstrate their commitment to the Antimonopoly Compliance principles and encourage Employees to comply with the Antimonopoly Legislation and this Antimonopoly Policy by:

- Organizing events dedicated to the Antimonopoly Compliance;

- Regular mailing or other direct messaging on their behalf to their respective business units to emphasize the importance of Antimonopoly Compliance and inform about possible measures taken in case of Antimonopoly Compliance issues;
- Participating in Antimonopoly Compliance trainings for employees, including an opening speech at the beginning of the induction training;
- Regularly discussing Antimonopoly Compliance issues at working meetings.

6 COMPANY'S BUSINESS AREAS WITH THE HIGHEST ANTIMONOPOLY RISKS AND MEASURES TO MITIGATE THEM

6.1. The Company does not accept and strives to prevent any violations of the Antimonopoly Legislation in any form. Due to the specifics of its activities, the Company faces higher Antimonopoly Risks in the following areas, which require special attention from the Antimonopoly Compliance perspective:

- Participation in Tenders;
- Interaction with competitors;
- Interaction with counterparties.

6.2. **Participation in Tenders.** The company actively participates in Tenders. This activity is a special case of interaction with participants of the civil law relations, but it is associated with increased Antimonopoly Risks. To reduce them, the Company shall strictly comply with the Antimonopoly Legislation when participating in Tenders.

6.3. When participating in Tenders, it is strictly prohibited to:

- Conclude any kind of agreements aimed to violate competition principles and, in particular, raise, lower, or maintain prices during a tender, divide the market in any way, or refuse to conclude agreements with certain suppliers;
- Perform concerted actions aimed to raise, lower, or maintain prices during a tender, divide the market in any way, or refuse to conclude agreements with certain suppliers, as well as other concerted actions prohibited by the Antimonopoly Legislation;
- Discuss participation in Tenders with competitors and provide any assistance to competing bidders, except for the cases when a collective bidder is created;
- Prevent competitors from participating in Tenders in any way;
- Assist a customer in preparing tender documents, except for the cases permitted by legislation;
- Perform any other actions (inaction) that may be recognized as a violation of the Antimonopoly Legislation.

6.4. **Interaction with competitors.** The company maintains business relationships with its competitors, in particular, by participating in industry roundtables and other similar events. In such relationships, the Antimonopoly Legislation must never be violated.

6.5. Due diligence and circumspection should be exercised when dealing with competitors.

6.6. Those Company employees who plan or regularly interact with competitors should be trained in and aware of the Antimonopoly Risks of exchanging inappropriate information.

6.7. When participating in an event where interaction with the Company's competitors is probable, Employees should:

- Understand that discussing, with Company competitors, the matters influencing competition or relating to pricing, market division, production amounts, customers, as well as other competitive information may violate the Antimonopoly Legislation;

- Obtain a clear agenda before participating in the event or refrain from participation if no agenda is available;
- Be careful about the discussion topics, which may raise Antimonopoly Risks;
- If inappropriate topics are being discussed, leave the event, while making sure that their leaving is well noted, and then immediately report the incident to the Compliance Service;
- In case of doubts about the legality of a particular action, contact the Compliance Service for advice.

6.8. Membership in any trade association or other similar alliance must be first approved by the Compliance Service.

6.9. **Interaction with counterparties.** When interacting with counterparties (both customers and contractors), the Company shall comply with the Antimonopoly Legislation.

6.10. Interaction with all Company's contractors must be based on the following principles:

- **Legality.** Any interaction with counterparties, including advertising campaigns, must comply with the effective legislation.
- **Trustworthiness.** The company shall distribute only complete and accurate information about its products and services in both advertising and any other PR activities.
- **Good faith.** The Company shall not distribute information about competitors' products and services or compare them to Company's products and services.

6.11. To mitigate Antimonopoly Legislation violation risks and maintain a positive business reputation when dealing with counterparties, the Company analyzes publicly available and counterparty-provided information about counterparty business reputation and business activities for compliance with the Antimonopoly Legislation.

6.12. The company performs a mandatory due diligence of new counterparties and regular checks of the existing ones. If the check results are unsatisfactory, the Company may decide to not conclude agreements and terminate further cooperation with such counterparty.

6.13. The counterparty check procedure and frequency, as well as the list of relevant information to be requested, is suggested by the Compliance Service and established by the Director General.

7 DETECTION OF ANTIMONOPOLY RISKS AND PREVENTION OF THE ANTIMONOPOLY LEGISLATION AND ANTIMONOPOLY POLICY VIOLATIONS

7.1. All Company's employees must prevent violations of the Antimonopoly Legislation and Antimonopoly Policy and immediately report to the Compliance Service on:

- Violations that have become known to them, which have already been committed or may be committed in the future, even if the employee is not sure in the unlawfulness of such act;
- Any questions, problems, and deficiencies related to the Antimonopoly Compliance operation at the Company;
- Preparation for concluding:
 - any agreements (both written and oral) with Company's competitors;
 - exclusive distribution agreements;
 - simple partnership agreements.

7.2. Employees in management positions must take necessary measures to prevent violations of the Antimonopoly Legislation and Antimonopoly Policy by their subordinates.

7.3. Detection of Antimonopoly Risks and prevention of the Antimonopoly Legislation and Antimonopoly Policy violations are ensured by:

- Continuous monitoring of compliance with the Antimonopoly Legislation and Antimonopoly Policy;
- Internal audits;
- Establishing a Compliance Hotline.

7.4. The Compliance Service continuously monitors compliance with the Antimonopoly Legislation by conducting an internal legal expert examination of the decisions made by Company's Top Managers with regard to the Antimonopoly Legislation violations;

7.5. Company Top Managers must initiate an expert examination with regard to any of their decisions and actions, which, in their opinion, may give rise or increase Antimonopoly Risks.

7.6. The Compliance Service conducts a mandatory legal expert examination of all draft local acts for Antimonopoly Legislation violations.

7.7. The Compliance Service is entitled, on its own initiative, to appeal against decisions and actions of the Company's Top Managers that violate the Antimonopoly Legislation. The decision on whether to prohibit actions or cancel the decision shall be made by the Director General of the Company, based on a complaint filed by the Compliance Service. The Director General shall review the complaint within one week from the date of receipt thereof. The Director General of the Company shall inform the Compliance Service about the complaint review result on the day when he makes the decision on the results of review thereof.

7.8. If the Compliance Service appeals against a running process, then it should be suspended until Director General of the Company makes a decision on the complaint.

7.9. Information about the complaint resolution procedure and review results shall be posted on Company's official website.

7.10. Compliance with the Antimonopoly Legislation and Antimonopoly Policy is continuously monitored by Legal Department, which performs legal check of:

- documentation on the tenders the Company plans to participate in;
- agreements concluded by the Company;
- letters of guarantee;
- other official documents signed on the Company's behalf.

7.11. During the legal check of the documents specified in clause 7.10 of this Antimonopoly Policy, the Legal Department shall:

- Identify existing Antimonopoly Risks;
- Transfer information about all identified Antimonopoly Risks to the Compliance Service;
- Offer the Compliance Service measures to reduce the identified risks and eliminate the revealed violations.

7.12. The Company conducts two types of internal audits:

- ad-hoc – with respect to information received from any sources about the violation of the Antimonopoly Legislation and Antimonopoly Policy by the Company or its employees;
- scheduled – on a regular basis in the absence of information about violations.

7.13. Internal scheduled audits of compliance with the Antimonopoly Legislation and Antimonopoly Policy are conducted in accordance with the rules set forth in [Section 8](#) of the Antimonopoly Policy.

7.14. During scheduled audits, the Compliance Service reviews a particular area of the Company's activity, a separate project or activity of a certain Company business unit, and checks for violations (and probability of violations) of the Antimonopoly Legislation and Antimonopoly Policy.

7.15. Audit subject and frequency are determined by the Compliance Service based on the risks of the Antimonopoly Legislation violation by a certain Company business unit during the specific activity, as well as possible adverse consequences of violations.

7.16. An internal audit should be aimed to:

- Detect actual and potential violations of the Antimonopoly Legislation and Antimonopoly Policy;
- Identify or confirm the nature and scope of the violation if information about it is available;
- Identify the areas of the Company's activity with the highest risk of the Antimonopoly Legislation and Antimonopoly Policy violations;
- Assess the effectiveness of the Company's Antimonopoly Compliance and respective training (as part of monitoring of the Antimonopoly Compliance effectiveness).

7.17. Compliance Hotline organization is within the competence of Compliance Service and is aimed at collecting reports on possible Antimonopoly Legislation violations.

7.18. Compliance Hotline email is compliance@croc.ru.

7.19. The Company welcomes reports, including anonymous ones, from employees and any third parties on possible violations of the Antimonopoly Legislation and Antimonopoly Policy.

7.20. Company Top Managers must take seriously any suspected violations of the Antimonopoly Legislation or Antimonopoly Policy reported to them and transfer relevant information to the Compliance Service.

7.21. When handling received messages, confidentiality is guaranteed as well as absence of a retaliation for the provision of information.

7.22. To ensure message anonymity, a sender may use a personal email, including the one specifically created for this purpose.

7.23. Any message sent to the Compliance Hotline must be followed by internal ad-hoc audit according to the procedure provided for in [Section 8](#) of the Antimonopoly Policy.

7.24. The Compliance Service ensures immediate and impartial response to an incoming message and promptly informs the sender about the measures taken and audit results.

7.25. The Compliance Service monitors the Compliance Hotline effectiveness and ensures the development of a messaging system for Antimonopoly Compliance concerns. The Head of Compliance Service includes Compliance Hotline work results in annual Antimonopoly Compliance operation report submitted to the Director General.

7.26. Following the results of checking the message about possible violations, the Director General of the Company may decide to reward the message sender. If necessary, the Compliance Service will submit proposals to the Director General on how to encourage employees and third parties to use the Compliance Hotline.

7.27. Information about the Compliance Hotline operation and message handling procedure is published on the Company's official website in the Compliance section.

8 INTERNAL AUDIT PROCEDURE

8.1. The Company conducts a mandatory internal check of information from any sources about violation of the Antimonopoly Legislation and Antimonopoly Policy by the Company or its employees;

8.2. The Compliance Service must initiate an internal audit upon receipt, from any source, of any information about alleged violation by the Company or its employees of the Antimonopoly

Legislation or Antimonopoly Policy and information about the existence of an elevated Antimonopoly Legislation violation risk in a particular area of the Company's activities.

8.3. Internal audits must strictly comply with the effective legislation.

8.4. Internal audit duration must not exceed one month. In exceptional cases – if there are a lot of or intricate materials to inspect – the audit duration may be extended to two months by an order of the Director General of the Company.

8.5. Internal audit is conducted by the Compliance Service. By decision of the Director General of the Company, any audit may be outsourced to external consultants to ensure auditor impartiality and competence.

8.6. Internal audits must be based on the following principles:

8.6.1. **Confidentiality.** All audits must be carried out in strict confidence at all stages from the message receipt to the very completion. The confidentiality conditions apply to the fact of the audit, affected person(s), subject, audit procedure, materials and information collected, and audit results. Persons involved in the audit may only transfer any information to other persons on a need to know basis.

8.6.2. **Impartiality and objectivity.** Auditors must be equally impartial to all audited persons, regardless of their job position. The audit should not be influenced by a personal opinion or bias. The audit and decision-making process must not involve persons who: 1) have any significant interest in the audit results, 2) are in close personal relationship with the audited person, 3) may turn out to be suspects or 4) may be liable for not taking reasonable measures to prevent or reveal violations (for example, a head of a department). Actual or potential conflicts of interest must be addressed promptly. If actual or potential conflict of interest cannot be adequately resolved to ensure audit ethics, the person concerned must be removed from the audit team and a suitable substitution must be provided.

8.6.3. **Ethical conduct.** Auditors must act with integrity, honesty, fairness and diligence. An auditor must respect all persons involved. Inappropriate, unethical and unprofessional behavior is unacceptable.

8.6.4. **Competency.** Auditor must know the Antimonopoly Legislation and Antimonopoly Policy. If additional expertise is required, the Director General should engage necessary additional resources.

8.6.5. **Time is of essence (reasonable audit time frames).** Regardless of the complexity, an audit must be carried out without delay and within a reasonable time, but audit speed must not affect its quality.

8.6.6. **Retaliation protection.** The persons complaining in good faith about violations of the Antimonopoly Legislation or Antimonopoly Policy and persons participating in and conducting the audit should be protected by the Company against any adverse consequences. Auditors must inform all employees and other persons involved in the audit of the application of this principle. All persons participating in the audit may apply to the Director General of the Company for protection against any negative consequences of such participation, and the Director General of the Company must provide such protection.

8.7. In order to support internal audits, the Compliance Service:

- Documents internal audit progress and results and ensures document storage upon completion;
- Evaluates results and identifies the necessary measures to prevent or, at least, reduce the probability of repeated violation.

8.8. If necessary, the Compliance Service develops and submits, for approval to the Director General of the Company, Internal Audit Rules, which may regulate, in particular:

- general procedure for conducting internal audits in the Company;
- persons included in the commission conducting an audit;
- roles of the Company internal business units, which may be involved in the audit;
- confidentiality matters, including prevention of audit information leakage outside the Company;
- procedure for storing documents and electronic data, including collected evidences;
- point in time when audited persons are notified of the audit;
- interviewing procedure and persons present;
- providing an opportunity for interviewed persons to express their own point of view on certain issues;
- the right of each person participating in the audit to engage a defense lawyer or personal legal advisor.

8.9. Based on the internal audit results, the Compliance Service or audit commission creates an audit report, which indicates:

- circumstances revealed by the audit;
- evidences used for conclusions about the circumstances of the case;
- conclusions on the identification (absence) of a violation of the Antimonopoly Legislation and Antimonopoly Policy;
- conclusions on the identification (absence) of Antimonopoly Risks in a particular area of the Company business.

9 VIOLATION ELIMINATION AND RISK ASSESSMENT

9.1. If an internal audit reveals an Antimonopoly Legislation or Antimonopoly Policy violation, the Director General of the Company and Compliance Service must take all necessary measures to eliminate violations and prevent them in the future. In such cases, it is also necessary to determine whether violator's immediate superior took necessary measures to prevent the violation.

9.2. Elimination of the revealed violations is monitored by the Compliance Service.

9.3. With regard to the employees that internal audit finds to have violated the Antimonopoly Legislation or Antimonopoly Policy, measures should be taken as provided for in [Section 10](#) of the Antimonopoly Policy. Taking measures is within the competence of the Director General of the Company.

9.4. If an internal audit reveals increased Antimonopoly Risks in a certain area of the Company's business, the Compliance Service should develop proposals to reduce such risks.

9.5. If an internal audit reveals Antimonopoly Risks in a certain area of the Company's business, the Compliance Service should assess such risks by thoroughly analyzing:

- Company or individual employee activities (actions) that may pose such risk;
- reasons for such actions;
- probability or possibility of such actions;
- expected result thereof, including negative consequences (damage) along with quantitative and/or qualitative assessment.

9.6. Following the analysis results: 1) a map of the revealed regulated risks of the Antimonopoly Legislation violation by the Company is created (amended), 2) detailed description of such risks is provided, 3) particular risk occurrence probability and negative consequences (in

material terms) are estimated, and 4) for each risk, an internal procedure is specified to monitor the Antimonopoly Legislation compliance along with preventive measures to reduce its probability. The most probable risks are identified first.

9.7. Company's regulated risk map contains the following information:

- description of the risk to be addressed by the Antimonopoly Compliance;
- name of the area or process vulnerable to the risk;
- name and brief description of the procedures performed to eliminate risk consequences;
- reference to the procedure regulations (a document establishing detailed requirements for how to perform the procedure);
- family name, first name, patronymic, and job title of the person who will perform the procedure;
- procedure frequency (regularity);
- source documents (used as the basis for performing the procedure);
- deliverables (documented results of the procedures performed to eliminate risk consequences);

9.8. The procedures to mitigate risk consequences and regulations for performance thereof are developed separately for a certain identified risk. In order to eliminate a certain risk, a procedure developed earlier for another risk may be used.

9.9. Risk severity must be assessed taking into account the extent of:

- negative impact on the Company reputation,
- fines imposed on the Company,
- claims for damages,
- distraction of efforts and resources from core activities because of a violation identification,
- legal fees,
- recognition of contracts (agreements) invalid,
- fines on and other sanctions against Employees, including the Company's Top Managers (in particular, deprivation of the right to engage in certain activities and hold a certain position, and prosecution),
- dismissal of Employees in the event of an internal disciplinary action.

9.10. Antimonopoly Risk management (in particular, risk assessment) must distinguish between risks associated with (i) direct legal prohibition and clearly illegal practices and (ii) “grey zones” in legal regulation. Clearly illegal actions are prohibited. However, the probability of the Company being held liable must never be treated as a factor in determining the degree of risk (i.e., it is unacceptable to conduct a “cost vs. benefit” analysis if certain actions are clearly illegal).

9.11. The regulated risk map is updated after new risks are identified and at the beginning of each calendar year, whereafter information is entered into it about the measures taken by the Company to eliminate the risk.

10 DISCIPLINARY ACTIONS AND OTHER SANCTIONS. INCENTIVES

10.1. In case of a violation of the Antimonopoly Legislation or Antimonopoly Policy by any employee, including Top Manager, regardless of their job position, a disciplinary action or other sanction must be applied to them.

10.2. Disciplinary actions include:

- criticism;

- reprimand;
- dismissal on relevant grounds.

10.3. Other sanctions include:

- deprivation of a bonus;
- refusal to engage in work on certain projects;
- requirement to take an ad-hoc training;
- other measures that do not conflict with the labor legislation.

10.4. The decision to apply a disciplinary action or other sanctions is taken by the Director General of the Company in strict compliance with the labor legislation and only based on the results of an internal audit.

10.5. Mitigating and aggravating circumstances should be taken into account when making a decision on imposing disciplinary actions or other sanctions. The selected disciplinary action or other sanction must be commensurate with the violation severity.

10.6. Mitigating circumstances include:

- timely reporting of the violation by a violator himself/herself;
- full cooperation in performing an internal audit;
- non-managerial position of a violator;
- violator is not required to receive scheduled training;
- violator's good faith;
- approval or encouragement of the violator's actions by his/her immediate superior.

10.7. Aggravating circumstances include:

- refusal to cooperate or fully disclose information, which is important for the audit;
- managerial position of a violator;
- a violator received Antimonopoly Compliance training and was aware of the required standards of conduct;
- a violator did not receive Antimonopoly Compliance training, despite the obligation to do so;
- repeated violation;
- provoking other employees to commit a violation.

10.8. The Director General of the Company may give incentives to employees for good faith observance of the Antimonopoly Policy and take other measures to drive compliance with the Antimonopoly Legislation and Antimonopoly Policy.

10.9. The Compliance Service may suggest the Director General of the Company on applying incentive and motivating measures.

11 ANTIMONOPOLY COMPLIANCE TRAINING. MAKING COMPANY'S EMPLOYEES AWARE OF THE ANTIMONOPOLY POLICY

11.1. The Company regularly trains its employees in the Antimonopoly Compliance basics as follows:

- introductory training;
- ad-hoc training;
- scheduled training.

11.2. All employees are required to participate in training in accordance with this section.

11.3. The Compliance Service is responsible for conducting Antimonopoly Compliance training. In particular, Compliance Service:

- determines training formats (lectures, seminars, trainings, distance learning, etc.);
- develops and approves training programs;
- delivers training on their own and, if necessary, involves specialists from other Company business units or external specialists;
- organizes the maintenance and storage of documentation confirming the training completion by the Employees and other training-related documentation (if any).

11.4. When organizing a training, the subject matter peculiarity and the circle of trainees must be taken into account, and the training methodology must be adapted to specific needs of different business units and different situations.

11.5. Introductory training in and building awareness of the basics of Antimonopoly Legislation and Antimonopoly Policy are carried out when employing a person and when moving an employee to another position, if it involves other job duties. An employee introductory training should, at least, 1) explain goals of and reasons for Antimonopoly Compliance at the Company and principles governing the exercising of the Antimonopoly Compliance at the Company, as set forth in this Antimonopoly Policy, 2) specify what should (and should not) be done to comply with this Antimonopoly Policy, and 3) describe personal (internal and external) consequences of its violation.

11.6. Ad-hoc training is delivered in case of significant changes in the Antimonopoly Legislation, Antimonopoly Policy or when a violation of the Antimonopoly Legislation is revealed.

11.7. Employees for whom attending ad-hoc trainings is mandatory are determined by the Compliance Service on a case by case basis.

11.8. Scheduled training is delivered at least once a year. Scheduled training is mandatory for employees on positions associated with an increased level of Antimonopoly Risks. They include:

- Account Directors;
- Project Managers;
- Bid Preparation Managers;
- other Company employees who plan or regularly interact with competitors;
- lawyers;
- other employees at the discretion of the Compliance Service.

11.9. It is not allowed to deliver scheduled trainings as online trainings only, since they do not ensure the required trainee immersion.

11.10. Scheduled training should include training in the Antimonopoly Legislation basics and building awareness of internal documents (in particular, this Antimonopoly Policy).

11.11. Based on the scheduled training results, the Compliance Service initiates certification procedure for all employees who were trained. If the certification result is unsatisfactory, the employee must be re-trained. The number of repeated trainings is not limited. If the re-certification result is unsatisfactory, organizational measures may be taken with regard to the employee, which do not contradict the effective legislation (suspension from participation in projects, deprivation of a bonus, etc.).

11.12. The Head and employees of the Compliance Service must receive scheduled external training at least once a year.

11.13. This Antimonopoly Policy is published on CROC official website at: <https://www.croc.ru/about/compliance-policy/>. The content of and link to the Antimonopoly Policy is communicated to all employees during the introductory (primary) training. The Compliance Service provides easy access to all training materials via Jive intranet portal.

11.14. If Company employees have questions about this Antimonopoly Policy interpretation or application, as well as in case of any disputable situations related to Antimonopoly Compliance,

then employees may contact the Compliance Hotline (**compliance@croc.ru**) or look themselves for answers on Company's official website in the Compliance section: <https://www.croc.ru/about/compliance-policy/>.

12 MONITORING OF THE ANTIMONOPOLY COMPLIANCE EFFECTIVENESS

12.1. The company monitors, analyzes, and improves the Antimonopoly Compliance to ensure its effective operation and evolution.

12.2. Director General of the Company is responsible for the Antimonopoly Compliance monitoring.

12.3. Antimonopoly Compliance in the Company is monitored once a year according to the scheduled internal audit rules

12.4. by a special commission created and chaired by the Director General of the Company. Director General of the Company is responsible for the monitoring.

12.5. Members of the monitoring commission are appointed by the order of the Director General of the Company. The Commission may not include the Head or employees of the Compliance Service. Director General of the Company ensures the Commission independence from the Compliance Service. At the discretion of the Director General of the Company, monitoring may be outsourced to an independent third-party expert.

12.6. Based on the monitoring results, the Commission drafts a report with an independent assessment of Antimonopoly Compliance KPIs at the Company. The report is submitted to the Company Top Managers for review and published on the Company's official website.

12.7. When assessing the Antimonopoly Compliance operation effectiveness, the Commission considers the following KPIs:

- rate of reduction in the number of the Antimonopoly Legislation violations by the Company;
- rate of reduction in the number of the Antimonopoly Policy violations by Company's employees;
- percentage of draft official documents issued on Company's behalf, in which Antimonopoly Risks are detected;
- number of revealed Company Top Managers' decisions (actions, local acts), which caused violation of Antimonopoly Legislation;
- percentage of employees whose work was internally audited;
- percentage of employees who have completed internal training on Antimonopoly Compliance.

12.8. KPIs listed in clause 12.7 are also used to assess the performance of each individual Compliance Service employee.

12.9. KPI calculation formulas are approved by an order of the Director General of the Company.

12.10. Following the Antimonopoly Compliance monitoring results, the Director General of the Company takes measures to:

- Eliminate performance flaws and prevent them from re-occurrence;
- Motivate employees to observe the Antimonopoly Legislation and Antimonopoly Policy (sanctions and incentives, material incentives);
- Amend Company's internal documents;
- Develop infrastructure to comply with the Antimonopoly Legislation.

12.11. The Head and employees of the Compliance Service continuously assess the Antimonopoly Compliance effectiveness on an ongoing basis as part of day-to-day activities.

12.12. The Compliance Service submits annual reports on such assessment results to Company Top Managers to inform them about the identified flaws and take appropriate measures to eliminate such flaws, and publishes the reports on Company's official website.

13 FINAL PROVISIONS

13.1. The Antimonopoly Policy shall come into effect from the date of approval by the Director General of the Company and shall be valid indefinitely.

13.2. The Antimonopoly Policy must comply with the legislation of the Russian Federation. Provisions of the Antimonopoly Policy contradicting the legislation of the Russian Federation must never be applied. If such contradiction is revealed, the Director General of the Company must ensure amendment of the Antimonopoly Policy to bring it in line with the legislation.

13.3. Changes may be introduced to the Antimonopoly Policy by relevant order of the Director General of the Company. Such changes must be based on the effective Antimonopoly Legislation and world's best practices for exercising Antimonopoly Compliance at organizations and must not contradict them. Changes must take into account results of Company's monitoring of the Antimonopoly Compliance operation and Compliance Service activities.

13.4. This Antimonopoly Policy is communicated to all Company Employees on a mandatory basis. The latest Antimonopoly Policy version must be published on Company's official website in the public domain.

AGREED BY

Approval sheet (annex to Order No. 44a/SMK of January 31, 2020)

Deputy Director General for Human Resources

Polina Khabarova

Deputy Director General for Business Development

Igor Nikulin