

APPROVED

By order of Director General of Joint-Stock
Company (ZAO) CROC incorporated

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ANTI-CORRUPTION POLICY

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CROC

2020

JSC (ZAO) CROC incorporated

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1 PURPOSE AND SCOPE OF APPLICATION

1.1 This Anti-Corruption Policy (hereinafter the Policy) is a set of interrelated principles, procedures, and specific measures aimed at preventing and combating corruption offenses in the activities of CROC incorporated (hereinafter CROC or the Company).

1.2 This Policy is binding on all CROC employees who are in labor or civil law relations with CROC, regardless of their position and functions.

2 ANTI-CORRUPTION POLICY GOALS AND OBJECTIVES

2.1 This Policy is aimed at establishing a unified approach to preventing and combating corruption in CROC.

2.2 This Policy shall:

- inform employees about regulatory support of anti-corruption practices and liability for committing corruption offenses;
- define basic principles of combating corruption in CROC;
- develop and implement measures aimed at preventing and combating corruption in CROC;
- declare CROC's commitment to comply with law and high ethical standards in business relations.

3 TERMS AND DEFINITIONS

3.1 **Corruption** means 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 violation 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; The above listed acts committed on behalf or for the benefit of a legal entity are also treated as the corruption.

3.2 **Corruption prevention** means CROC's activities aimed at introducing elements of corporate culture and organizational structure, and rules and procedures prescribed by internal regulatory documents, in order to ensure protection against and zero tolerance to corruption offenses, and develop the compliance in line with regulatory legal acts and best compliance practices.

3.3 **Counterparty** means any Russian or foreign legal entity or natural person having contractual relations with CROC, excluding labor relations.

3.4 **Bribe** means receipt by an officer, a foreign official or an official of a public international organization (personally or through an intermediary) of money, securities, other property, or illegal provision of services of a property nature, or other property rights for the performance of actions (inaction) in favor of the bribe-giver or the persons represented by him, if such actions (inaction) are within this officer's powers or if, due to his position, he can promote to such actions (inaction), as well as for general patronage or connivance in the service.

3.5 **Commercial bribery** is an illegal transfer of money, securities, or other property to a person who performs managerial functions in a commercial or other organization, the provision of property services to him, the provision of other property rights for actions (inaction) to the benefit of the giver in connection with this person's official position.

3.6 **Compliance** means ensuring that the organization's activities comply with the requirements set by Russian and foreign legislation, other mandatory regulatory documents, as well as creating mechanisms within CROC for analyzing and identifying corruption risk areas of activities, and ensuring comprehensive protection against such risks.

3.7 **CROC employee** is an individual working under an employment or civil law contract for the Company.

4 REGULATORY SUPPORT OF THIS POLICY

4.1 The fundamental legal act that regulates anti-corruption in Russia is the Federal Law 273-FZ of December 25, 2008 "On Combating Corruption", as well as foreign anti-corruption legislation: US law Foreign Corrupt Practices Act (1977 - FCPA), UK Bribery Act (2010), and French anti-corruption law Sapin II.

4.2 This Policy is based on the international standard ISO 37001: 2016 Anti-bribery management systems and Guidelines for the development and adoption by organizations of measures to prevent and combat corruption, approved by the Ministry of Labor and Social Protection of Russia on November 8, 2013.

5 CROC OFFICIALS RESPONSIBLE FOR THE IMPLEMENTATION OF ANTI-CORRUPTION POLICY

5.1 The key role in fostering a culture of intolerance towards corruption and creating an internal system for preventing and combating corruption is assigned to Director General of the Company (tone from the top).

5.2 Director General acts as a guarantor of compliance with anti-corruption rules and procedures in the Company.

6 BASIC PRINCIPLES OF CROC'S ANTI-CORRUPTION ACTIVITIES

CROC's Anti-corruption policy is based on the following principles:

6.1 Compliance with the effective legislation of the Russian Federation and generally accepted norms of international and foreign law.

6.2 This Policy should be regularly monitored for compliance with the anti-corruption legislation of the Russian Federation, the US Foreign Corrupt Practices Act (1977 - FCPA), and the UK Bribery Act (2010).

6.3 Tone from the top.

The key role of the Company's management in fostering a culture of intolerance towards corruption and creating an internal system for preventing and combating corruption is assigned to Director General of the Company.

Director General acts as a guarantor of compliance with anti-corruption rules and procedures in the Company.

6.4 Employee engagement.

This anti-corruption policy and anti-corruption training materials are published on CROC's website www.croc.ru and intranet portal [Jive](#).

Employee training program includes the following topics:

- corruption in public and private sectors of economy;
- legal liability for committing corruption offenses;
- familiarization with legal requirements and CROC internal documents on anti-corruption matters and the procedure for their application in CROC activities;
- acting in situations of corruption risk, in particular, in cases of extortion of a bribe by officials of state and municipal bodies and other organizations;
- interaction with law enforcement agencies on anti-corruption matters.

The Company delivers trainings at the following intervals:

- anti-corruption training - immediately after hiring (as part of employee onboarding program);
- regular (at least twice a year) trainings for employees to maintain their anti-corruption awareness and skills;
- additional training if inefficient implementation of anti-corruption policy is revealed due to the lack of anti-corruption knowledge and skills of employees.

Individual consulting on anti-corruption matters is also available in CROC. If necessary, an employee may contact Legal Department personnel or Chief Compliance Officer for advice and guidance. Consulting on specific anti-corruption issues is delivered in confidential manner. Each CROC employee may send a proposal to amend this Policy, introduce new procedures or change current procedures to Chief Compliance Officer or their line manager. Proposals can also be sent to hotline compliance@croc.ru.

6.5 The principle of proportionality of anti-corruption procedures to the risk of corruption.

A set of measures to reduce the likelihood of involvement of CROC, its managers and employees in corruption activities is developed and implemented taking into account the corruption risks existing in CROC's activities.

6.6 The principle of effectiveness of anti-corruption procedures.

CROC strives to introduce anti-corruption procedures that are easy to implement and bring meaningful results.

Each employee has access to anti-corruption policies, and reviewing them is a mandatory part of employee's work. Trainings are delivered either offline or online in small groups to enable assessment of employee knowledge.

6.7 The principle of responsibility and inevitability of punishment.

CROC adheres to the principle of inevitability of punishment for employees, regardless of their position, length of service and other conditions if they commit corruption offenses in connection with the performance of their job duties, as well as personal responsibility of the Company's top managers for the implementation of corporate anti-corruption policy.

6.8 The principle of business openness.

6.9 This Anti-Corruption Policy, Code of Business Conduct, Anti-Monopoly Policy and other documents are published on the CROC website www.croc.ru. In addition, CROC offers inclusion of anti-corruption clause in each contract with a counterparties in order to inform them about zero tolerance to corruption.

6.10 The principle of constant control and regular monitoring.

Chief Compliance Officer and Legal Department are responsible for regular monitoring of effectiveness of the implemented anti-corruption standards and procedures, as well as supervision of their implementation

7 RIGHTS AND OBLIGATIONS OF CROC EMPLOYEES AND OBLIGATIONS OF CROC RELATED TO ANTI-CORRUPTION

7.1 CROC values the fair, lawful and ethical behavior of its employees towards each other, CROC and customers.

7.2 Employees can use this Policy in order to obtain information on:

- normative legal regulation anti-corruption and liability for committing corruption offenses;
- responsibilities that may be assigned to employees in connection with the implementation of anti-corruption measures.

7.3 Employees should:

- refrain from committing and/or participating in committing corruption offenses to the benefit or on behalf of CROC;
- refrain from behavior that can be interpreted as a willingness to commit or participate in the commission of a corruption offense to the benefit or on behalf of CROC;
- promptly inform immediate supervisor and/or the Company management about persuading an employee to commit corruption offenses;
- promptly inform immediate supervisor and/or the Company management about corruption offenses committed by other employees, counterparties or other persons;
- inform the immediate supervisor and/or the Company management about possible or actual conflict of interest for the employee.

7.4 Employees can deliver any message related to corruption offenses or violation of this Policy, including persuading an employee to commit corruption offenses, to their line manager personally or via email, and contact the compliance hotline line (compliance@croc.ru). Employees may send anonymous messages to the Compliance Hotline. Such employees have guaranteed protection from dismissal, and confidentiality of their information is also guaranteed.

8 LIST OF CROC'S ANTI-CORRUPTION MEASURES, STANDARDS AND PROCEDURES, AND THEIR IMPLEMENTATION STEPS

8.1 As part of due diligence procedure, CROC checks whether a counterparty has anti-corruption policy.

8.2 CROC uses the following measures to prevent and combat corruption:

8.2.1 Adopts and implements the Code of Ethics;

8.2.2 Adopts and implements the Antimonopoly Policy;

8.2.3 Adopts and implements the Conflict of Interest Statement;

- 8.2.4 Adopts and implements the Code of Business Conduct, which includes rules for the exchange of business gifts and business hospitality;
- 8.2.5 Negotiates and includes anti-corruption clause to agreements with counterparties, namely: When entering into an agreement with a counterparty, CROC proposes inclusion of the following anti-corruption clause: "When performing this Agreement, the Parties shall refrain from any actions that may give rise to liability of either Party (including their employees acting on behalf and for the benefit of a respective Party) for abuse of an official position, giving or receiving a bribe, abuse of authority, commercial bribery or any other unlawful use by a respective employee of his/her official position contrary to lawful interests of the society and the state for the purpose of gaining a benefit in the form of money, things of value, other property or services of property nature, other property rights for himself/herself or for third parties, or unlawful provision of such benefit to such person by other individuals."
- 8.2.6 Availability and maintenance of a compliance 'hotline' compliance@croc.ru: employees are informed of the hotline availability and know that they can use it to report corruption offences committed by their colleagues, CROC's counterparties, and other persons, as well as conflicts of interests, etc.
- 8.2.7 The existence of a procedure for protecting employees who have reported corruption offenses in the activities of the organization, from formal and informal sanctions.
- 8.2.8 Conducting periodic assessments of corruption risks in order to identify areas of the organization's activities most exposed to such risks and develop appropriate anti-corruption measures.
- 8.2.9 Making documents that regulate combating and prevention of corruption within the company available to employees for review on an annual basis.
- 8.2.10 Delivering trainings in prevention and combating of corruption.
- 8.2.11 Arranging individual consultations for employees on the implementation of (compliance with) anti-corruption standards and procedures.
- 8.2.12 Regular monitoring of compliance with internal procedures.
- 8.2.13 Regular checks of accounting data, availability and reliability of primary accounting documents.
- 8.2.14 Regular monitoring of economic feasibility of expenses in high corruption risk areas: exchange of business gifts, hospitality, and remuneration for external consultants.
- 8.2.15 Regular assessment of the results of anti-corruption activities.
- 8.2.16 Preparation and distribution of reports on anti-corruption activities.

9 LIABILITY OF CROC AND ITS EMPLOYEES FOR NON-COMPLIANCE WITH THE ANTI-CORRUPTION POLICY REQUIREMENTS

9.1 CROC's liability for violation of anti-corruption legislation is provided for by the Code of Administrative Offenses of the Russian Federation.

9.2 The Company employees shall bear criminal, administrative, civil, and disciplinary liability (dismissal) for corruption offence.

10 CORRUPTION RISK ASSESSMENT

10.1 Corruption risk assessment is an essential element of implementation of this Anti-Corruption Policy.

10.2 It is recommended to assess corruption risks at least once a year.

10.3 Corruption risks assessment includes the internal control procedure, the main elements of which, as well as the volume and content of messages on corruption risks, including messages received via the hotline are specified in Section [12](#) of this Policy.

11 CONFLICT OF INTEREST IDENTIFICATION AND RESOLUTION

11.1 Identifying conflicts of interest in activities of the Company and its employees is one of important anti-corruption methods.

11.2 In order to manage and prevent conflicts of interest in the activities of its employees (and, accordingly, possible negative consequences of a conflict of interest to the Company), CROC adopted a Conflict of Interest Regulations, while relevant provisions on the inadmissibility of conflicts of interest are also included in the Code of Business Conduct.

12 INTERNAL MONITORING

12.1 Obligations of CROC's Financial Department include the performance of internal control of business transactions.

12.2 Internal control tasks are as follows: ensure the reliability and accuracy of CROC's financial (accounting) statements and ensure that CROC's activities comply with the requirements of regulatory legal acts and local regulations of the Company, including this Policy.

12.3 Control over documentation of business operations is aimed at preventing and detecting relevant violations: drafting unofficial reports, using forged documents, recording

non-existent expenses, lack of primary accounting documents, corrections in documents and reports, destruction of documents and reports before the prescribed deadline, etc.

12.4 Business feasibility checks are mandatory for business gift exchanges, hospitality, charitable donations, external consultant fees, etc.

12.5 The existence of circumstances that indicate a misconduct should be checked, for example:

- payment for services, the nature of which is not defined or cause doubt;
- providing expensive gifts, paying for transport or entertainment services, issuing loans on preferential terms, providing other values or benefits to external consultants, government or municipal employees, employees of affiliated persons and counterparties;
- payment of remuneration to an intermediary or external consultant in excess of the Company's usual fee or a fee for this type of service;
- purchases or sales at prices significantly different from market prices;
- Questionable cash payments.

13 TAKING MEASURES TO PREVENT CORRUPTION WHEN INTERACTING WITH COUNTERPARTIES

13.1 CROC highly values relations with those organizations that do business relations in a fair and honest manner, care about their own reputation, follow high ethical standards in doing business, implement their own anti-corruption measures, and participate in collective anti-corruption initiatives.

13.2 CROC implemented special procedures for checking counterparties in order to reduce the risk of being involved in corruption activities and other unfair practices in the course

of relations with counterparties. When checking a counterparty, special attention is paid to its reputation, market activity duration, participation in corruption scandals, etc.

13.3 Certain provisions on compliance with anti-corruption standards should be included in contracts with counterparties.

13.4 This Policy is posted on CROC's official website.

14 INTERACTION WITH GOVERNMENT BODIES EXERCISING CONTROL AND SUPERVISORY FUNCTIONS

14.1 CROC employees should refrain from any illegal and unethical behavior when interacting with government officials who are exercising control and supervisory activities.

14.2 CROC prohibits remuneration (gifts, fees, loans, services, payment of entertainment, recreation, transportation costs, and other remuneration) to government employees in connection with the performance of their official duties.

15 COOPERATION WITH ANTI-CORRUPTION LAW ENFORCEMENT AGENCIES

15.1 Cooperation with law enforcement agencies includes:

- rendering assistance to authorized representatives of law enforcement agencies when they audit the Company's anti-corruption activities;
- rendering assistance to authorized representatives of law enforcement agencies when they carry out measures to suppress or investigate corruption crimes, including operational-search measures.

15.2 Employees should provide support to law enforcement agencies in corruption identification and investigation, and take necessary measures to keep and transfer to law enforcement agencies documents and information containing data on corruption offenses.

15.3 Legal Department personnel should be involved when preparing responses to inquiries from law enforcement agencies.

15.4 Employees should not allow interference with the performance of job duties by officials of judicial or law enforcement agencies.

16 CROC'S PARTICIPATION IN COLLECTIVE ANTI-CORRUPTION INITIATIVES

16.1 CROC takes part in the following collective anti-corruption initiatives:

- joins the Ethical Charter of IT company directors:
<https://apkit.ru/charter/eticheskaya-khartiya-rukovoditeley-it-kompaniy/#tekst-khartii>;
- uses standard anti-corruption clauses in agreements;

- publicly refuses doing business with persons (organizations) involved in corruption crimes;
- participates in anti-corruption delivered by Microsoft, Oracle and other vendors.

17 PROCEDURE FOR REVISING AND AMENDING THE COMPANY'S ANTI-CORRUPTION POLICY

17.1 Effectiveness of this Policy implementation should be regularly monitored.

17.2 Chief Compliance Officer should submit annual reports to Director General of the Company. If the monitoring results give rise to concerns about the effectiveness of anti-corruption measures then amendments and additions should be made to the anti-corruption policy, and the content and scope of anti-corruption measures should be revised.

17.3 This Policy may also be revised in other cases, such as introduction of amendments to the Labor Code of the Russian Federation and anti-corruption legislation, etc.

Agreed by

Approval list (Annex to Order No. 59/SMK of December 14, 2020)

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