



APPROVED ON

April 30, 2019

AMENDED ON

September 8, 2022

AMENDED ON

September 22, 2023

# **ANTICORRUPTION POLICY OF THE VLADIMIR POTANIN FOUNDATION**

## TABLE OF CONTENTS

<b>GENERAL PROVISIONS</b> .....	<b>3</b>
<b>1. TERMS AND DEFINITIONS USED IN THE ANTICORRUPTION POLICY</b> .....	<b>4</b>
<b>2. GOALS AND OBJECTIVES OF THE ANTICORRUPTION POLICY</b> .....	<b>7</b>
<b>3. KEY ANTICORRUPTION PRINCIPLES</b> .....	<b>8</b>
<b>4. APPLICATION OF THE ANTICORRUPTION POLICY</b> .....	<b>9</b>
<b>5. IMPLEMENTATION OF THE ANTICORRUPTION POLICY</b> .....	<b>9</b>
<b>6. STANDARDS OF CONDUCT AND RESPONSIBILITIES OF STAFF RELATED TO PREVENTION OF CORRUPTION</b> .....	<b>10</b>
<b>7. IDENTIFICATION AND MANAGEMENT OF CONFLICT OF INTEREST</b> .....	<b>10</b>
<b>8. BUSINESS GIFTS AND HOSPITALITY EXCHANGE RULES</b> .....	<b>11</b>
<b>9. CONFIDENTIAL INFORMATION</b> .....	<b>11</b>
<b>10. PREVENTION OF CORRUPTION IN INTERACTIONS WITH COUNTERPARTIES</b> .....	<b>11</b>
<b>11. PREVENTION OF CORRUPTION</b> .....	<b>12</b>
<b>12. ANTICORRUPTION MEASURES</b> .....	<b>12</b>
<b>13. ANTICORRUPTION EDUCATION OF STAFF</b> .....	<b>13</b>
<b>14. RELIABLE REPORTING</b> .....	<b>13</b>
<b>15. WHISTLEBLOWING HOTLINE AND REPORTING ON VIOLATIONS</b> .....	<b>14</b>
<b>16. STAFF RESPONSIBILITIES FOR NONCOMPLIANCE WITH THE ANTICORRUPTION POLICY</b> .....	<b>15</b>
<b>17. INTERACTION WITH STATE, REGULATORY AND LAW ENFORCEMENT AUTHORITIES REGARDING COMBATING CORRUPTION</b> .....	<b>15</b>
<b>18. REVISION AND AMENDMENTS</b> .....	<b>16</b>

## GENERAL PROVISIONS

The mission of the Vladimir Potanin Foundation (hereinafter, the **Foundation**) is to develop a culture of giving, unite active creative professionals involved in addressing socially significant issues and making sustainable social changes, as well as to offer opportunities for new ideas and create conditions for their implementation.

One of the most important conditions for the implementation of the Foundation's activities is strict adherence to legislation regulating, among others, issues related to countering Corruption and violations related to the Legalization (Laundering) Proceeds of Crime and Terrorist Financing. The Foundation declares its unconditional rejection of dishonest and illegal ways of carrying out charitable activities and voluntarily accepts obligations in the field of prevention of Corruption and compliance with other conditions set out in this Anti-Corruption Policy.

The basic operating principles of the Foundation are:

1. Legality and high quality standards and prohibition of discrimination;
2. Integrity and rejection of Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing in all forms and manifestations;
3. Working for the public benefit;
4. Independence, transparency and accountability;
5. Honesty and fairness.

The Foundation's Anticorruption Policy is a set of interrelated principles, procedures and specific measures aimed at preventing and suppressing Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing within the scope of the Foundation's activities, as well as compliance with the anticorruption laws of the Russian Federation by the Foundation's Staff, Counterparties and other persons which may act on the Foundation's behalf.

This Anticorruption Policy was developed in accordance with the laws of the Russian Federation and subject to guidelines, key best practices, as well as, in particular:

- Federal Law No. 273-FZ On Combating Corruption dated December 25, 2008;
- Federal Law No. 115-FZ On Combating Legalization (Laundering) Proceeds of Crime and Terrorist Financing dated August 7, 2001;
- Criminal Code of the Russian Federation;
- Code of Administrative Offenses of the Russian Federation;
- Guidelines of the Federal Financial Monitoring Service (Rosfinmonitoring) for the NGO sector relating to combating terrorist financing;
- Guidelines on the Development and Taking Corporate Actions to Prevent and Combat Corruption, developed by the Ministry of Labor and Social Protection of the Russian Federation (published on November 8, 2013, and approved on April 8, 2014, at the meeting of the Presidential Council of the Russian Federation on Combating Corruption);
- Other regulations of the Russian Federation.

The Anticorruption Policy also takes into account applicable international laws and key best practices, is based on local regulations of the Foundation, including but not limited to, the Principles and Guidelines for

Conducting Charitable Activities and Risk Management of the Foundation, the Policy on the Whistleblower Protection.

The Anticorruption Policy contains the goals and objectives of the Foundation in terms of combating corruption, defines the legal framework and key principles of the combating, describes the actions taken by the Foundation to combat corruption, minimize and/or eliminate the consequences of corruption offenses, establishes the obligations of the Foundation's Staff and other persons in terms of combating corruption, as well as liability for non-compliance (improper compliance) with the Anticorruption Policy.

## 1. TERMS AND DEFINITIONS USED IN THE ANTICORRUPTION POLICY

- 1.1. **Anticorruption Clause** is the Anticorruption and Russian Laws Compliance Clause, a short and full versions of which are attached to a contract or agreement of the Foundation, or a section in such documents, according to which the parties agree on the prevention of corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing when performing mutual obligations, specify the consequences of the violation of such an agreement.
- 1.2. **Close relative** is a spouse, parent, son or daughter, spouses of the children, full and half siblings, uncle, aunt, nephew (niece), cousin, grandchildren, grandmothers, grandfathers, as well as the following relatives on the spouse's part: mother, father, sister, brother, son or daughter.
- 1.3. **Bribe** is, in accordance with Article 290 of the Criminal Code of the Russian Federation, the taking by an official, a foreign official or an official of a public international organization, in person or through an intermediary, of money, securities or other assets, or unlawful provision of property-related services, granting of other property rights for actions (inaction) in favor of the bribe-giver or persons the bribe-giver represents, if the official takes such acts (inaction) within his/her official powers or, by virtue of his/her official position, may further such actions (inaction), as well as for overall patronage or connivance in the service.
- 1.4. **Public Official** is any Russian or foreign person appointed or elected to hold (occupy) a position in a legislative, executive, administrative, law enforcement or judicial authority or public international organization; any person exercising a public function for the state, including for a public authority, state corporation, state-owned company, public-law company; leading political figures, officials of political parties, including candidates for political office; ambassadors, heads of public authorities, state corporations, state-owned companies, and public-law companies.
- 1.5. **Due Diligence** is a principle based on the reasonableness and good faith according to which it is necessary to take into account the information sufficient to form a reasonable opinion on whether a Counterparty or an applicant shows signs of bad faith, when performing business transactions or making management decisions.
- 1.6. **Abuse of Office or Powers** is the use by a Foundation's Staff Member of his/her powers contrary to the legitimate interests of the Foundation and for gaining benefits and advantages for himself/herself or other persons, or infliction of damage on other persons, if such action caused significant damage to the rights and legitimate interests of citizens or organizations or the legally protected public or state interests.
- 1.7. **Commercial Bribery** is, in accordance with Article 204 of the Criminal Code of the Russian Federation, the illegal transfer to a person, exercising management functions in a for-profit or any other organization, of money, securities, any other assets, provision of any property-related services to such person, granting of any other property rights to such person for any actions (inaction) for the benefit of the giver in connection with the position held by such person.
- 1.8. **Counterparty** is a legal entity or an individual with which the Foundation enters into contractual relations, except for the labor relations.

- 1.9. **Conflict of Interest** is a situation where personal interest (whether direct or indirect) of a Foundation's employee affects or may affect proper performance by such employee of his/her employment duties and where a conflict arises or may arise between personal interest of a Foundation's employee and rights and legitimate interests of the Foundation, which may cause damage to the rights and legitimate interests, assets and/or goodwill of the Foundation.
- 1.10. **Corruption** is abuse of office, Bribe giving or taking, abuse of powers, commercial bribery or other illegal use by a person of their position contrary to the legitimate public and state interests for gaining benefits in the form of money, valuables, other assets or property-related services, other property rights for himself/herself or third parties, or illegal granting of such benefits to such person by other individuals. Corruption also includes such actions taken on behalf or for the benefit of a legal entity.
- 1.11. **Legalization (Laundering) of Proceeds of Crime** is, in accordance with Paragraph 3 of Article 3 of Federal Law No. 115-FZ On Combating Legalization (Laundering) Proceeds of Crime and Terrorist Financing dated August 7, 2001, giving a legal form to the possession, use or disposal of the funds or other assets obtained as a result of a crime.
- 1.12. **Whistleblowing Hotline** is a set of organizational measures and technical means that makes it possible to receive from the Foundation's Staff, Counterparties and other third parties whistleblowing reports concerning the Foundation, its business activities, as well as to record and review, analyze and summarize the information received.
- 1.13. **Personal Interest** is the interest of a Foundation's Staff Member related to the possibility of such Staff to receive income in the form of money, valuables, other assets or property-related services, other property rights for himself/herself or for third parties when performing their duties.
- 1.14. **Person / Business Unit Responsible for Anticorruption Policy Compliance Monitoring** is a Foundation's employee or a designated Ethics Committee, competence of which includes monitoring compliance with the Anticorruption Policy, ensuring prevention of corruption, as well as identifying and preventing corruption on the part of the Foundation, its Staff, Counterparties and other third parties interacting with the Foundation.
- 1.15. **Anticorruption Measures** are, in accordance with Article 13.3 of Federal Law No. 273-FZ On Combating Corruption dated December 25, 2008, measures to prevent corruption, in particular:
- Designation of business units or employees which are charged with preventing corruption and other offenses;
  - Cooperation of the Foundation with law enforcement authorities;
  - Development of standards and procedures aimed at ensuring fair business practices in the Foundation;
  - Adoption of a code of business conduct in the Foundation;
  - Avoidance and settlement of conflicts of interest of the Foundation's Staff;
  - Prevention of informal reporting and using of the forged documents.
- 1.16. **Gift** is any valuables in tangible or intangible form, for which there is no obligation to pay, that is, transferred free of charge, including items, stuff, gift certificates for any goods and services, event invitations (for concerts, tours, sports, etc.), money, securities and other assets, benefits and property-related services, including works, services, payment for entertainment, transportation costs, loans, discounts, making property available for use, including housing, etc.

- 1.17. **Supervisory Board** is a collegial body of the Foundation that oversees the activities of the Foundation, decisions made by other bodies of the Foundation and their implementation, the use of the Foundation's funds and compliance with the laws of the Russian Federation.
- 1.18. **Mediation in Bribery** – according to Article 291.1 of the Criminal Code of the Russian Federation direct transfer of a bribe on behalf of the bribe giver or bribe-taker or other assistance to the bribe-giver and (or) bribe taker in reaching or implementing an agreement between them on receiving and giving a bribe to a significant extent.
- 1.19. **Hospitality Expenses** are the Foundation's expenses for official receptions, visiting of cultural and entertainment events, catering at business meetings, transport support, translator's fees and other organizational expenses permitted by the laws.
- 1.20. **Anticorruption** is, in accordance with Clause 2 of Article 1 of Federal Law No. 273-FZ On Combating Corruption dated December 25, 2008, the actions of federal public authorities, public authorities of the constituent entities of the Russian Federation, local governments, civil institutions, organizations and individuals taken within their powers: a) to prevent corruption, including identification and further elimination of the causes of corruption (corruption prevention); b) to identify, prevent, suppress, disclose and investigate corruption offenses (combating corruption); c) to minimize and/or eliminate the consequences of corruption offenses.
- 1.21. **Employees** are the individuals employed by the Foundation.
- 1.22. **Council for the Endowment Use** is a collegial body of the Foundation formed in accordance with Federal Law No. 275-FZ On the Procedure for Establishment and Use of Endowment by Non-Profit Organizations dated December 30, 2006.
- 1.23. **Foundation Board** is the supreme collegial body of the Foundation, the main function of which is to ensure that the Foundation meets the goals for which it was established.
- 1.24. **Staff Members** are the Foundation's Employees as defined above, as well as persons that perform work or provide services for the Foundation under civil law contracts entered into therewith, including members of the Foundation Board, Supervisory Board, Council for the Endowment Use, Experts and members of the Expert Councils.
- 1.25. **Management companies** are established in accordance with the legislation of the Russian Federation Federations legal entities licensed to carry out activities in securities management or related to management of investment funds, mutual funds and non-state pension funds with which the Foundation has concluded agreements on asset management.
- 1.26. **Terrorist Financing** is, in accordance with Paragraph 4 of Article 3 of Federal Law No. 115-FZ, On Combating Legalization (Laundering) of Proceeds of Crime and Terrorist Financing dated August 7, 2001, provision or collection of funds or financial services with the knowledge that they are intended to finance the organization, preparation, and commission of at least one crime specified in Articles 205, 205.1, 205.2, 205.3, 205.4, 205.5, 206, 208, 211, 220, 221, 277, 278, 279, 360, and 361 of the Criminal Code of the Russian Federation, or to finance or otherwise provide material support to a person for commission of at least one of the specified crimes, or to support an organized group, illegal armed group, or criminal association (criminal organization) established or to be established in order to commit at least one of the specified crimes.
- 1.27. **Expert Council** is a collegial body of the Foundation, formed from among experts of specific competition to determine the composition of finalists or winners.
- 1.28. **Experts** are specialists hired by the Foundation to evaluate competitive applications of potential Beneficiaries, Grantees, conducting research, participating in events held by the Foundation and (or) its partners. Represent a non-profit sector, charity, areas of endowment, fundraising, jurisprudence, social sphere, culture, museums, creative industries, education, and popularization of science, information technology and other areas adjacent to the Foundations spheres of activity.

- 1.29. **Code of Ethics** is Principles and Guidelines 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, which are available on the Foundation's website at <http://www.fondpotanin.ru/en>.

## **2. GOALS AND OBJECTIVES OF THE ANTICORRUPTION POLICY**

- 2.1. As the basis of Foundation's professional approach to charitable activities we maintain our reputation and contribute to the confidence of the Founder, Subscribers, Beneficiaries, Grantees, Counterparties, partners, professional community in Russia and abroad, the public as a whole.

- 2.2. The goals of the Anticorruption Policy are as following:

- maintaining the reputation of the Foundation;
- ensuring Ethical Behavior;
- prevention of Corruption and Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
- formation of anti-corruption consciousness among Employees;
- improvement of transparency of the activities within the scope of the Foundation's Anticorruption Policy.

- 2.3. The main objectives of the Anticorruption Policy are as following:

- 2.3.1. establishment of an effective arrangement for preventing Corruption and Legalization (Laundering) of Proceeds of Crime and Terrorist Financing and minimizing risks of involvement of the Foundation and the Foundation's Staff in such activities;
- 2.3.2. legal and civic education of the Foundation's Staff Members by forming a negative attitude to corruption, other violations and illegal redistribution of income and other benefits among the Staff Members, as well as anticorruption education;
- 2.3.3. minimization of property and reputational damage of the Foundation by preventing corrupt practices and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, as well as punishment therefor using public, administrative and law enforcement procedures;
- 2.3.4. establishment of the operating principles for the prevention of Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
- 2.3.5. methodological support for the development and implementation of Anticorruption Measures through the adoption of internal regulations of the Foundation in terms of combating corruption;
- 2.3.6. engagement of Foundation's Staff Member in the implementation of measures to prevent Corruption and other violations specified in the local regulations of the Foundation, and development of anticorruption awareness among the Foundation's Staff Members;
- 2.3.7. prevention of Corruption and other violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, establishment of responsibility for the violations, as well as compensation for the damage caused by an offense;
- 2.3.8. implementation of a set of legal, organizational, informational measures to prevent illegal conduct on the part of the Foundation's Staff Members, including for avoiding and settling

the Conflict of Interest; formation of a negative attitude towards the receipt of the Gifts in connection with official position or employment duties; prevention of conduct that may be perceived by other persons as engagement in or incitement to corruption; as well as compliance monitoring with the requirements for official conduct and prevention of violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing.

### **3. KEY ANTICORRUPTION PRINCIPLES**

3.1. The Foundation's anticorruption systems shall be based on the following key principles:

- 3.1.1. compliance of the Foundation's policy with the laws and generally accepted standards, i.e. compliance of the Foundation's policy and implemented anticorruption measures with the Constitution of the Russian Federation, laws of the Russian Federation and international treaties of the Russian Federation and other regulations applicable to the Foundation's activities;
- 3.1.2. personal example of the management, i.e. the key role of the Foundation's management in the building of a corruption intolerance culture and in the creation of an internal Anticorruption system, intolerance to the violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
- 3.1.3. staff's involvement, i.e. awareness of the Foundation's Staff of the anticorruption laws, actions taken within the Foundation, and their active participation in the development and implementation of the anticorruption standards and procedures, as well as improving anticorruption culture by informing and training Staff in order to maintain their awareness in terms of compliance with the Foundation's Anticorruption Policy, mastering methods and techniques for implementing Anticorruption Measures in practice;
- 3.1.4. zero tolerance to the Corruption and other violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, i.e. rejection of such violations in any forms and manifestations;
- 3.1.5. adequacy of the anticorruption procedures as to the Corruption risk, i.e. a set of measures making it possible to reduce the likelihood of involvement of the Foundation and its Staff in corrupt practices, shall be developed and implemented subject to existing corruption risks of the Foundation;
- 3.1.6. effectiveness of the anticorruption procedures, i.e. taking the anticorruption measures by the Foundation that ensure the effectiveness and simplicity of their implementation for prevention and suppression of the Corruption and other violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing in the future;
- 3.1.7. responsibility and the unavoidability of punishment, i.e. unavoidability of punishment of the Foundation's Employees, regardless of their positions, period of service and other conditions in case of corruption offenses on their part in the performance of their duties;
- 3.1.8. continuous control and regular monitoring, i.e. regular monitoring of effectiveness of the implemented anticorruption standards and procedures, as well as control over implementation thereof. Systematic improvement of the proposed measures and standards subject to changes in the conditions of the internal and external environment, including in the laws of the Russian Federation;
- 3.1.9. due Diligence and, in order to minimize the risks of involvement in corrupt practices, comprehensive analysis by the Foundation of the Counterparties' activities, including in terms of their reliability, availability of their own anticorruption procedures, Conflict of Interest, welcoming of their commitment to compliance with the Anticorruption Policy principles, willingness to include an Anticorruption Clause in the contracts (a short or full



version or a combination thereof, as applicable), to assist in investigating violations of mutual agreements. Using by the Foundation of the elements of comprehensive analysis, including in the selection and recruitment of the Employees and in the human resources management in general;

- 3.1.10. transparency of Foundation's activities, i.e. informing the Counterparties and the public of the Foundation's ethical and anticorruption standards by publishing information on the local regulations governing the prevention and prevention of Corruption on the official website of the Foundation.

#### **4. APPLICATION OF THE ANTICORRUPTION POLICY**

- 4.1. The Anticorruption Policy is a directly applicable document, the principles and requirements of which shall be strictly observed in all areas of the Foundation's operation, in its program and administrative activities, in the formation and use of the endowments, in the relations with the Staff, partners, management companies and all other Counterparties.
- 4.2. Mainly, the persons subject to this Anticorruption Policy include the Foundation's Employees having employment relations with the Foundation, regardless of their positions and functions, as well as other parties and persons who perform works or provide services for the Foundation under the contracts entered into with the Foundation.

#### **5. IMPLEMENTATION OF THE ANTICORRUPTION POLICY**

- 5.1. The Ethics Committee of the Foundation acts as an association of the Foundation's Staff responsible for monitoring compliance with the Anticorruption Policy, ensuring measures to prevent and combat Corruption, as well as identifying and preventing Corruption on the part of the Foundation, its Staff, Counterparties and other persons with which the Foundation interacts. The goals, procedure for the formation, proceedings and powers of the Ethics Committee shall be determined by the Ethics Committee Regulation approved by the decision of the General Director of the Foundation.
- 5.2. The duties of the Ethics Committee members include, in particular:
- development of local regulations aimed at the implementation of the Anticorruption Measures;
  - taking control measures aimed at identifying corruption offenses and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
  - assessment of the corruption risks;
  - receipt and consideration of the reports on cases where the Staff are induced to commit corruption offenses and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, for the benefit or on behalf of another organization, as well as on cases where the corruption offenses are committed by the Staff, Counterparties or other persons;
  - consideration of the reports on the Conflict of Interest;
  - organization of training in terms of preventing and combating the Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, and individual coaching of the Staff;
  - assistance to the authorized representatives of the regulatory and law enforcement authorities in inspecting the Foundation's activities in terms of combating Corruption;

- assistance to the authorized representatives of the law enforcement authorities in taking measures to suppress or investigate corruption offenses, including law enforcement intelligence;
- assessment of the anticorruption results and preparation of reporting for consideration by the management bodies of the Foundation.

## **6. STANDARDS OF CONDUCT AND RESPONSIBILITIES OF STAFF RELATED TO PREVENTION OF CORRUPTION**

6.1. In order to implement anticorruption standards of conduct for the Staff, the Foundation establishes general principles and guidelines of conduct that determine the ethics of business relations and are aimed at ensuring ethical and fair conduct of the Staff and the Foundation.

6.2. The general principles and guidelines of conduct shall be specified in the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Foundation.

6.3. In order to prevent and combat Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, the Foundation's Staff Members shall:

6.3.1. Be guided by the Anticorruption Policy and strictly comply with its principles and requirements;

6.3.2. Refrain from commission of, and/or involvement in, the corruption offences and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing for the benefit or on behalf of the Foundation;

6.3.3. Refrain from conduct that may be construed by the others as a willingness to commit or be involved in the commission of a corruption or other offense for the benefit or on behalf of the Foundation;

6.3.4. Refrain from abusing their office for personal purposes, including from receiving Gifts, remuneration and other benefits for themselves and other persons;

6.3.5. Immediately inform the Foundation / Foundation's Ethics Committee of the cases of inducement of a Staff Member to commit corruption violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, and/or if they become aware of any similar offenses committed by other Staff, Counterparties of the Foundation or other persons;

6.3.6. Inform of a possible Conflict of Interest of the Staff Member in accordance with the procedure established by the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Foundation approved by the General Director of the Foundation;

6.3.7. Refrain from engaging with Counterparties, intermediaries or other persons to perform actions that are contrary to the applicable anticorruption laws, principles and requirements of the Anticorruption Policy, as well as other local regulations of the Foundation.

## **7. IDENTIFICATION AND MANAGEMENT OF CONFLICT OF INTEREST**

7.1. The Foundation's Staff Members may not engage in the activities that significantly distract from or impede the performance by such persons of their duties in the Foundation and/or may lead to a Conflict of Interest.

7.2. The Staff Members and their family members shall not have a Personal Interest in the activities of the Foundation's Counterparties and other persons with whom the Foundation cooperates in its

activities. It applies to any benefits expected from the Counterparties and other persons, including equity participation and direct or indirect Personal Interest in the interaction with the Foundation.

7.3. The Foundation's Staff Members shall make every effort to prevent circumstances that lead or may lead to a Conflict of Interest. Any Conflicts of Interest that have arisen or are likely to arise shall be immediately reported to the Foundation / Ethics Committee in writing.

7.4. The procedure for identifying and resolving the Conflict of Interest is established by the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Foundation.

## **8. BUSINESS GIFTS AND HOSPITALITY EXCHANGE RULES**

8.1. The Foundation intends to maintain a corporate culture which considers business Gifts, corporate hospitality and entertainment as a way for establishing and maintaining business relations and as a manifestation of international comity in the business and other activities of the Foundation.

8.2. In order to prevent violations of the anticorruption laws, third party's inappropriate influence towards Foundation and its Staff Members, minimize the image losses, ensure a uniform understanding of place and role of the business Gifts, corporate hospitality and entertainment in the business practice of the Foundation, establish the uniform requirements for giving and accepting business Gifts for all Foundation's Staff, the local regulations of the Foundation are established in the Code of Ethics.

8.3. The Code of Ethics establishes the procedure for notification, approval of receipt and/or giving of the Gifts and compensation of the Hospitality Expenses, and criteria for determining the permissibility of the Gifts and compensation of the Hospitality Expenses.

## **9. CONFIDENTIAL INFORMATION**

9.1. The Foundation's Staff Members who have access to the confidential information (received from the Foundation or otherwise), shall only use such information for the performance of their duties within the Foundation.

9.2. The Foundation's Staff Members shall prevent the transfer of the confidential information to third parties, including their close relatives and other Foundation's Staff, which are not in charge of such information, except for cases where such information may be disclosed with the permission of the Foundation or in accordance with the applicable legal requirements.

9.3. The procedure for handling confidential information and its disclosure to the mass media, public authorities and other persons shall be governed by the internal regulations of the Foundation and applicable legislation.

## **10. PREVENTION OF CORRUPTION IN INTERACTIONS WITH COUNTERPARTIES**

10.1. The Foundation shall make reasonable efforts to minimize the risk of establishing business, employment and other relationships with the individuals or legal entities that may be involved in corrupt practices and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, and thus expose the Foundation to the risk of involvement in such practices.

10.2. In order to minimize the risk of the Foundation's involvement in corrupt practices and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, the Foundation has developed and is implementing the inspection procedures that comply with the applicable legal requirements in respect of all Counterparties and the individuals with whom the Foundation plans to enter into an employment or civil law contract.

10.3. The anticorruption efforts in the interaction with the Counterparties shall be made in the following main areas:

- 10.3.1. establishment and maintenance of business relations with the Counterparties that carry on business in good faith and fairly, take care of their reputation, maintain high ethical standards in the business activities, implement their own measures to combat Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, participate in collective anticorruption initiatives;
- 10.3.2. implementation of special procedures for verification of the Counterparties in order to reduce the risk of the Foundation's involvement in corruption and other bad faith practices in the relations with the Counterparties based on risk assessment of publicly available information;
- 10.3.3. inclusion of provisions on anticorruption compliance in the contracts entered into with Counterparties as a standard Anticorruption Clause;
- 10.3.4. posting of information on the measures taken by the Foundation to prevent Corruption and violations related to Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, on the official website of the Foundation.

## **11. PREVENTION OF CORRUPTION**

- 11.1. In order to prevent the Corruption and other violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, the Foundation shall:
  - 11.1.1. implement a uniform anticorruption policy of the Foundation, develop intolerance among the Foundation's Staff to the Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
  - 11.1.2. interaction with public authorities, governmental and commercial organizations, civic institutions in terms of combating the Corruption and other violations;
  - 11.1.3. take administrative, incentive and other measures aimed at attracting the Foundation's Staff to more active engagement in combating Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
  - 11.1.4. improve the Foundation's internal control system, evaluate on a regular basis the performance in terms of combating the Corruption and other violations of the Anticorruption Policy and other local regulations of the Foundation;
  - 11.1.5. control application of reporting standards of the Foundation in accordance with applicable legislation and best practices;
  - 11.1.6. ensure transparency, integrity and objectivity in the financial and business activities of the Foundation and in the interaction with the Counterparties and other persons with which the Foundation cooperates;
  - 11.1.7. ensure the independence in examination of application, selecting Counterparties and other persons for the Foundation to cooperate with;
  - 11.1.8. assist in the improvement of the anticorruption culture through raising awareness of the Staff of the local regulations of the Foundation in terms of the anticorruption compliance;
  - 11.1.9. educate the Staff on a regular basis in order to maintain their awareness in terms of prevention and suppression of Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing.

## **12. ANTICORRUPTION MEASURES**

- 12.1. The Foundation shall work on prevention of the Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing in accordance with the Action Plan annually approved in accordance with the established procedure for the preventing and combating such violations in the Foundation (hereinafter, the **Action Plan**). The Action Plan shall include measures aimed at achieving specific results in terms of preventing Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, minimizing such risks and/or remedying their consequences.
- 12.2. The Ethics Committee shall prepare and review quarterly reports on the implementation of the Action Plan in order to monitor its implementation in the Foundation.

### **13. ANTICORRUPTION EDUCATION OF STAFF**

- 13.1. All Foundation's Staff Members shall be made aware of the Anticorruption Policy, provisions of other local regulations of the Foundation regarding prevention and suppression of Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, and amendments thereto.
- 13.2. The Anticorruption Policy applies to Employees, the members of the Foundation Board, Supervisory Board, Council for the Endowment Use, Experts and members of the Expert Councils, Beneficiaries, Grantees, Counterparties, partners and other persons involved in the Foundation's activities. In witness whereof, the mentioned persons are to sign a Consent to Acceptance of and Compliance with the Principles and Guidelines for Conducting Charitable Activities and Risk Management and the Anticorruption Policy of the Foundation.
- 13.3. The anticorruption education of the Staff shall be on a regular basis in order to form an anticorruption outlook and intolerance to the Corruption and other violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, and raise the legal awareness of the Foundation's Staff, and shall include:
  - 13.3.1. Public awareness efforts aimed at bringing the main provisions of the anticorruption regulations, law enforcement practices and Foundation's regulations in prevention of Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
  - 13.3.2. Regular training in terms on preventing of Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing in the Foundation (seminars, lectures, trainings, etc.);
  - 13.3.3. Anticorruption consulting for the Staff on a case-by-case basis.

### **14. RELIABLE REPORTING**

- 14.1. The Foundation shall strictly comply with the legal requirements and the rules for keeping reporting documentation. The Foundation shall establish and maintain an effective internal control system that include organizational arrangements for the auditing of accounting, record keeping, personnel and other activities covered by the anticorruption programs, and inspect on a regular basis the internal control systems to ensure their compliance with the anticorruption regulations.
- 14.2. The Foundation shall monitor the correctness of financial transactions, properly document them and prevent, inter alia, the following actions:
  - preparation of informal (double) reporting;
  - performance of unrecorded or improperly recorded transactions;
  - keeping records of nonexisting expenses;

- recognition of the obligations, the subject matter of which is incorrectly identified;
  - willful destruction of accounting and other records before the expiry of the statutory retention period.
- 14.3. The Foundation shall exercise internal control and monitoring to ensure the intended use of the funds, including, but not limited to, the following:
- clear determination of the goals and scope of the proposed charitable activities, as well as the beneficiary group before the launch of the project;
  - analysis of the possible risks of Corruption, Legalization (Laundering) of Proceeds of Crime and Terrorist Financing and measures to neutralize them;
  - preparation of a detailed budget for each project specifying the expenditure and keeping detailed reports thereon;
  - monitoring of the flow of funds, materials and equipment;
  - performance of monetary transactions through the banking sector;
  - monitoring of the actual receipt of distributed funds.
- 14.4. The Foundation's Staff Members, whose competence includes keeping accounting, management and other records, shall be responsible for complete and reliable reporting in a timely manner.
- 14.5. All financial transactions shall be recognized in a reliable and accurate manner as detailed as necessary. The distortion or falsification of accounting, management and other records or supporting documents is not allowed.

## **15. WHISTLEBLOWING HOTLINE AND REPORTING ON VIOLATIONS**

- 15.1. In order to maintain a high level of confidence in the Foundation's activities, compliance with the ethical standards of conduct, as well as to prevent and suppress the Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, the Foundation has specially established and operates a Whistleblowing Hotline for compliance with the anticorruption laws and the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Foundation available on the Foundation's website at <https://fondpotanin.ru/en/> and by email [no\\_corruption@fondpotanin.ru](mailto:no_corruption@fondpotanin.ru).
- 15.2. By contacting the Anticorruption Compliance Whistleblowing Hotline, a Staff Member, a Counterparty or any other person may, in a convenient form (including on an anonymous basis), report violations of this Anticorruption Policy and laws in the Foundation, fraud, bribery, commercial bribery, the Conflict of Interest, as well as other manifestations of Corruption or violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing that he/she has become aware of.
- 15.3. The Staff Member shall contact the Foundation / Foundation's Ethics Committee in the following cases:
- inducement of the Staff Member to commit a Corruption offense or violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing;
  - occurrence of a Conflict of Interest and/or Personal Interest;
  - commitment of corruption offenses by other Foundation's Staff Members, Counterparties or other persons;

- the Staff Member suspects his/her own actions, actions of other Foundation's Staff Members, Counterparties or other persons to have a corruption element.
- 15.4. The Foundation states that no Staff Member shall be subject to any sanctions (including dismissal, demotion, disqualification from receiving bonus, etc.) if he/she has reported in good faith an alleged fact of Corruption or a violation related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, or if he/she has refused to give or receive a Bribe, to be involved in commercial bribery or to act as an intermediary in bribery, including if the Foundation has lost profit or has not received commercial and any competitive advantages as a result of such refusal.
  - 15.5. The measures aimed at ensuring the protection of the whistleblower rights are additionally governed by the Foundation's Policy on the Whistleblower Protection.
  - 15.6. The Foundation's guarantees concerning the waiver of sanctions shall not apply to the offending Staff or in cases where an internal investigation proves that the report was intentionally false, a perjury or a defamation.
  - 15.7. The Ethics Committee shall promptly investigate all violations reports (whether a violation is committed or threatened). If required by the laws, the investigation records shall be transferred to the competent public authorities for further actions.

## **16. STAFF RESPONSIBILITIES FOR NONCOMPLIANCE WITH THE ANTICORRUPTION POLICY**

- 16.1. The Foundation and its Staff Members shall comply with the laws on combating Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing, with this Anticorruption Policy.
- 16.2. The Foundation's Staff Members, regardless of their position, are personally responsible for the noncompliance with (improper performance of) this Anticorruption Policy and shall indemnify the Foundation for the losses caused by a violation of the anticorruption laws identified in the implementation of measures for preventing and suppressing Corruption and violations related to the Legalization (Laundering) of Proceeds of Crime and Terrorist Financing.
- 16.3. The persons, which violate the Anticorruption Policy and anticorruption laws may be brought to civil, legal, disciplinary, administrative and criminal liability on the initiative of the Foundation, law enforcement authorities, or other persons in the manner and on the grounds provided for by the laws.

## **17. INTERACTION WITH STATE, REGULATORY AND LAW ENFORCEMENT AUTHORITIES REGARDING COMBATING CORRUPTION**

- 17.1. The cooperation with the public, regulatory and law enforcement authorities is an important indicator of the Foundation's commitment to anticorruption standards of conduct.
- 17.2. The Foundation undertakes to report to the law enforcement authorities all corruption offenses that have become known to the Foundation.
- 17.3. When interacting with the state authorities exercising regulatory powers in respect of the Foundation, the Foundation's Staff shall refrain from any illegal and unethical conduct, offering or attempting to exert undue influence.
- 17.4. The Foundation's Staff shall assist the authorized representatives of the regulatory and law enforcement authorities in taking Anticorruption Measures in respect of the Foundation, as well as in taking measures to suppress or investigate the corruption-related crimes.
- 17.5. The Foundation's Staff Members shall support the law enforcement authorities in identifying and investigating cases of Corruption and violations related to the Legalization (Laundering) of Proceeds

of Crime and Terrorist Financing, take necessary measures for retaining and transferring documents and information on the corruption and other violations of the laws to the law enforcement authorities.

## **18. REVISION AND AMENDMENTS**

- 18.1. The Foundation regularly, but at least once a year, evaluates the Anticorruption policy for compliance with the current legislation. Subject to the changes in the laws of the Russian Federation and applicable standards and best practices, the Anticorruption policy may be amended as necessary. The Anticorruption policy shall be amended in the same manner as it is adopted.
- 18.2. Certain aspects of the Anticorruption policy may be specified through the development of other local regulations of the Foundation.
- 18.3. For all other issues not regulated by the Anticorruption policy, the provisions of applicable legislation and internal regulations of the Foundation shall guide one.