

APPROVED

**by the Board of Directors of JSC INK-Capital
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**ANTI-FRAUD, ANTI-CORRUPTION AND ANTI-
LEGALIZATION (ANTI-MONEY LAUNDERING)
POLICY OF JSC INK-CAPITAL
(3rd Edition)**

**IRKUTSK
2019**

Introduction

This Anti-Fraud, Anti-Corruption, Anti-Legalization (Anti-Money Laundering) Policy (the “Policy”) is a local regulatory document of Joint-Stock Company INK-Capital (JSC INK-Capital) which sets out a range of interrelated principles, procedures and specific activities against corruption, legalization (money laundering), and compliance with anti-corruption laws.

Requirements of this Policy meet the principles of open and honest business practices of INK-Capital Group, its desire to improve corporate culture, follow international practices of corporate governance and high ethical standards.

The Policy was developed in accordance with the requirements of the anti-fraud, anti-corruption, anti-legalization (anti-money laundering) laws of the Russian Federation and taking into consideration the international standards of anti-corruption laws, the Code of Ethics of JSC INK-Capital and Policy of JSC INK-Capital on Sanctions Compliance (the “Sanctions Policy”).

In the process of creating this Policy we took into account experience of the best anti-corruption practices applied both in Russia and internationally.

Terms and definitions

The following terms and abbreviations are used in this Policy:

Anti-corruption reservation for compliance with anti-fraud and anti-corruption laws means an appendix to a contract including employment agreement which is concluded by any company from INK-Capital Group, or section of such document, governing the agreement between the parties regarding anti-corruption actions in the course of performance of their mutual obligations and the consequences which follow in case such agreement is broken.

Anti-corruption monitoring means monitoring of activities which are undertaken by INK-Capital Group to prevent and combat corruption in order to ensure the assessment of efficiency of such activities, provide assessment and forecast of corruption factors and signals; review and assess the data obtained in the course of monitoring; develop forecasts of the future situation and development trends of related activities.

Charity means voluntary activity of INK-Capital Group aimed at free of charge (gratuitous or on preferential terms) transfer of property, including money, provision of services and other support to physical persons and legal entities.

Beneficiary owner: a physical person, who ultimately, directly or indirectly (through a Third Party, including a legal entity, several legal entities, or a group of related legal entities) owns (has a predominant participation interest of more than 25 percent in the charter capital) the client which is a legal entity, or directly or indirectly controls activities of the client, including the ability to determine the decisions made by the client. The beneficiary owner of the client which is a physical person is considered the above-mentioned person, except the cases where there is a reason to believe that the beneficiary owner is another physical person.

Bribery means a type of corrupt activities including proposal, promise, bribe, request, consent, bribe taking, mediation in bribery and bribe provocation in accordance with the laws of the Russian Federation.

Hotline means a system which collects and processes information regarding indications and facts of bribery and corruption, violation of laws, regulatory documents, and the Code of Ethics, as well as presumed cases of intentional acts or omissions which negatively affect assets of INK-Capital Group and their effective utilization, reputation of INK-Capital Group or otherwise infringe interests of INK-Capital Group. The purpose of the Hotline is to create an opportunity for any person to report (anonymously or openly) about violations which already happened or yet to happen with regard to the activity of INK-Capital Group.

INK-Capital Group means legal entities which share the same group with the Company in accordance with the laws of the Russian Federation or deemed to be controlled by the Company in accordance with International Financial Reporting Standards. For the purpose of this Policy the term is used for all legal entities of INK-Capital Group and each legal entity when mentioned separately.

IAD means Internal Audit Department, a structural division of Irkutsk Oil Company, LLC which is responsible for audit procedures.

Business entertainment means entertainment including lunches, public functions, sport or other regular events of business environment which are paid on the account of representation expenses.

HR Department means a structural division of Irkutsk Oil Company, LLC, responsible for recruitment of personnel and personnel record, record management, organizational and staff activities, establishment of salary system, budgeting payroll, organizing and holding staff trainings.

Due diligence means a principle based on rationality and integrity. In accordance with this principle at execution of business operations or making management decisions one should take into account the data sufficient for creating a reasonably justified opinion on whether a counterparty or applicant for the employment have lack of integrity signs.

Officials mean persons who, on a permanent or temporary basis, or based on special authorization, represent legislative, executive and judicial powers of any state, as well as persons exercising administrative functions including organizational-administrative or administrative-economic functions in governmental bodies and local governments of any state, governmental and municipal organizations, Armed Forces or other military organization in Russia, governmental and municipal entities, profit and non-profit (including international) organizations.

Position in the Russian governmental body means a position in the governmental or municipal

body included into the List of Positions of the Federal State Service. To be appointed to this position a person or federal public servant should disclose information about his/her income, property and property obligations as approved by the Russian Federation President's Decree dated May 18, 2009, #557.

Company means Joint-Stock Company INK-Capital (JSC INK-Capital).

Code of Ethics means the Code of Ethics of the Company approved by the Company's Board of Directors.

Commission on Ethics means the Commission established by the decree of the General Director of Irkutsk Oil Company, LLC and authorized to monitor how the Code of Ethics is observed.

Audit Committee means the Audit Committee under the Company's Board of Directors.

Conflict of Interests means any situation or circumstances where personal interest (direct or indirect) of an employee influences or may influence proper execution of his/her duties, there is or there could be a contradiction between personal interest of an employee and rights and legitimate interests of INK-Capital Group which can result in infringement of rights, legitimate interests, property and/or business reputation of INK-Capital Group. Personal interest means interest of an employee which is connected with an opportunity for an employee to get money, valuables or other property or property services, other property rights for himself/herself or Third parties in the course of performing his/her job functions. When it comes to the Management, the Conflict of Interests includes the cases specified in the Regulations on Solving Corporate Conflicts of Company's Conflicts of Interests.

Counterparty means any Russian or international legal entity or physical person who interact with INK-Capital Group based on a civil law contract and within the frameworks of pre-contractual relations.

Corruption or corrupt actions means:

1. Promise, proposal or provision of financial or any other kind of benefit (property, including money and securities; property services; property rights; exemption from property obligations) to officials in order to encourage them to take actions or as a reward for such actions (omissions) which do not comply with the principle of legality, criteria of honesty and impartiality, including for the purpose of defining the conditions of conclusion, execution or termination of transactions, performing or continuing business operations, receiving or retaining the property in business operations, getting advantages or achieving other goals.

2. Request, demand, consent to accept and acceptance of financial and any other kind of benefit from any officials, if a person knows or assumes that in return he/she or related persons will need to undertake actions (omissions) on behalf of such officials where such actions (omissions) do not comply with the principle of legality, criteria of honesty and impartiality.

3. All other actions deemed by the law as malpractice, misuse of power, bribery or bribe taking, bribery mediation, commercial bribery, bribe or commercial bribe provocation, illegal remuneration on behalf of a legal entity or any actions otherwise violating the laws of the Russian Federation.

4. Other actions related to provision/promise to provide or acceptance/request of financial or other benefits which could be deemed as not meeting the corporate ethics, be unacceptable and/or illegal.

Corrupt practice means external manifestations of corruption through actions.

Risk of corruption means circumstances and conditions which create a potential opportunity for corrupt actions.

Legalization (money laundering) of proceeds received from crime means giving a lawful type of possession, use or disposal of funds or other property obtained as a result of a crime.

Local regulatory document means an internal regulatory document which is issued in form of a long-lasting clearly understandable set of standards (rules) governing certain aspects of business activities of INK-Capital Group and binding upon the employees who are covered by this document.

Fraud or fraud actions mean actions of employees of INK-Capital Group, related persons or any Third parties which are:

1. Undertaken by means of deception (provision of false information, non-disclosure of true facts, fraudulent misrepresentation or misrepresentation by negligence, willful actions to mislead a person) or abuse a position of trust (using the relationship of trust based on the position or personal/friend/family relations; undertaking obligations without the intention to fulfill thereof); and

2. Aimed at theft of property or acquisition of right for a third party (property including money and securities, other property including property rights; results of work and services; protected results of

intellectual activity and means of individualization equal to intellectual activity) or gaining financial or other advantage, as well as assignment to a position or avoiding obligation.

Risk management department means a structural division of Irkutsk Oil Company, LLC responsible for development of risk management (including risk of corruption) methodology.

Gift means inventory or other benefit gained on a free-of-charge base and recognized as a gift according to the customary business practice.

Gift fund means a set of inventories purchased by INK-Capital Group as Protocol gifts to Third parties.

Regulations on Conflicts means the Regulations on Solving Corporate Conflicts and Company's Conflicts of Interests approved by the Company's Board of Directors.

Representation expenses mean expenses of INK-Capital Group incurred in order to finance public functions, business negotiations, providing services to representatives of other organizations for the purpose of establishing and supporting cooperation and business contacts of INK-Capital Group, including expenses within the frameworks of existing contracts and in cases set forth by the laws of the Russian Federation.

Protocol gift means inventory recorded in the Gift fund of INK-Capital Group and intended to be a gift on behalf of INK-Capital Group in accordance with the Policy and other local regulatory documents of INK-Capital Group.

Procedures for Selecting Counterparties mean the procedures for selecting Counterparties of INK-Capital Group in accordance with the applicable laws of the Russian Federation and local regulatory documents.

Risks of fraud mean conditions and circumstances which create a potential opportunity for fraud actions.

Management means shareholders (participants), Board Members, General Director (Director) and Executive Director of companies of INK-Capital Group.

Employee means a physical person who has labor relations with a company of INK-Capital Group and works based on a fixed-term employment agreement or permanent contract.

Related persons mean physical persons and/or legal entities acting jointly with a company of INK-Capital Group, and/or under control of INK-Capital Group, and/or representing INK-Capital Group (except for the employees) including physical persons who render services to INK-Capital Group or work based on a civil contract.

Board of Directors means the Board of Directors of the Company.

Sanctions Compliance Group means Employees of INK-Capital Group responsible for the implementation of the Sanctions Policy.

Sponsorship means provision of voluntary assistance by INK-Capital Group to physical persons or legal entities including provision of money, services and other support which include justification of sponsorship goals and results of investment and drafting the report on expenses.

Third parties mean Officials, Counterparties and other persons exercising administrative functions including organizational-administrative or administrative-economic functions in various organizations.

IACD means Internal Administrative Control Department. IACD is a structural division of Irkutsk Oil Company, LLC, which is responsible for implementation of the Policy including, among other things, current monitoring and complex assessment of internal rules and procedures of INK-Capital Group in respect of their compliance with the tasks of combating fraud and corruption, as well as initiating amendments or introduction of new Local regulatory documents and administrative documents.

1. Coverage

1.1 The Policy sets out the minimum standards of conduct which shall be observed by employees of INK-Capital Group regardless of their positions or functions in the course of their interaction with Officials and any other private persons.

The Policy is applied in conjunction with the Sanctions Policy. When applying the Policy, it is also necessary to take into account and comply with the provisions specified in the Sanctions Policy.

1.2 The Policy covers all companies of INK-Capital Group and counterparties of the INK-

Capital Group and other persons involved due to mutual obligations between them and INK-Capital Group including anti-corruption obligations and other anti-corruption agreements.

1.3 All Employees and the Management are personally liable for compliance with the Policy and for actions (omissions) of their subordinates violating the provisions of the Policy.

1.4 In case Local regulatory documents contradict the Policy, the Policy shall prevail.

2. Goal and Objectives of the Policy

2.1. Goal of the Policy

The Policy is drafted to combat corrupt activity INK-Capital Group might be involved into, to detect, prevent and mitigate risks of illegal, unethical and corrupt behavior and frauds. The Policy is aimed at creating a uniform understanding among all Employees and Management about the essence of corrupt and fraudulent actions in any form and expression.

2.2. Objectives of the Policy

The objectives of the Policy are as follows:

- to ensure compliance of activity of INK-Capital Group with the anti-corruption laws as well as anti-legalization (anti-money laundering) laws;
- to create the culture of ethical conduct and negative attitude of Employees towards all manifestations of corruption and fraud;
- to create motivation for good and ethical conduct and zero tolerance of fraud and corruption;
- to summarize and explain the key requirements of Russian Federation laws and applicable international laws governing anti-fraud and anti-corruption activities;
- to perform anti-corruption compliance-control;
- to manage risks of corruption and fraud.

2.3. Anti-corruption measures

- to determine what structural divisions are responsible for prevention of corruption and other violations of law;
- to cooperate with law-enforcement agencies to combat corruption;
- to prevent and settle conflict of interests;
- to prevent drafting unofficial statements and using falsified documents.

3. Key Anti-Fraud and Anti-Corruption Principles. System improvement

3.1 The Policy is based on the following principles:

- Zero tolerance of fraud and corruption, legalization (money laundering);
- Legality;
- Inevitability of punishment;
- Proportionality of applied procedures and current Risks of Corruption and Fraud;
- Direct participation of the Management in implementation of anti-fraud, anti-corruption, and anti-legalization (anti-money laundering) activities;
- Due diligence.

3.1.1 Zero tolerance of fraud, corruption, legalization (money laundering)

Zero tolerance of fraud, corruption, and legalization (money laundering) is a key element of the corporate culture and corporate ethics and means absolutely zero tolerance of fraud, corruption and legalization (money laundering) in the course of interaction of Employees inside INK-Capital Group, interaction with Counterparties and Third parties.

INK-Capital Group declares about its zero tolerance of corruption and legalization (money laundering) of any kind and prohibits its Employees and other persons acting on behalf of INK-Capital Group or representing its interests directly or indirectly (in person or through any agents) from participation in corrupt actions including proposal of a bribe, promise of a bribe, bribing, asking for a bribe and bribe taking (commercial bribery) or payment for facilitation of administrative, bureaucratic and other procedures in any way including by means of money, valuables, services or

other material or non-material benefit for any persons or from any persons or organizations including commercial and non-for-profit organizations, government authorities and local government bodies, public officers including foreign public officers, for the purpose of gaining personal benefit or benefit of the INK-Capital Group or Third parties.

3.1.2 Legality

INK-Capital Group works in strict compliance with the applicable laws of the Russian Federation.

3.1.3 Inevitability of punishment

INK-Capital Group declares about its zero tolerance of any kind of fraud, corruption and legalization (money laundering) and holds responsible those who have committed violation ignoring his/her position, period of work, status and other relations in accordance with laws of the Russian Federation.

3.1.4 Proportionality of applied procedures and current Risks of Corruption and Fraud

INK-Capital Group develops and implements necessary and sufficient anti-fraud, anti-corruption, anti-legalization (anti-money laundering) procedures which reasonably meet the level of identified risks and monitors their observance. The applied procedures are a set of preventive measures aimed at prevention and mitigation of the fraud, corruption and legalization (money laundering) risks.

All applied procedures should be clear, efficient and implementable. Specific anti-fraud, anti-corruption and anti-legalization (anti-money laundering) procedures shall be proportional to the existing risks.

3.1.5 Personal example of the Management

The Management creates a single ethical standard of zero tolerance of any kind of fraud, corruption and legalization (money laundering) at any level which serves as a reference of good conduct for all Employees and form anti-fraud, anti-corruption and legalization (anti-money laundering) business practice.

Involvement of the Management into implementation of this Policy is a guarantee of its efficient application.

3.1.6 Due diligence

In order to mitigate risks of being involved into illegal activities, INK-Capital Group conducts a comprehensive analysis of the submitted financial and tax reporting documents of the Counterparty, and counterchecks them through existing open information resources; checks business reputation, availability of necessary technical and human resources; investigates whether the Counterparty is included in the list of potentially dangerous entities, whose activity is associated with the legalization (money laundering) and determines the presence or absence of the conflict of interests.

INK-Capital Group welcomes their (Counterparties) commitment to the principles of the Policy, their willingness to include anti-corruption reservation into contracts and their cooperation in the course of investigation of cases when mutual agreements in this area are violated.

The elements of complex review are used in the course of hiring new employees and general HR work. INK-Capital Group examines candidates applying for a job from the point of their reliability, zero tolerance of corruption and absence of conflict of interests before making a decision on entering or extending employment agreements.

3.2 Internal control and audit

In order to ensure reliability and accuracy of financial (accounting) statements, compliance with the requirements of legal acts and Local regulatory documents, prevention and revealing corrupt violations, the IAD:

- performs internal monitoring of business operations and financial monitoring including prevention of the following actions: drafting of unofficial (double) statements, absence of primary accounting documents, unrecorded operations or incorrect record of operations, nonexistent costs records, record of liabilities with a subject identified incorrectly, using falsified documents, deliberate destruction of documents and statements before the end of the term

stipulated by the laws of the Russian Federation;

- performs internal audit;
- engages independent external auditors and issues the requirements for such auditors such as the requirement to inform about the indicators of corruption revealed as a result of audits;
- reports to the Audit Committee and the Board of Directors about prevention and detection of corrupt violations.

In the course of the internal audit the IAD takes into account the following requirements of the Policy:

- it is necessary to check how the organizational procedures and rules of operation which are significant from the point of anti-corruption activities are complied with;
- it is necessary to check the economic justification of operations which are performed in the area of Risk of Corruption (exchange of business presents, representation expenses, charity donations, remuneration to agents/advisors/mediators/external consultants and compliance with the payment procedure under such cases as prescribed by the law).

Since the Risks of Corruption and Fraud and other factors may change through the time, INK-Capital Group periodically monitors, checks and assesses the implemented anti-corruption procedures and, in case of need, reviews and refines them.

3.3 Assessment of Risks of corruption

Assessment of Risks of corruption is made by the Risk management department together with IACD in order to define specific business-processes of INK-Capital Group which realization has the highest risk of corrupt violations by Employees for the purpose of gaining personal benefit or for the benefit of INK-Capital Group.

In identifying possible risks of legalization (money laundering) related to concluding transactions, INK-Capital Group shall take measures to control and mitigate these risks. In the overall assessment of the money laundering risk, there is a ban on transactions with entities that are included by regulatory and governmental authorities, as well as by other reliable sources, in the list as potentially dangerous entities, which activities are associated with the legalization (money laundering).

Assessment of Risks of corruption is made both at the time when the Policy is developed and, upon its adoption, on a regular basis.

The procedure of revealing and assessing specified risks is set forth by a separate Local regulatory document.

3.4 No countermeasures and sanctions

INK-Capital Group protects interests of Employees who have reported (including anonymous reports) about thefts, embezzlements, frauds, bribes, commercial bribes, conflicts of interests and other violations in INK-Capital Group which they became aware of, and Employees who refused to commit such violation or be part of such violation as a mediator.

No disciplinary punishments are imposed to Employees described in the paragraph above.

4. Preventive Anti-Fraud and Anti-Corruption Measures

With the purpose to accomplish the tasks set in item 2.2 of this Policy, and pursuant to main principles of fraud and corruption prevention, INK-Capital Group implements a set of preventive measures against manifestations of fraud or corruption, including:

- determination of the divisions and officers responsible for prevention of corrupt actions and countermeasures to fraud and corruption;
- regimenting personal responsibility of Employees for adherence to Policy, informing and training of Employees.

4.1 Determination of the divisions and officers responsible for prevention of corrupt actions and countermeasures to fraud and corruption

IACD is a structural division responsible for preventing and combatting corruption and fraud and is directly subordinate to the Deputy General Director for Internal Administrative Control of Irkutsk Oil Company LLC. This division has enough powers to conduct anti-corruption activities, including

activity in relation to employees in managerial positions at INK-Capital Group, it is also provided with adequate staff and technical resources. IACD functions within implementation of this Policy:

- to conduct activity toward implementation of principles and requirements of this Policy;
- to develop the program of anti-corruption and anti-legalization (anti-money laundering) measures;
- to implement anti-corruption monitoring of the activity of INK-Capital Group;
- to conduct control activities targeted to identify any corruption or other violations;
- to audit information about income and expense, property and other assets, material liabilities in relation to applicants for positions within INK-Capital Group, Employees or their close relatives, with the purpose to identify any conflict of interests or facts of affiliation;
- to initiate conducting a Risk of Corruption assessment;
- to review reported proposals to Employees to perform corrupt actions or other violations in the interest of or on behalf of a third party organization, as well as possible corrupt actions or other violations committed by Employees, partners, Counterparties of INK-Capital Group or other parties;
- to provide individual consulting to Employees in relation to corruption prevention;
- to cooperate with authorized representatives of supervisory and law enforcement agencies in the course of activity audits of INK-Capital Group for prevention of and countermeasures to corruption;
- to cooperate with authorized representatives of law enforcement agencies in taking actions to
- to suppress or investigate corruption crimes, including search and investigation activities;
- to evaluate the results of anti-corruption activity and draft relevant reports for Management, Internal Audit Committee and Board of Directors;
- to coordinate the activity of structural divisions in relation to implementation of the Policy;
- to participate in conducting summits, practical research workshops, conferences at national and international level in the domain of corruption prevention and fighting;
- to conduct scheduled and unscheduled audits of adherence to principles of this Policy and compile reports on findings of such audits;
- to develop documents in relation to corruption and legalization (money laundering) prevention and countermeasures, and initiate update of documents due to any changes in the laws of the Russian Federation;
- to procure that that the Employees responsible for the anti-money laundering procedures approach the Sanctions Compliance Group in order to perform sanctions screening of each new counterparty of INK-Capital Group as of the date of:
 - (a) accreditation as counterparty of INK-Capital Group;
 - (b) entry into a contract with any company of INK-Capital Group; and
 - (c) amendment of the contract;
- to procure that the Employees responsible for the anti-money laundering procedures provide “know your customer” (KYC) information required for the sanctions compliance screening of INK-Capital Group’s counterparties to the Sanctions Compliance Group, as well as follow Sanctions Compliance Group’s guidance in relation to sanctions compliance.

4.2 Practical implementation of procedures to ensure fair work on behalf of Employees

4.2.1. The Company provides for implementation of Employee anti-corruption code of conduct as part of corporate culture of INK-Capital Group, and, in this connection, applies the Code of Ethics, which determines the following:

- basic and fundamental values, ethic norms and rules of conduct, shared values and principles of the INK-Capital Group;
- specific rules and standards of conduct for Employees, which guide general ethics of business relations and seek to create an ethical and fair conduct on behalf of Employees.

4.2.2 INK-Capital Group abides by principles of integrity and objectivity in organizational structure manning (including managerial positions). In this connection, the following is taken into account, among others:

- Employees are appointed or promoted into superior positions only based on their business qualities;
- it is prohibited to employ relatives into positions which are directly subordinated.

4.2.3. Within the implementation framework of this Policy, Employees shall:

- by request of IADC, provide information specified in item 4.1 of the Policy;
- refrain from committing and/or participation in committing of corrupt actions or other violations in their own interests or on behalf of INK-Capital Group;
- refrain from conduct, which may be interpreted by external observers as readiness to commit and/or participate in committing of corrupt actions or other violations in their own interests or on behalf of INK-Capital Group;
- immediately inform IADC about any instances of proposing Employees to commit corrupt actions or other violations;
- immediately notify IADC about any information, which may become known to Employee, regarding committed corrupt actions or other violations on behalf of other Employees, partners, Counterparties or other parties;
- inform IADC about potential or actual Employee's conflict of interests.

4.3 Conflict of interests

In the process of performing their job functions, Employees of INK-Capital Group shall avoid any Conflict of Interest.

In a situation of Conflict of Interests, Employees and Management shall abide by requirements of this Policy, Regulations on Conflicts and other Local regulatory documents. Employees shall inform their immediate supervisors and IADC about all Conflicts of Interests.

In order to prevent possible Conflict of Interests, prior to entering into employment relations with INK-Capital Group, Employees shall provide complete and trustworthy information about all prior and current employments and positions held, including offices in state service, as well as all legal entities, where Employee and/or his/her relatives are participants/shareholders or beneficiary owners.

HR Department shall request applicants for respective job positions to provide information about all prior and current employments and positions held, including offices in state service.

4.4 Personal and Corporate Responsibility

It is an immediate part of duties of any Employee or Manager of INK-Capital Group, and a provision of his/her employment contract to comply with requirements of Local regulatory documents, including this Policy.

Employees holding managerial positions of all levels are responsible for informing their subordinate Employees with the requirements of this Policy. Managers of all levels shall be responsible, within the limits of their competence, for adherence to requirements of this Policy on behalf of their subordinate Employees.

If an instance of fraud or corrupt actions on behalf of an Employee or involvement of an Employee in such actions has been established, the employer is entitled to impose disciplinary sanctions onto such Employee, up to dismissal from the company, in manner provisioned by applicable laws of the Russian Federation.

4.5 Staff Training and Informing

INK-Capital Group shall take all measures to inform its Employees about the contents of the Policy and ensure compliance with the latter.

Employee training shall be implemented in accordance with schedule adopted by INK-Capital Group.

Training program shall incorporate informing Employees about applicable anti-corruption laws of the Russian Federation, anti-legalization (anti-money laundering) laws, corporate culture and corporate ethics, zero tolerance principles in relation to fraud, corruption and legalization (money laundering), as well as typical examples of corruption situations and actions pattern to be followed if an Employee is involved in any such corresponding situations.

Training program can be delivered either through personal presence or remote course. Personal presence at training may be arranged with use of electronic devices (video or web-conference).

5. Key Anti-Fraud, Anti-Corruption and Anti-legalization (Anti-Money Laundering) Measures

INK-Capital Group shall investigate all reasonably justified reports regarding breach of anti-corruption, anti-fraud and anti-legalization (anti-money laundering) rules and procedures, and shall prevent committing of specified actions.

5.1 Hotline

INK-Capital Group operates a Hotline, an information channel, with one of its goals and objectives to transmit and record information about discovery of fraud, corrupt or legalization (money laundering) actions or any preparations thereto, or breach of the Code of Ethics, to receive proposals toward improvement of anti-corruption procedures or other internal control procedures. The Hotline functioning procedure is governed by this Policy, by the Code of Ethics and other Local regulatory documents.

Prevention of fraud or corrupt actions both within INK-Capital Group and in its relations to Third parties is one of the fundamental principles of corporate conduct at INK-Capital Group. By means of development of the above-mentioned principle, all reports by Employees, Third parties and Related persons about any fraud or corrupt actions shall be recognized as examples of positive conduct. INK-Capital Group is entitled to establish measures of recognition for its Employees providing trustworthy information about committed fraud and/or corrupt actions to the Hotline, or providing information, which may be instrumental in prevention or suppression of fraud and/or corrupt actions.

In order to prevent fraud or corrupt actions, whenever such instances of committed fraud or corrupt actions have been identified, or in case of reasonably justifiable suspicion in relation to committing/preparation to committing any such actions on behalf of Related persons, Employee shall report the respective information either to Hotline, or directly to IADC, as well as to their immediate or next in line superior (except when such superior may be involved in committing of fraud or corrupt actions in the Employee's reasonable opinion). The information may be provided either verbally or in written form.

The information about committing fraud or corrupt actions, breach of the Code of Ethics, which is received at Hotline, shall be recorded as provisioned in the relevant procedure by Commission on Ethics.

If the received information contains facts of committed fraud or corruption actions, such information shall be submitted to IADC within 3 business days, where it must be registered and reviewed within thirty days.

INK-Capital Group guarantees confidentiality of information obtained from Employees or other persons through the Hotline, including non-disclosure of their personal details or the contents of the messages received. In addition, Employees may provide information to the Hotline anonymously. Information provided to the Hotline, including personal details of the reporting person, shall be exclusively known to persons conducting preliminary reviews and internal investigations in relation to messages received.

Any pressure or any other negative impact onto the informant contradicts corporate values of INK-Capital Group and this Policy. Any person resorting to such measures of impact shall be subjected to disciplinary sanctions. No sanctions may be applied to an Employee of INK-Capital Group for reporting in good faith a committed or suspected fraud or corrupt actions.

The person providing such information shall be advised to refrain from making the Hotline message or contents thereof publicly known, and to refrain from independent investigation actions.

The following methods can be used to provide information to Hotline:

- Stationary Hotline letterboxes in Irkutsk and Ust-Kut (Irkutsk region) offices;
- Hotline telephone: 2585, leave a message on the recorder;
- Hotline postal address: 664007, Irkutsk, prospekt Bolshoy Liteyny 4;

- E-mail for messages: doverie@irkutskoil.ru;
- Hotline page in the Internet at official website of INK-Capital Group: <http://www.irkutskoil.ru>.

5.2 Conducting internal investigations

Internal investigations shall be conducted in several stages. At the stage of preliminary assessment, any information about committed fraud and/or corrupt actions, counterparties' actions associated with legalization (money laundering) or any preparation thereto, shall be checked.

Performance of internal investigation shall be initiated by Order of General Director or Executive Director of Irkutsk Oil Company, LLC, or Deputy General Director for Internal Administrative Control of Irkutsk Oil Company, LLC, in case when results of preliminary check confirm the existence of indications that fraud or corrupt actions have indeed taken place, or by demand of the Board of Directors. Performance of an internal investigation shall be assigned to a particular Employee of IADC, or a commission, which may be appointed for that purpose.

A commission for internal investigation may be composed of two or more Employees. The commission may include Employees from various divisions of Irkutsk Oil Company, LLC, which possess relevant experience and knowledge. An Employee from among commission members shall be appointed as the Chairman. In the course of internal investigation, all facts and circumstances related to the object of investigation shall be established within the limits permitted by applicable laws of the Russian Federation and Local regulatory documents.

Employees in charge of conducting internal investigations shall be granted access to all information and documents of INK-Capital Group necessary for that purpose. All Employees shall cooperate with the internal investigations being conducted, within the extent of their competence.

Information about conducting preliminary check and internal investigation, as well as information obtained in the course of preliminary check or internal investigation (including the message received on Hotline, personal details of its sender, personal details of the persons subject to check or investigation, the results of check) shall be protected against disclosure or release to any non-members of the investigation Commission and/or those not participating in decision-making process based on results of the internal investigation.

5.3 Charging with liability. Measures taken based on internal investigation results

If the results of internal investigation confirm the fact of committing fraud or corrupt actions, then measures to charge with liability persons responsible for such actions shall be taken by resolution of General Director of Irkutsk Oil Company, LLC, on the grounds of internal investigation materials containing relevant comments and recommendations pertaining to liability to be imposed onto persons responsible.

Pursuant to item 4.4. of this Policy, committing fraud or corrupt actions on behalf of an Employee shall be recognized as gross violation of his/her job functions entailing disciplinary sanctions, including dismissal from the company on respective grounds, in manner provisioned by applicable laws of the Russian Federation.

In addition, by resolution of General Director of Irkutsk Oil Company, LLC, disciplinary actions may be taken toward the immediate superior, who permitted to exist or created conditions for the Employee to commit fraud or corrupt actions.

Counterparties may be charged with civil liability in accordance with provisions of civil contract entered by and between the Company and Counterparties, including Anti-Corruption Reservations.

On the grounds of establishing the facts of fraud or corrupt actions, IADC, jointly with IAD, shall develop and submit to approval of the General Director of Irkutsk Oil Company, LLC, their proposals regarding improvement of the internal control system or other forms of prevention of fraud or corrupt actions at INK-Capital Group, including proposals regarding improvement of the system of control over interaction of Employees with public officials, improvement of informing and Employees training in principles of zero tolerance of fraud and corruption, rules of corporate ethics, as well as taking other appropriate measures.

6. Key principles of implementation of business-processes which are at risk of fraud, corruption and legalization (money laundering)

This chapter of the Policy sets forth the main requirements to implementation of business-processes of INK-Capital Group which have the highest Risks of Corruption (interacting with Officials, accepting and making Gifts, Representation expenses related to protocol events and business trips, Charity and Sponsorship, financial relations with Third parties) and Fraud (financial relations with Third parties), risks of cooperation with counterparties involved in the legalization (money laundering) (financial relations with Third parties). The detailed regulation of such business-processes of INK-Capital Group is made in accordance with Local regulatory documents.

6.1 Interaction with Officials

All Employees whose job responsibilities include communication and contacts with the Third parties on behalf of INK-Capital Group should strictly follow the rules of corporate conduct specified by the Policy, the Code of Ethics and other Local regulatory documents. Special attention should be paid to monitoring the activities inside the personal responsibility zone in the course of interaction with Officials.

In order to strengthen the principles of corporate conduct in the course of interaction with Officials Employees of INK-Capital Group should adhere to the requirements of this Policy and the Code of Ethics. Employees are obliged to avoid conduct which may be regarded by the Official as willingness of the Employee to commit corrupt actions or help committing corrupt actions. Such requirements shall cover all cases of interaction with Officials including oral and written enquiries and negotiations.

The Employee who received from the Official some information regarded by this Employee as a request, demand, hint for transfer or extortion of financial gain or any other benefit for the Official or his/her close relatives (for example, payment of some expenses of such persons or in the interest of such persons) should stop business contacts with such Official and immediately inform his/her immediate supervisor, IACD or send information to the Hotline.

To mitigate risks of corrupt actions in the course of interaction with Officials and other Third parties, INK-Capital Group and its Employees shall refrain from payment of any expenses of Officials or other Third parties (as well as payment of expenses at the interest of such persons) except for Representation expenses made in accordance with the terms and conditions specified in the Policy and other Local regulatory documents.

6.2 Gifts and Representation expenses

INK-Capital Group admits that exchange of business Gifts and Representation expenses for business entertainment are indispensable part of business and common business practice.

At the same time, such practice has certain Risks of Corruption, as making expensive Gifts and high Representation expenses may cause justified suspicions about pursuing vested interests.

6.2.1 Making gifts

Any Gifts which are made on behalf of INK-Capital Group should comply with the requirements to the Protocol gifts specified by this Policy and other Local regulatory documents.

Giving inventories on behalf of INK-Capital Group which do not meet the criteria of the Protocol gift and/or violate the procedure of making Protocol gifts shall not be allowed.

In case an inventory which doesn't meet the criteria of the Protocol gift is given by the Employee or Related person of INK-Capital Group to any Third party or in case an inventory is given with violation of the procedure of making Protocol gifts, such inventory shall be deemed to have been given on behalf of and at the interest of the Employee or Related person. INK-Capital Group shall not be held liable for such action of its Employees and Related persons.

If in the process of performing his/her job functions the Employee has received from Counterparties, Third parties or other persons any request or demand about transfer of any inventories, he/she shall immediately inform IACD and his immediate supervisor thereof and send information to the Hotline.

The price of the Protocol gift made to someone holding public or municipal office or being public or municipal servant shall not exceed 3,000 (Three thousand) rubles and shall not be connected with

execution by such person of his/her duties, unless otherwise instructed by the Management.

The price of the Protocol gift (except for the cases described in the previous paragraph) shall not exceed 10,000 (Ten thousand) rubles, unless otherwise instructed by the General Director or Executive Director of Irkutsk Oil Company, LLC.

6.2.2 Accepting gifts

Any gift made to the Employee by Counterparties or other Third parties working with INK-Capital Group shall be deemed to have been accepted by the Employee as a representative of INK-Capital Group in connection with his/her position.

Employees are entitled to accept gifts from Counterparties and other Third parties provided that the rules set forth by this Policy are complied with.

In order to create a single standard of corporate ethics the following Rules of accepting gifts by Employees shall apply:

1) The Employee is entitled to accept unlimited inventories recognized as Gifts in accordance with the current business practice (flowers, pastries, fruits, alcohol, souvenirs) with the total price not exceeding 10,000 (Ten thousand) rubles.

2) The Employee is prohibited to accept any monetary Gifts or Gifts in form of payment for tourist or other services.

3) The Employee shall have no right to accept the Gift in case there are some grounds to suggest that such Gift is targeted at influencing the objectivity of business decisions of the Employee at performing his/her job functions.

4) The Employee who received the Gift which doesn't meet the criteria specified in items 1-3 above, shall be obliged to refuse from accepting the Gift. If there is no opportunity of returning the Gift, the Employee is obliged to inform his/her immediate supervisor and IACD thereof and send information to the Hotline as well as to transfer the ownership to such Gift to the respective company of INK-Capital Group.

In the process of performing their job functions Employees are strictly forbidden to express any kind of request or demand to Counterparties and other Third parties about transfer of any inventories. Requests or demands to Counterparties or other Third parties about transfer of any inventories are deemed to be corrupt actions and entail responsibility specified in this Policy and anti-corruption laws of the Russian Federation.

6.2.3 Representation expenses

Representation expenses are made in accordance with this Policy and other Local regulatory documents.

Employees who are entitled to organize protocol events shall receive and spend money in strict compliance with the criteria related to the Representation expenses.

Expenses of the Employee made with violation of the adopted criteria of the Representation expenses shall be deemed to be made on behalf of and at the cost of such Employee at his/her own interest not connected with performing his/her job functions.

If in the process of performing his/her job functions the Employee has received from Third parties any request or demand to pay for expenses of Third parties or at the interest of Third parties, to render property-related services, to grant other material benefits in form of Representation expenses, he/she shall immediately inform his/her immediate supervisor and IACD thereof and send information to the Hotline.

6.3 Procedures of selecting Counterparties

Taking into account that procedures of selecting Counterparties related to procurements for the needs of INK-Capital Group fall into the category of business-processes with a high level of Risks of Corruption and Fraud, as well as Risks of cooperation with counterparties involved in the legalization (money laundering), INK-Capital Group sets forth the uniform principles of transparency and fairness for all procedures of selecting Counterparties.

Pursuant to the main anti-corruption and anti-fraud principles specified in chapter 3 of this Policy, in the course of selecting Counterparties INK-Capital Group is additionally governed by the following basic principles:

1) to establish clear and understandable conditions for implementation of procedures for

- selecting Counterparties;
- 2) to apply objective and understandable criteria of selecting Counterparties;
 - 3) to create open and equal conditions for all participants of each procedure of selecting Counterparty during the competition including provision to all participants of the same information regarding the procedure of selecting a Counterparty, determination of unified timing, creating unified requirements to the participants, explanation of participation conditions and establishment of the clearest criteria of defining the winner;
 - 4) to have the system of internal control which supports the procedures of selecting Counterparties, establishment of a beneficiary owner.

6.4 Financial relations with Third parties

One of the key principles of the corporate conduct of INK-Capital Group is to ensure effective monitoring over financial and business operations. Taking into account that business-processes related to settlements with Third parties are exposed to the Risks of Corruption and Fraud, as well as Risks of cooperation with Counterparties involved in the legalization (money laundering), in order to mitigate such risks, INK-Capital Group has a single principle of openness and transparency of its financial policy in the relations with Third parties.

To mitigate risks of corrupt and fraudulent actions, the financial policy of INK-Capital Group with respect to any Third parties including Counterparties shall meet the following requirements:

- 1) compliance of actual schemes of Third parties law relations with the documented conditions of such relations;
- 2) minimization of settlements involving cash;
- 3) cooperation on settlements and payments with banks having positive business reputation at the market of financial services.

Pursuant to the main anti-corruption principles specified in chapter 3 of this Policy, the internal anti-corruption system within the frameworks of relations of INK-Capital Group with Third parties include measures targeted at assessment of potential risks of corruption at the transactions to be entered into and mitigation of such risks. Such measures include the procedures of verification of Counterparties including comprehensive review of operations of Counterparties, complex verification of their financial and market status.

The financial policy of INK-Capital Group strictly prohibits the following:

- Drafting unofficial statements;
- Unrecorded operations or incorrect record of operations;
- Nonexistent costs records;
- Record of liabilities with a subject identified incorrectly;
- Using falsified documents;
- Destruction of primary accounting documents; documents drafted in accordance with entered transactions including contracts; documents relating to the procedures of competitive selection before the end of the term specified by the laws and Local regulatory acts.
- Cooperation with Counterparties that are included by regulatory and governmental authorities, as well as by other reliable sources, in the list as potentially dangerous entities, which activities are associated with the legalization (money laundering).

Violation by the Employee of the above requirements of the financial policy of INK-Capital Group is deemed to be a gross violation of job duties. In case it is revealed and established that the Employee has been a party to such violations, INK-Capital Group is entitled to impose disciplinary sanctions onto such Employee, up to dismissal from the company, in manner provisioned by applicable laws of the Russian Federation.

Should the above facts be revealed and/or established, INK-Capital Group will immediately initiate an in-house investigation. The in-house investigation is made in accordance with the same procedure as described in item 5.2 of this Policy.

To mitigate Risks of Corruption and Fraud INK-Capital Group actively cooperates with external and internal auditors and supervisory authorities and provides necessary information about its operations to them.

6.5 Charity and sponsorship

6.5.1 Charity

Charity is based on the requirements set forth by this Policy, Social and Economic Cooperation and Charity (Sponsorship) Policy of INK-Capital Group and other Local regulatory documents.

Expenses of the Employee made in violation of the established rules of Charity are deemed to have been made on behalf of and at the cost of such Employee at his/her own interest not connected with performing his/her job functions. INK-Capital Group shall not be held liable for such actions of its Employee.

If in the process of performing his/her job functions the Employee of INK-Capital Group has received from Third parties any request or demand to pay for expenses of Third parties or at the interest of Third parties, to render property-related services, to grant other material benefits in form of Charity, he/she shall immediately inform his/her immediate supervisor and IACD thereof and send information to the Hotline.

6.5.2 Sponsorship

Sponsorship is based on the requirements set forth by this Policy and other Local regulatory documents.

Taking into account that Sponsorship falls into the category of business-processes with a high level of Risks of Corruption, INK-Capital Group sets forth the following criteria towards Sponsorship: openness, transparency, justification of sponsorship goals and results of investments, drafting reports on money spent.

Expenses of the Employee made in violation of the established rules of Sponsorship are deemed to have been made on behalf of and at the cost of such Employee at his/her own interest not connected with performing his/her job functions. INK-Capital Group shall not be held liable for such actions of its Employee.

7. Legal and methodological basis of the Policy

7.1 Legal basis of the Policy

At preparation of this Policy the requirements contained in the following regulatory documents were taken into consideration:

7.1.1 International anti-corruption treaties including:

- United Nations Convention against corruption dated October 31, 2003 ratified by the Russian Federation in form of Federal Law #40-FZ dated March 8, 2006 “On ratification of United Nation Convention against corruption”.
- Criminal Law Convention on Corruption (ETS #173) dated January 27, 1999 ratified by the Russian Federation in form of Federal Law #125-FZ dated July 25, 2006 “On ratification of Criminal Law Convention on Corruption”.
- Good Practice Guidance on Internal Controls, Ethics, and Compliance adopted by the Working Group of OECD dated February 18, 2010 (Appendix to Recommendations on Combating Bribery of Foreign Public Officials);
- Other international legal anti-corruption standards.

7.1.2 National anti-corruption and anti-fraud laws of the Russian Federation (with amendments and updates) including:

- Constitution of the Russian Federation;
- Criminal Code of the Russian Federation dated June 13, 1996 #63-FZ;
- Russian Federation Administrative Offence Code dated December 30, 2001 #195-FZ;
- Federal Law dated December 25, 2008 #273-FZ “On Combating Corruption”;
- Federal Law dated July 27, 2004 #79-FZ “On State Civil Service in the Russian Federation”;
- Federal Law dated August 11, 1995 #135-FZ “On Charity and Charity Organizations”;
- Federal Law dated March 8, 2006 #40-FZ “On ratification of the United Nations Convention against Corruption”;

- Federal Law dated February 1, 2012 #3-FZ “On joining of the Russian Federation to the Convention on Combating Bribery of Foreign Officials during International Commercial Transactions”;
- Federal Law dated August 7, 2001 #115-FZ “On Combatting Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism”;
- Russian Federation President’s Decree dated April 2, 2013 #309 “On implementation of separate provisions of the Federal Law “On Combating Corruption””;
- Russian Federation President’s Decree dated July 8, 2013 #613 and approved “Procedure for publishing information about income, expenses, property and property liabilities of certain categories of people and their families at federal media for further publishing”;
- Russian Federation President’s Decree dated April 1, 2016 #147 “On National Plan to Combat Corruption in 2016-2017”;
- Russian Federation President’s Decree dated June 29, 2018 #378 “On National Plan to Combat Corruption in 2018-2020”;
- Code of Corporate Governance recommended by the Central Bank of the Russian Federation (letter of the RF CB dated April 10, 2014 #06-52/2463).

7.1.3 National anti-corruption laws of other countries including:

- The Bribery Act 2010, Great Britain;
- The Foreign Corrupt Practices Act 1997, USA;

7.1.4 Advisory anti-corruption regulatory documents including:

- Model law “On Combating Corruption” (CIS Inter-Parliamentary Assembly, 13th Plenary session, Decision #13-4 dated April 3, 1999).
- Model law “Basics of laws on anti-corruption politics” (CIS Inter-Parliamentary Assembly, 22nd Plenary session, Decision #22-15 dated November 15, 2003).
- Review of recommendations on implementation of a complex of organizational, explanatory and other measures to prevent behavior of officials which may be deemed by others as a promise of bribe, or proposal to make a bribe, or consent to accept a bribe, or request for a bribe (Ministry of Labor and Social Protection of the Russian Federation, Information dated March 4, 2013).

7.2 Methodological basis of the Policy

- Methodological recommendations of the Federal Property Management Agency on the organization of risk management and internal control processes in preventing and combatting corruption in joint stock companies with the participation of the Russian Federation;
- Methodological recommendations of the Ministry of Labor and Social Protection of the Russian Federation regarding the development and adoption of measures to prevent and combat corruption;
- Recommendations of the Great Britain Ministry of Justice regarding establishment and implementation of the system of procedures in accordance with the UK Bribery Act 2010 dated March 30, 2011;
- Transparency International the 2010 UK Bribery Act Adequate Procedures Guidance on good practice procedures for corporate anti-bribery programs;
- International Chamber of Commerce’s Rules of Conduct;
- Transparency International Anti-corruption Plain Language Guide 2010.

8. Final provisions

The Policy shall be approved by the Board of Directors.

The Board of Directors on a regular basis, but at least once in two years, shall assess the Policy in terms of its compliance with the applicable laws and international best practices in this area.

Considering the changes and the practice of implementation of the Policy, the Policy may be updated. Updating of the Policy shall be made in accordance with the same procedure used at its establishment.