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**ANTICORRUPTION POLICY  
OF THE VLADIMIR POTANIN FOUNDATION**

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## **PREAMBLE**

The Vladimir Potanin Foundation (the "**Foundation**") was established in 1999 in accordance with the Constitution of the Russian Federation, the Civil Code of the Russian Federation, Federal Law No. 7-FZ dated January 12, 1996, "On Nonprofit Organizations," Federal Law No. 135-FZ dated August 11, 1995, "On Charitable Activities and Volunteering," and other legislative acts of the Russian Federation for the implementation of large-scale programs in the field of education and culture.

The Foundation's mission is to develop a culture of charity, uniting around itself active creative professionals who are involved in solving socially significant tasks and achieve sustainable social changes, as well as opening up opportunities for the emergence of new ideas and creating conditions for their realization.

The main principles that guide the Foundation in the implementation of activities:

- (A) The principle of legality and ensuring high quality standards and the absence of discrimination
- (B) The principle of incorruptibility and rejection of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in all forms and manifestations
- (C) The principle of working for the benefit of society
- (D) The principle of financial efficiency
- (E) The principle of independence, openness, and accountability
- (F) The principle of honesty and objectivity

One of the most important conditions for the implementation of the Foundation's activities is strict observance of the current legislation governing, among other things, issues related to combating corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism. In this connection, the Foundation declares a categorical nonacceptance of dishonest and illegal ways to carry out activities and voluntarily assumes obligations in the field of preventing corruption and observing other conditions set forth in this Anticorruption Policy.

## **1 GENERAL PROVISIONS**

- 1.1 The Anticorruption Policy of the Foundation is a set of interrelated principles, procedures, and specific measures aimed at preventing and suppressing corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the activities of the Foundation as well as compliance with anticorruption legislation of the Russian Federation by the Employees, Counterparties of the Foundation, and other persons who may act on its behalf.
- 1.2 This Anticorruption Policy has been developed taking into account the guidelines, the basic best practices as well as in accordance with the requirements of international and Russian legislation, in particular:
  - 1.2.1 United Nations Convention against Corruption adopted in New York on October 31, 2003 Resolution 58/4 at the 51st plenary meeting of the 58th session of the UN General Assembly and ratified by the Russian Federation on March 6, 2006
  - 1.2.2 Council of Europe Criminal Law Convention on Corruption concluded in Strasbourg on January 27, 1999, and ratified by the Russian Federation on July 25, 2006
  - 1.2.3 The Organization of Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions adopted on November 21, 1997, upon the accession of the Russian Federation to the said Convention on February 1, 2012
  - 1.2.4 Federal Law No. 273-FZ dated December 25, 2008 "On Combating Corruption"

- 1.2.5 Federal Law No. 115-FZ dated August 7, 2001 "On Counteracting the Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism"
- 1.2.6 Criminal Code of the Russian Federation No. 63-FZ dated June 13, 1996
- 1.2.7 Code of Administrative Offenses of the Russian Federation No. 195-FZ dated December 30, 2001
- 1.2.8 Guidelines on the development and adoption by organizations of measures to prevent and combat corruption developed by the Ministry of Labor and Social Protection of the Russian Federation (published on November 8, 2013, approved at a meeting of the Presidium of the Presidential Council of the Russian Federation on Anticorruption on April 8, 2014)
- 1.2.9 International standards on countering the legalization (laundering) of proceeds from crime, financing of terrorism, and financing the spread of weapons of mass destruction (Recommendations of the Financial Action Task Force, FATF)
- 1.2.10 Recommendations of the Federal Financial Monitoring Service (Rosfinmonitoring) for the NPO sector in the field of combating the financing of terrorism
- 1.2.11 The Anticorruption Rules of the International Chamber of Commerce
- 1.2.12 Other laws and regulations of the Russian Federation and local regulations of the Foundation, including, but not limited to, the Principles and Rules for Conducting Charitable Activities and Risk Management of the Foundation, the Policy on the Protection of Whistleblowers and Refusal of Retaliatory Actions and Sanctions against Such Persons.
- 1.3 This Anticorruption Policy discloses the goals and objectives of the Foundation's activities in the area of counteraction to involvement in corrupt practices, defines the legal framework and key principles of this counteraction, describes the Foundation's Measures to prevent corruption, minimize, and/or eliminate the consequences of corruption offenses, establishes the duties of the Foundation employees and other persons in the field of combating corruption as well as responsibility for the failure (inadequate execution) of the provisions of the Anticorruption Policy.

## **2 THE CONCEPTS AND DEFINITIONS USED IN THE ANTICORRUPTION POLICY**

- 2.1 The concepts and definitions used in the Anticorruption Policy are:
  - 2.1.1 "**Anticorruption clause**" means a clause on combating corruption and compliance with the legislation of the Russian Federation, the short and complete versions of which are given in the annex to the bargain, agreement, contract of the Foundation or a section in these documents, according to which the parties agree to prevent corruption or other offenses related with the legalization (laundering) of proceeds from crime and financing of terrorism, in the implementation of mutual obligations, establish the consequences of violating such an agreement.
  - 2.1.2 "**Anticorruption Policy of the Foundation**" means a set of interrelated principles, procedures, specific measures, and internal documents of the Foundation regulating and aimed at preventing and suppressing corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the activities of the Foundation, compliance with anticorruption legislation of the Russian Federation by the employees and other persons who may act on behalf of the Foundation.
  - 2.1.3 "**Bribe**" according to article 290 of the Criminal Code of the Russian Federation No. 63-FZ dated June 13, 1996, means obtaining by an official, a foreign official, or an official of a public international organization, personally or through an intermediary, money, securities, other property in the form of unlawful provision of property-related services to them, granting other property rights for committing actions (inaction) in favor of the bribe giver or persons represented by them, if such actions (inaction) are part of the official powers of the official, or if, by virtue of their official position, they can assist such actions (inaction), as well as for general patronage or conniving at work.

- 2.1.4 **"State Official"** means any Russian or foreign, appointed or elected person, replacing any position in a legislative, executive, administrative, judicial body, or international organization; any person performing a public function for the state, including for a government body, agency, or enterprise; leading political figures, officials of political parties, including candidates for political posts, ambassadors, leaders, and employees of state bodies, agencies, and enterprises.
- 2.1.5 **"Due Diligence"** means a principle based on the concepts of rationality and good faith, according to which, when performing business operations or making management decisions, it is necessary to consider information sufficient to form a reasonable opinion about the presence of indications of bad faith of a counterparty or job candidate.
- 2.1.6 **"Abuse of Official Position or Power"** means the use by an employee of the Foundation of their power against the legitimate interests of the Foundation and in order to avoid benefits and advantages for themselves or others or harm others, if this act resulted in substantial harm to the rights and legitimate interests of citizens or organizations, the legally protected interests of the community or state.
- 2.1.7 **"Counterparty"** means any Russian or foreign legal or natural person with whom the Foundation enters into contractual relations, with the exception of labor relations.
- 2.1.8 **"Corruption"** means abuse of official position, giving a bribe, accepting a bribe, abuse of power, commercial bribery, or other unlawful uses by an individual of their position against the legitimate interests of society and the state to obtain benefits in the form of money, valuables, other property, or property-related services for oneself or for third parties or the unlawful provision of such benefits to a specified person by other individuals. Corruption is also the commission of the listed acts on behalf of or in the interests of a legal entity.
- 2.1.9 **"Commercial Bribery"** according to article 204 of the Criminal Code of the Russian Federation No. 63-FZ dated June 13, 1996, means an illegal transfer to a person performing managerial functions in a commercial or other organization of money, securities, other property, the provision of property-related services to them, the provision of other property rights for actions (inaction) in the interests of the giver in connection with the official position of this person.
- 2.1.10 **"Conflict of Interests"** means a situation in which the personal interest (direct or indirect) of a worker of the Foundation influences or may influence the proper discharge of their job duties and in which a contradiction arises or may arise between the personal interest of the Foundation worker and the rights and legitimate interests of the Foundation that could cause harm to the rights and legitimate interests, property, and/or business reputation of the Foundation.
- 2.1.11 **"Legalization (Laundering) of Proceeds from Crime"** in accordance with paragraph 3 of article 3 of the Federal Law No. 115-FZ dated August 7, 2001, "On Counteracting the Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism" means making it appear that a possession, use, or disposal of funds or other property obtained as a result of the commission of a crime is legitimate.
- 2.1.12 **"Confidence Line ("Hot Line")"** means a set of organizational measures and technical means ensuring the possibility of receiving from the Foundation's employees, counterparties, and other third parties reports about corruption in the Foundation, committing offenses in the conduct of the Foundation's economic activities as well as recording, analyzing, and summarizing the information received.
- 2.1.13 **"Personal Interest"** means the interest of an employee of the Foundation related to the possibility of the employee of the Foundation, while performing their duties, receive income in the form of money, valuables, other property or property-related services, other property rights for themselves or for third parties.

- 2.1.14 **"Person/Business Unit Responsible for Monitoring Compliance with Antimonopoly Policy"** is a worker of the Foundation or a specially created Ethics Commission, whose competence includes monitoring compliance with the Antimonopoly Policy, ensuring measures to prevent corruption, and identifying and preventing corruption by the Foundation, its employees, counterparties, and other third parties with whom the Foundation interacts.
- 2.1.15 **"Measures to Prevent Corruption"** in accordance with article 13.3 of the Federal Law No. 273-FZ dated December 25, 2008, "On Combating Corruption" means measures to prevent corruption that may include:
- (A) The identification of business units or workers responsible for the prevention of corruption and other offenses
  - (B) The cooperation of the Foundation with law enforcement agencies
  - (C) The development and implementation of standards and procedures aimed at ensuring the fair work of the Foundation
  - (D) The adoption of a code of business conduct in the Foundation
  - (E) The prevention and settlement of conflicts of interest of the Foundation Employees in accordance with the Regulation on Conflict of Interest in the Foundation
  - (F) The prevention of unofficial reporting and use of fake documents
- 2.1.16 **"Gift"** means any valuable, in tangible or intangible form, for which there is no obligation to pay—that is, donated, including items, things, gift certificates for any types of goods and services, invitations to events (concert, sightseeing, sports, etc.), funds, securities and other property, benefits and property-related services, including work, services, payment for entertainments, transportation costs, loans, discounts, leasing of property, including housing, etc.
- 2.1.17 **"Supervisory Board"** means a collegial body of the Foundation that oversees the activities of the Foundation, the adoption of decisions by other bodies of the Foundation and their enforcement, the use of funds by the Foundation, and compliance with the law by the Foundation.
- 2.1.18 **"Representation Expenses"** means expenses of the Foundation on holding official receptions, organizing visits to cultural and entertainment events, catering at business meetings, translation services, and other organizational expenses that are allowed in accordance with current legislation.
- 2.1.19 **"Combating Corruption"** in accordance with paragraph 2 of article 1 of the Federal Law No. 273-FZ dated December 25, 2008, "On Combating Corruption" means the activities of federal state authorities, state authorities of the constituent entities of the Russian Federation, local governments, civil society institutions, organizations, and individuals within their authority: a) for the prevention of corruption, including the identification and subsequent elimination of the causes of corruption (prophylaxis of corruption); b) for the detection, prevention, suppression, disclosure, and investigation of corruption offenses (combat against corruption); c) for minimizing and/or eliminating the consequences of corruption offenses.
- 2.1.20 **"Workers"** means individuals who have an employment relationship with the Foundation.
- 2.1.21 **"Foundation Board"** means the supreme collegial body of the Foundation, the main function of which is to ensure compliance by the Foundation with the objectives it is created for.
- 2.1.22 **"Employees"** means Workers of the Foundation, as defined above, as well as persons performing work for the Foundation or providing services on the basis of civil law contracts concluded with the Foundation, including Experts, current members of the Foundation Board, the Supervisory Board, and the Expert Board.
- 2.1.23 **"Financing of Terrorism"** in accordance with paragraph 4 of article 3 of the Federal Law No. 115-FZ dated August 7, 2001 "On Counteracting the Legalization (Laundering) of Proceeds from Crime

and Financing of Terrorism” means providing or raising funds or providing financial services with the knowledge that they are intended to finance the organization, prepare and commit at least one of the crimes provided for by the Criminal Code of the Russian Federation, to finance or otherwise materially support a person for the purpose of committing by them at least one of these crimes, or to support an organized group, an illegal armed group, or a criminal community (criminal organization) created or being created to commit at least one of the specified crimes.

- 2.1.24 **"Expert Council"** means a collegial body of the Foundation whose main objective is the examination and selection of applications for the provision of funds or other assets by the Foundation.
- 2.1.25 **"Experts"** means specialists engaged by the Foundation to conduct research and examination of applications for the provision of funds or other assets by the Foundation.
- 2.1.26 **"Code of Ethics"** means Principles and Rules for conducting charitable activities and risk management of the Vladimir Potanin Foundation approved by the General Director of the Foundation, subject to changes and amendments made from time to time, and the text of which is published on the Foundation’s official website on the internet and available at <http://www.fondpotanin.ru/>.

### **3 THE GOALS AND OBJECTIVES OF THE ANTICORRUPTION POLICY**

- 3.1 The main objectives of the Anticorruption Policy:
  - 3.1.1 The prevention of corruption and other offenses related to the laundering of proceeds from crime and financing of terrorism
  - 3.1.2 The formation of anticorruption consciousness in the Workers
  - 3.1.3 The creation of an effective mechanism to prevent corruption and the legalization (laundering) of proceeds from crime, financing of terrorism as well as the minimization of the risks of involving the Foundation or its Employees in corrupt practices
  - 3.1.4 Raising the legal and civic awareness of the Foundation Workers by creating a negative attitude toward corrupt practices, other offenses, and illegal redistribution of income and other benefits between Workers as well as the development of anticorruption behavior
  - 3.1.5 The minimization of property and reputational damage to the Foundation by suppressing corrupt practices and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism as well as punishment for them using public, administrative, and law enforcement procedures
- 3.2 The main objectives of the Anticorruption Policy of the Foundation:
  - 3.2.1 The formation of the basic principles of work on the prevention of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
  - 3.2.2 Methodological support for the development and implementation of measures aimed at preventing and combating corruption by adopting the Foundation’s internal regulatory documents in the field of combating corruption
  - 3.2.3 The involvement of each Foundation Worker in the implementation of measures to prevent corruption, other offenses specified in the local regulations of the Foundation, and the formation of anticorruption awareness among the Foundation Workers
  - 3.2.4 The establishment of the duties of the Foundation Workers related to the prevention and combating of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism

- 3.2.5 The minimization of the risks of involving the Foundation and its Employees (regardless of their position) in corrupt practices
- 3.2.6 The prevention of corruption practices and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, ensuring responsibility for offenses as well as compensation for harm caused by the commission of an offense
- 3.2.7 The implementation of a set of legal, organizational, explanatory measures to prevent unlawful conduct by the Foundation Employees, including in order to prevent and settle a Conflict of Interest; the formation of a negative attitude of the Employees to receiving Gifts in connection with their official positions or in connection with the performance of their job duties; the prevention by the Foundation Employees of behavior that may be perceived by others as participation in or inducement to commit acts of corruption; as well as control over compliance by the Foundation's Employees with requirements for official conduct and prevention of offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
- 3.2.8 Monitoring the effectiveness of the Foundation's Anticorruption Policy
- 3.2.9 Increasing the openness and transparency of activities in the framework of the implementation of the Foundation's Anticorruption Policy

#### **4 THE BASIC PRINCIPLES OF THE ANTICORRUPTION POLICY**

Systems for combating corruption in the Foundation should be based on the following key principles:

- (A) The principle of compliance of the Foundation's policies with applicable laws and generally accepted rules—compliance of the Foundation's policies and anticorruption measures implemented with the Constitution of the Russian Federation, international treaties concluded by the Russian Federation, applicable legislation of the Russian Federation, and other laws and regulations applicable to the Foundation
- (B) The principle of the personal example of the management—the key role of the Foundation's management in building a culture of intolerance to corruption and in creating an internal system of preventing and combating corruption, intolerance to other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
- (C) The Employee engagement principle—awareness of the Foundation's Employees on the provisions of anticorruption legislation, measures taken within the Foundation, their active participation in the formation and implementation of anticorruption standards and procedures, and increasing the level of anticorruption culture by informing and training the Employees to maintain their awareness of the matters of compliance with the Anticorruption Policy of the Foundation, mastering the ways and methods of implementing measures to prevent corruption in practice
- (D) The principle of zero tolerance to corruption and to other forms of offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism—the rejection of these offenses in all forms and manifestations
- (E) The principle of proportionality of anticorruption procedures to the risk of corruption—the development and implementation of a set of measures to reduce the likelihood of involving the Foundation, its management bodies, and Employees in corrupt practices, taking into account the corruption risks existing in the Foundation's activities
- (F) The principle of the effectiveness of anticorruption procedures—the application in the Foundation of such anticorruption measures that will ensure the effectiveness and simplicity of their implementation for the prevention and suppression of corruption and other offenses

related to the legalization (laundering) of proceeds from crime and financing of terrorism in the future

- (G) The principle of responsibility and inevitability of punishment—the inevitability of punishment for the Foundation Workers, regardless of their position, length of service and other conditions in the event of their committing corruption offenses in connection with the performance of job duties
- (H) The principle of continuous oversight and regular monitoring—regular monitoring of the effectiveness of the implemented anticorruption standards and procedures as well as oversight of their implementation The systematic improvement of the proposed measures and standards, taking into account changes in the conditions of the internal and external environment, including the requirements of the legislation of the Russian Federation
- (I) The due diligence principle—to minimize the risks of engaging in corrupt practices, the Foundation conducts a comprehensive analysis of Counterparties' activities, including in terms of their reliability, the presence of their own anticorruption procedures, the absence of Conflict of Interests, welcomes their commitment to comply with the principles reflected in the Anticorruption Policy, their willingness to include the Anticorruption clause in contracts (depending on the circumstances: the short version, the full version, or a combination of them), and assists in investigating cases of violation of mutual agreements; elements of comprehensive analysis are also used by the Foundation in the selection and recruitment of Workers as well as in personnel work in general
- (J) The principle of openness of the economic and other activities of the Foundation—informing the Counterparties and the public about the anticorruption standards of business conduct adopted by the Foundation by posting information about local regulations governing the issues of preventing and combating corruption on the official website of the Foundation

## **5 THE SCOPE OF ANTICORRUPTION POLICY AND THE RANGE OF PERSONS COVERED BY IT**

- 5.1 The main range of persons covered by this Anticorruption Policy are Workers of the Foundation who are in labor relations with it, regardless of the position held and functions performed, as well as persons performing work for the Foundation or providing services on the basis of civil law contracts concluded with the Foundation and other Employees.
- 5.2 The principles and requirements of this Anticorruption Policy apply to Counterparties and to other persons in cases where the corresponding obligations are stipulated in contracts with them or directly follow from the provisions of current legislation.

## **6 THE DETERMINATION OF EMPLOYEES RESPONSIBLE FOR THE IMPLEMENTATION OF ANTICORRUPTION POLICY**

- 6.1 The Foundation Ethics Commission is an association of the Foundation Employees whose competence includes monitoring compliance with the Antimonopoly Policy, ensuring measures to prevent corruption, and detecting and preventing corruption by the Foundation, its Employees, Counterparties, and other persons with whom the Foundation interacts. The objectives, procedure for the formation, operation, and powers of the Ethics Commission are determined by the Regulations on the Ethics Commission approved by the decision of the General Director of the Foundation.
- 6.2 The duties of the members of the Ethics Commission include in particular issues related to:
  - 6.2.1 The development of local regulations aimed at the implementation of measures to prevent corruption

- 6.2.2 Carrying out control measures aimed at identifying corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, by the Foundation Employees
- 6.2.3 The organization of corruption risk assessment
- 6.2.4 The acceptance and consideration of reports of cases of incitement of Employees to commit corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the interests or on behalf of another organization as well as of cases of corruption offenses committed by Employees, Counterparties, or other persons
- 6.2.5 The organization of filling out and reviewing the Conflict-of-Interest reports
- 6.2.6 The organization of training events on the issues of preventing and combating corruption and other violations related to the legalization (laundering) of proceeds from crime and financing of terrorism as well as individual counseling for Employees
- 6.2.7 Rendering assistance to authorized representatives of control and supervisory and law enforcement bodies when they carry out inspections of the activities of the Foundation on the issues of preventing and combating corruption
- 6.2.8 Rendering assistance to authorized representatives of law enforcement bodies in carrying out activities to suppress or investigate corruption offenses, including investigative activities
- 6.2.9 Evaluating the results of anticorruption work and preparing relevant materials to be reported for consideration by the Foundation's management bodies

## **7 THE IMPLEMENTATION OF STANDARDS OF BEHAVIOR OF THE FOUNDATION EMPLOYEES**

- 7.1 To implement anticorruption standards of Employee behavior, the Foundation establishes general rules and principles of Employee behavior that affect the ethics of business relations and are aimed at shaping the ethical, conscientious behavior of Employees and the Foundation as a whole.
- 7.2 General rules and principles of behavior are enshrined in the Principles and Rules for Conducting Charitable Activities and Risk Management of the Foundation approved by the decision of the General Director of the Foundation.

## **8 THE RESPONSIBILITIES OF EMPLOYEES ASSOCIATED WITH CORRUPTION PREVENTION**

- 8.1 In connection with the prevention and counteraction of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, the Foundation's Employees are obliged to:
  - 8.1.1 Be guided by the provisions of this Anticorruption Policy and to strictly observe its principles and requirements.
  - 8.1.2 Refrain from committing and/or participating in the commission of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the interests or on behalf of the Foundation.
  - 8.1.3 Refrain from behavior that may be interpreted by others as a willingness to commit or participate in the commission of corruption and other offenses for or on behalf of the Foundation.
  - 8.1.4 Refrain from using their official position for personal purposes, including for receiving gifts, remuneration, and other benefits for themselves and others in exchange for any action taken by the Foundation or transfer of confidential information, as well as for receiving Gifts, remuneration, and other benefits for themselves and others in the process of carrying out the business activities

of the Foundation and fulfilling their official duties, including both before and after negotiations on cooperation with Counterparties.

- 8.1.5 Immediately inform the Foundation's Ethics Commission about incidents of incitement of an Employee to commit corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism and/or about information that became known to them about similar offenses committed by other Employees, Counterparties of the Foundation, or other persons.
- 8.1.6 Report on the possible or existing Conflict of Interest of an Employee in the manner prescribed by the Principles and Rules for Conducting Charitable Activities and Risk Management of the Foundation approved by the decision of the General Director of the Foundation.
- 8.1.7 The Foundation Employees are prohibited from attracting or using Counterparties, agents, intermediaries, or other persons to take actions contrary to the norms of applicable anticorruption legislation, principles and requirements of the Anticorruption Policy, and other local regulations of the Foundation.

## **9 THE IDENTIFICATION AND SETTLEMENT OF CONFLICT OF INTERESTS**

- 9.1 The Foundation Employees may not engage in activities that significantly distract or hinder the performance by these individuals of their responsibilities in the Foundation and/or could potentially lead to a Conflict of Interest.
- 9.2 Employees and members of their families should not have a Personal Interest in the activities of the Counterparties of the Foundation and other persons with whom the Foundation cooperates in carrying out its activities. This rule applies to any type of expected benefit from Counterparties and other persons, including capital participation and direct or indirect personal interest in interacting with the Foundation.
- 9.3 The Foundation Employees shall make every effort to prevent situations that lead or may lead to a Conflict of Interest. All existing and potential Conflicts of Interest must be promptly reported to the Ethics Commission in writing.
- 9.4 A more detailed procedure for identification and settlement of a Conflict of Interest is established by the Principles and Rules for Conducting Charitable Activities and Risk Management of the Foundation approved by the decision of the General Director of the Foundation.

## **10 THE RULES FOR EXCHANGE OF BUSINESS GIFTS AND BUSINESS HOSPITALITY**

- 10.1 The Foundation intends to maintain a corporate culture in which business gifts, corporate hospitality, and entertainment events are considered only as a tool for establishing and maintaining business relations and as a manifestation of common courtesy in the course of business and other activities of the Foundation.
- 10.2 To avoid the violation of the anticorruption legislation; influence from third parties on the activities of the Foundation head and Employees in the performance of their job duties; minimize the loss of face for the Foundation; ensure a uniform understanding of the role and place of business Gifts, corporate hospitality, and entertainment events in the Foundation's business practice; establish uniform requirements for all the Foundation Employees for giving and accepting business Gifts, for organizing and participating in entertainment events, the Foundation's Local Regulation establishes the Rules for Exchange of Business Gifts and Business Hospitality.
- 10.3 The Rules for Exchange of Business Gifts and Business Hospitality provide a procedure for notifying, approving the receiving and/or giving of Gifts, and reimbursing for representative expenses as well as criteria for determining the admissibility of Gifts and reimbursement of Representation Expenses.

## **11 CONFIDENTIAL INFORMATION**

- 11.1 The Foundation Employees who have access to confidential information (whether provided by the Foundation or not) shall use it only in connection with the performance of their official duties.
- 11.2 The Foundation Employees shall prevent the transfer of confidential information to third parties, including members of their families and other Foundation Employees whose work is not related to the use of this information, except for disclosing information with the permission of the Foundation or in connection with the requirements of applicable law.
- 11.3 The procedure for handling confidential information and the possibility of its disclosure to the media, government agencies, and other persons is governed by the internal documents of the Foundation and the provisions of current legislation.

## **12 MEASURES TO PREVENT CORRUPTION WHEN INTERACTING WITH COUNTERPARTIES**

- 12.1 The Foundation makes reasonable efforts to minimize the risk of establishing business, labor, and other relations with individuals or legal entities that may be involved in corrupt practices and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, thus putting the Foundation at risk of engaging in such activities.
- 12.2 To minimize the risk of involving the Foundation in corrupt practices and offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, the Foundation has developed and implemented verification procedures that comply with the requirements of the applicable legislation, both for Counterparties who are legal entities (including participants of joint ventures, companies, or associations) and for individuals with whom the Foundation plans to enter into a labor or civil law contract.
- 12.3 The work on the prevention of corruption in the interaction with the Counterparties is carried out in the following main areas:
  - 12.3.1 Establishing and maintaining business relationships with those Counterparties who conduct business relationships on a fair and honest basis, take care of their own reputation, demonstrate support for high ethical standards in doing business, implement their own measures to combat corruption and other offenses related to the legalization (laundering) of funds obtained by criminal means and the financing of terrorism, are involved in collective anticorruption initiatives
  - 12.3.2 The implementation of special procedures for checking Counterparties to reduce the risk of engaging the Foundation in corrupt and other unfair practices in relations with Counterparties (collecting and analyzing publicly available information about potential Counterparties, their reputation in the business community, involvement in corruption scandals, etc.)
  - 12.3.3 The inclusion in the contracts concluded with Counterparties of the provisions on compliance with anticorruption standards (the form of the standard Anticorruption clause (short and full version) for interaction with counterparties is presented as **Annex 1** to this Anticorruption Policy)
  - 12.3.4 Posting on the official website of the Foundation information on measures to prevent corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism undertaken in the Foundation

## **13 THE PREVENTION OF CORRUPTION**

The prevention of Corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the Foundation is carried out through the following measures:

- (A) Pursuing a unified policy of the Foundation in the field of combating corruption, the formation in the Foundation Employees of intolerance to corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
- (B) The Foundation's interaction with government agencies, government and commercial organizations, and civil society institutions regarding matters of combating corruption and other offenses
- (C) Taking administrative, incentive, and other measures aimed at inviting Foundation Employees to more actively participate in combating corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
- (D) The improvement of the internal control system of the Foundation's activities, regular evaluation of the results of the work on combating corruption and other violations of the provisions of the Anticorruption Policy and other local regulations of the Foundation
- (E) Control of documenting the operations of the economic activities of the Foundation to verify the economic rationale of operations in the areas of corruption risk
- (F) Ensuring openness, fair competition, and objectivity in the implementation of the financial and economic activities of the Foundation and in cooperation with Counterparties and other persons with whom the Foundation cooperates
- (G) Ensuring the independence of expertise in the selection of Counterparties and other persons for the cooperation of the Foundation
- (H) Assistance in raising the level of anticorruption culture by familiarizing the Employees with internal local regulations governing compliance with the anticorruption legislation of the Russian Federation and conducting training for Workers to maintain their awareness in preventing and suppressing corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism

#### **14 MEASURES FOR THE PREVENTION OF CORRUPTION**

- 14.1 The work on the Prevention of Corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the Foundation is carried out in accordance with the Plan of Measures for the prevention and counteraction of such offenses in the Foundation (the "**Plan of Measures**"). The Plan of Measures includes measures aimed at achieving specific results of the work on the prevention of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, minimizing, and/or eliminating these offenses.
- 14.2 Every six months, the Ethics Commission draws up a report on the implementation of the Plan of Measures for the purpose of monitoring its implementation in the Foundation.

#### **15 ANTICORRUPTION EDUCATION FOR EMPLOYEES**

- 15.1 All Foundation Employees, regardless of the position they hold, must be made aware of this Anticorruption Policy, the provisions of other local regulations of the Foundation governing the prevention and suppression of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, and changes to them.
- 15.2 This Anticorruption Policy applies to current members of the Foundation Board, the Supervisory Board and the Expert Board, and other persons involved in the work of the Foundation. In support of this, the mentioned persons sign the "Consent on the adoption and observance of anticorruption policies and the principles and rules for conducting charitable activities and risk management of the Foundation as well as on the observance of measures aimed at preventing corruption by persons

involved in the work of the Vladimir Potanin Foundation” in accordance with the form attached to the Code of Ethics as **Annex 3**.

- 15.3 To form an anticorruption outlook, intolerance to corrupt behavior and other offenses, increase the level of legal awareness and legal culture of the Employees, the Foundation, on a planned basis, carries out anticorruption education of the Employees through, among other things:
  - 15.3.1 Conducting awareness-raising activities with the Employees, informing them about the main provisions of the laws and regulations of anticorruption orientation and law enforcement practice in this area to form an intolerant attitude toward manifestations of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
  - 15.3.2 As required, the organization of full-time and/or distance (seminars, lectures, trainings, etc.) training on the practice of implementing measures to combat corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in the Foundation
  - 15.3.3 Anticorruption counseling for Foundation Employees individually by the Ethics Commission

## **16 MAINTAINING ACCURATE REPORTING**

- 16.1 The Foundation strictly complies with the requirements of the legislation and rules for maintaining reporting documentation. The Foundation establishes and maintains effective internal control, which includes organizational mechanisms for auditing of bookkeeping, accounting practices, personnel management, and other activities subject to anticorruption programs, and carries out regular inspections of internal control systems to ensure their compliance with anticorruption programs.
- 16.2 The Foundation Employees are required to monitor the accuracy of financial transactions, documenting them properly, and not allow, in particular, the following actions:
  - 16.2.1 The creation of unofficial (dual) reporting
  - 16.2.2 The carrying out of unaccounted or incorrectly accounted transactions
  - 16.2.3 Accounting for nonexistent expenses
  - 16.2.4 The reflection of obligations whose object is incorrectly identified
  - 16.2.5 The intentional destruction of accounting and other documentation earlier than the dates prescribed by law
- 16.3 The Foundation carries out internal control and monitoring to ensure the targeted use of the funds raised, including, but not limited to, the following:
  - (A) The clear definition of the purpose and scope of the proposed charitable activity as well as the group of beneficiaries before the start of the project
  - (B) An analysis of the possible risks of Financing terrorism, the Legalization (laundering) of funds, and the measures to neutralize them
  - (C) Drawing up a detailed budget for each project and expenditures and maintaining detailed reports on them
  - (D) Monitoring the movement of funds, materials, and equipment
  - (E) Carrying out cash transactions through the banking sector
  - (F) Controlling that the assistance is actually received by real beneficiaries
- 16.4 The Foundation Employees whose competence includes the maintaining of records are responsible for the preparation and submission of complete and accurate reporting within the established deadlines.

- 16.5 All financial transactions are recorded reliably, accurately, and with the necessary level of detail. Distortion or falsification of accounting, management, and other types of accounting or supporting documents is not allowed.

## **17 CONFIDENCE LINE ("HOT LINE") AND REPORTING ON OFFENSES**

- 17.1 To maintain a high level of confidence in the activities of the Foundation, ensure compliance with international standards of ethical conduct and the prevention and suppression of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism, a Confidence Line ("Hot Line") has been specially created and is functioning in the Foundation for compliance with corruption legislation and the Principles and Rules for Conducting Charitable Activities and Risk Management of the Foundation: [no\\_corruption@fondpotanin.ru](mailto:no_corruption@fondpotanin.ru).

- 17.1.1 By using the Confidence Line for compliance with anticorruption legislation, an Employee, a Counterparty, or any other person can, in a convenient form, including on condition of anonymity, report any known violations of the requirements of this Anticorruption Policy and the current legislation in the Foundation, fraud, bribery, commercial bribery, the emergence of a Conflict of Interest, or other manifestations of corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism in all forms and manifestations.

- 17.1.2 An Employee must contact the Foundation's Ethics Commission in the following cases:

- (A) The inclination of the Employee or other Employees of the Foundation to commit corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism
- (B) The emergence of a Conflict of Interest and/or Personal Interest
- (C) Committing corruption offenses by other Employees of the Foundation, Counterparties, or other persons
- (D) The Employee's suspicions about the presence of the corruption component in their own actions, the actions of other Employees of the Foundation, Counterparties, or other persons

- 17.2 The Foundation declares that no Employee will be subject to sanctions (including dismissed, demoted, deprived of a bonus), if they have conscientiously informed about the alleged corruption or other offense related to the legalization (laundering) of proceeds from crime and financing of terrorism, or if they refused to give or receive a bribe, commit a Commercial Bribery, or mediate in bribery, including when as a result of such a refusal the Foundation has lost profits or has not received commercial or any competitive advantage. Additional regulation of measures aimed at ensuring the protection of the rights of whistleblowers is provided for in the Policy on the Protection of Whistleblowers and the Refusal of Retaliatory Actions and Sanctions against Such Persons adopted by the decision of the General Meeting of the Foundation Participants.

- 17.3 The Foundation's guarantees of the refusal of retaliatory actions do not apply to guilty Employees as well as cases when, as a result of an internal investigation, it is proved that the relevant report was intentionally false, perjury, or slander.

- 17.4 All reported offenses (already committed or potential) are immediately investigated by the Ethics Commission in the manner provided for in the Regulation on the Investigation of Violations of the Anticorruption Policy and the current legislation adopted by the decision of the General Meeting of the Foundation Participants. If it is required in accordance with the current legislation, the materials of the completed investigation are transferred to the appropriate state bodies for further action.

## **18 THE RESPONSIBILITY OF EMPLOYEES FOR NONCOMPLIANCE WITH ANTICORRUPTION POLICY REQUIREMENTS**

- 18.1 The Foundation and its Employees must comply with the legislation on combating corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism and comply with the requirements of this Anticorruption Policy.
- 18.2 All the Foundation Employees and members of its management bodies, regardless of their position, are personally liable for failure to comply (improper compliance) with the Anticorruption Policy and shall indemnify the Foundation for damage caused by the violation of anticorruption legislation detected during the implementation of measures to prevent and suppress corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism.
- 18.3 Persons who have violated the requirements of this Anticorruption Policy and anticorruption legislation may be brought to disciplinary, administrative, civil, and criminal liability on the initiative of the Foundation, law enforcement agencies, or other persons in the manner and on the grounds provided for by the legislation of the Russian Federation.

## **19 INTERACTION WITH GOVERNMENTAL, CONTROL, AND SUPERVISORY AND LAW ENFORCEMENT BODIES**

- 19.1 Cooperation with government, control, and supervisory and law enforcement bodies is an important indicator of the Foundation's actual commitment to the declared anticorruption standards of behavior.
- 19.2 The Foundation undertakes to report to law enforcement bodies on all cases of corruption offenses of which the Foundation has become aware.
- 19.3 When interacting with government officials who exercise control and supervisory powers over the Foundation, the Foundation Employees should refrain from any illegal and unethical behavior, from offering and attempting to transfer any Gifts to inspectors.
- 19.4 The Foundation Employees should assist authorized representatives of control and supervisory and law enforcement activities in relation to the Foundation for the prevention and combat of corruption as well as in carrying out activities to suppress or investigate corruption crimes.
- 19.5 The Foundation Employees, members of the management bodies, the Ethics Commission, and other persons should support law enforcement bodies in identifying and investigating corruption and other offenses related to the legalization (laundering) of proceeds from crime and financing of terrorism and take the necessary measures to preserve and transfer to law enforcement bodies any documents and information containing data on corruption and other violations of current legislation.

## **20 THE PROCEDURE FOR REVISING AND AMENDING ANTICORRUPTION POLICY**

- 20.1 The Foundation regularly, but at least once every two years, evaluates the Anticorruption Policy and a set of measures to prevent and combat corruption for their compliance with current legislation. Taking into account the changes in the legislation of the Russian Federation as well as the practice of applying the Anticorruption Policy, the necessary changes can be made to its provisions. Changes to the provisions of the Anticorruption Policy are made in the same manner as the adoption of the Anticorruption Policy.
- 20.2 Specification of certain aspects of the Anticorruption Policy can be carried out by developing other local regulations of the Foundation.