

“XyloSuisse” Limited Liability Company

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APPROVED

General Director
Of eastconsult Limited Liability Company –
Management Company of
“XyloSuisse” LLC

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S.H.

Order No. 003/1 dd April 05, 2017

ANTI-CORRUPTION POLICY
of “XyloSuisse” LLC

Moscow

2017

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1. The policy's field of application and group of people that are subject to this anti-corruption policy.

1.1. This anti-corruption policy (hereinafter "the Policy") is developed in compliance with p. 13.3 of the Federal law No. 273-FZ "On counteraction to the corruption" dd. 25.12.2008 and regulations contained in Guidelines for development and approval of the measures to prevent and counteract the corruption established by the Ministry of Labor of RF dd. 08.11.2013.

1.2. This Policy establishes the principles and requirements aimed to prevent and suppress the corruption acts in the business activity of the Limited Liability Company "XyloSuisse" (hereinafter "the Company").

1.3. Regulations of this Policy are applied to all employees' activity in the Company.

1.4. All employees and management of the Company involved in implementation of the procedures established in this Policy are responsible for noncompliance with this Policy's requirements.

2. Regulatory documents.

This Policy consists of the references to the following regulatory documents:

- Federal law No. 273-FZ "On counteraction to the corruption" dd. 25.12.2008 (hereinafter "the Federal law");

- Federal law No. 402-FZ "On bookkeeping" dd. 06.12.2011 (hereinafter "the Federal law "Regarding bookkeeping");

3. Terms, definitions, concepts and abbreviations.

3.1. The following terms and definitions included into the Federal law as well as the following terms with according definitions are used in this Policy:

Corruption – misuse of authority, bribery, commercial bribe or any other illegal use of his official capacity

by an individual person despite of the company's and country's legal interest in order to benefit by money sums, values, other property or property services, any other property rights for himself or for third parties or any illegal benefits for such person by other individual persons.

The above listed acts on behalf or in interests of a legal entity are also referred to as corruption (p. 1 of Pr. 1 of the Federal law).

Corruption act – an act with features of corruption and punishable due to regulatory legal acts with civil law, discipline, administrative or criminal sanctions.

Corruption factor – event or complex of events leading to corruption acts or serving to its spreading.

Prevention of corruption – the Company's anti-corruption activity aimed to discover, investigate, limit or eliminate events leading to corruption acts or servings to its spreading.

Counteraction to corruption – activity of federal authorities of the government, government authorities of the federal subjects of the Russian Federation, local government authorities, civil institutions, organizations and individual persons within the limits of their authority (p. 2 of Pr. 1 of the Federal law) in order to:

- a) prevent corruption as well as to discover and subsequently to eliminate the corruption reasons (prevention of corruption);
- b) discover, prevent, suppress, expose and investigate corruption act (combatting corruption);
- c) to minimize and (or) liquidate consequences of corruption acts.

Bribe – money sums, securities, any other property in form of illegal property services or other property rights provided to official, foreign official or official of a public international organization directly or at second hand for activity (nonactivity) in favor of briber or persons he represents, if such activity (nonactivity) is related to official's authority or if official can support such activity (nonactivity) by the virtue of his official capacity, as well as for general patronage or connivance in career's regard.

Contractor – any Russian or foreign legal entity or individual person entering into contractual relations with the Company except labor relations.

Commercial bribe – money sums, securities, any other property, property services or other property rights illegally provided to a person acting as a management in a commercial or other organization for activity (nonactivity) in favor of paying person in regard of his official capacity (Part 1, Pr. 204 of the Criminal Code of the Russian Federation).

Organization – legal entity regardless of form of ownership and incorporation as well as sectoral affiliation.

Conflict of interests – situations, when personal interest (direct or indirect) of employee/the Company's representative influences or may influence on appropriate performance of his job (employment) duties and which causes or may cause conflict between personal interest of employee/the Company's representative and rights and legal interests of the Company, what may result in damage to the rights and legal interests, property and (or) business reputation of the Company, where he acts as employee/the Company's representative.

Personal interest of employee (the Company's representative) – interest of employee (the Company's

representative) caused by possible gaining of money sums, values, other properties or property services, other property rights for himself or for third parties by employee/the Company's representative in performance of duties.

Management of the Company (managers) – the group of employees effecting activity guidance and administration of the Company on high level (Managing Director/Project Manager).

3.2. The following abbreviations are used in this Policy:

The Company – LLC “XyloSuisse”;

The Management – General Director of the Company (Management Company).

4. General statements.

4.1. The Policy's aims.

The Policy is aimed to prevent and counteract to corruption in the Company, to mould anti-corruption consciousness of employees, members and contractors of the Company in regard to corruption actions.

4.2. The Policy's tasks.

The Policy's tasks are:

- to make all the members, employees, contractors understand clearly the Company's negative attitude towards corruption in all its forms and actions;
- to minimize the risks of involving the Company, the Company's management and employees into any corruption actions;
- to prevent corruption actions and guarantee punishment for any corruption actions;
- to monitor the effectiveness compliance with anti-corruption measures;
- to form anti-corruption corporate consciousness;
- to create legal mechanism preventing bribery of the anti-corruption policy's subjects;
- to establish responsibility of the Company's employees to know and observe the principles and requirements of this Policy as well as the key norms of applied anti-corruption legislation;
- to establish strong motivation in order to substitute officials in the Company with incorruptible persons.

4.3. Principles of the counteraction to the corruption.

The principles of the Company' policy are stated as follows:

- the principle of any kind corruption non-acceptance in regard of day-to-day operation performance and strategic projects, as well as during cooperation with the members, contractors, partners, representatives of authorities, political parties, its employees, workers and any other persons;

- the principle of risks minimization in business relations with partners, contractors, intermediate parties and other third parties which might be involved in corruption actions or be tolerant to any corruption activity. Due to principles implementation they shall be reviewed in regard of principles' and standards' observance of ethical business dealing applied in the Company as well as their own anti-corruption principles and policies, this Policy's observance and mutual cooperation for ethical business dealing and corruption prevention.

- the principle of management's mission in the Company, i.e. leading the way to observe the rules and norms of ethical behavior, to prevent corruption and deprecation acts, to inform regularly the Company's employees regarding results of anti-corruption activity and counteractions to deprecation in the Company.

- the principle of monitoring and control. The Company shall permanently monitor and control the observance of the legislation of the Russian Federation by all the employees and embedded adequate procedures for corruption prevention as well as permanently improve them;

- the employees involvement principle, i.e. awareness of the Company's employees regarding regulations of the anti-corruption legislation and their active contribution in establishing and implementation of any anti-corruption standard and procedure;

- the principle of liability and punishment inevitability, i.e. inevitable punishment for all employees of the Company regardless of their positions, work experience or other terms in case of corruption actions in regard of employment duties performance as well as personal liability of the Company's management for implementation of corporate anti-corruption policy; inadmissibility of privileges and immunity limiting liability or complicating the prosecution of the Company's employees committed any corruption acts;

- the principle of openness, i.e. the information provision to the contractors and community regarding anti-corruption standards of business dealing applied in the Company; inadmissibility of limitation the access to information regarding corruption facts and anti-corruption policy measures;

- the principle of anti-corruption measures effectiveness, i.e. implementation of such anti-corruption measures in the Company, that is moderately priced, easy implementable and highly effective.

4.4. Anti-corruption policy of the Company.

4.4.1. Anti-corruption policy of the Company is a set of interrelated principles, procedures and specific measures aimed to prevent and suppress the corruption acts in the Company business activity.

4.4.2. The employees shall be informed on the approved Policy by means of communication as per e-mails but not limited to.

All employees shall have non-limited access to the text of the Policy, that has to be stored at the office of the Company at its location. All employees shall sign the Policy reviewing note.

The list of anticorruption activities of the Company, standards and procedures and the order of its implementation (application).

№ п/п	Task	Activity
1	The development and implementation of the	The implementation of information disclosing procedure for the Employer on the corruption acts, committed by other employees, or

	special anti-corruption procedures.	counterparties or other individuals, and the implementation of the priority procedure to review reports, including the provision of communication means (feedbacks, hotlines, etc.)
		The implementation of information disclosing procedure for the Employer on the conflict of interest acts by other employees and the implementation of the way to resolve such conflicts.
		The implementation of the protection procedure for the employees who disclosed such information about the corruption acts in the Company business activity, the protection from formal and informal sanctions.
		The regular risk assessment in order to discover the vulnerable business areas mostly subjected to such risks and the proper anticorruption measures development.
		The disclosure of information to the partners, counterparties of non-acceptance of any kind of corruption in the company.
2	Information sharing among the employees.	The consultancy provision of the employees on the anticorruption standards and procedures and its implementation (application).
3	Provision of the compliance of the Company internal control and audit system with the Company anticorruption policy	The regular audit of the accounting data, the initial accounting documents availability and authenticity
4	Outsourcing	The annual audit by an outsourcing company.
		The regular control of the economically reasonable expenses in the areas with the high corruption risk: presents for business partners, hospitality expenses, donations, payments to the external consultants.
5	The assessment of the anticorruption activity results and the reports distribution.	The regular assessment of the anticorruption activity results.
		The formation and distribution of reports on the executed activity and its results in the anticorruption areas.

4.5. The implementation of the anti-corruption measures provided by the Policy.

The implementation of anti-corruption measures is carried out by the following measures:

- The General Director of the Company undertakes to act as a guarantor of the implementation of anti-corruption rules and procedures in the Company, showing by his personal behavior the compliance with anti-corruption standards;
- To set up the responsible representatives for the implementation of the Policy;
- To define the roles and responsibilities of the representatives who are related to prevent and counter the corruption;
- To establish a list of anti-corruption measures, standards and procedures and the procedure for its

implementation (application);

- To establish the liability of employees for non-compliance with the requirements of the Policy;
- To determine the procedure for reviewing and amending the Policy.

4.6. The liability and responsibility of the Company and its employees.

4.6.1. In accordance with Part 1 of Article 13.3 of the Federal Law, the Company has developed and implemented the measures to prevent corruption:

- The control over the counteraction to the corruption acts is based on the established tasks, the activity type, the staffing, the organizational structure, the material resources and the General Director of the Company (Managing Company) monitors all mentioned above;
- The Policy has been developed and implemented, the Regulation on the conflict of interest has been developed and implemented, and a plan for anti-corruption activities has also been developed;
- The procedure for cooperation with the police, military and tax authorities is regulated in the Policy;
- The Company has established the procedure for preventing the making of the unreliable reports and the use of the false documents;
- other measures specified in the Policy.

4.6.2. The following duties of employees are established in order to prevent the corruption:

The General Director of the Company (Managing Company) is responsible for:

- the organization of all activities aimed for implementing the principles and requirements of the Policy, including the appointment of the responsible employees to prevent the corruption and other illegal acts;
- the control of the implementation overall results and application of the Policy;

The General Director of the Company (of the Managing Company) is responsible for:

- the provision of the Company's employees with restrictions and prohibitions, requirements for the prevention or settlement of the conflicts of interest, the performance of their duties established by the Federal Law and other normative acts in the anti-corruption area;
- the measures aimed to identify and eliminate the causes and conditions that promote the conflict of interest;
- the implementation of the obligation by the Company's employees to notify the Company's management, the legal authorities about all cases of contact with anyone in order to involve them into the corruption acts;
- the interaction and cooperation with the legal authorities in the anti-corruption area;
- the conduction of the internal investigations within the Company;

- the activities aimed to implement the principles and requirements of the Policy;
- the activities aimed to prevent, identify, address and suppress the corruption demonstration and the conflicts of interest;
- the Company's documents development in the anti-corruption area and the update of the Company's documents in order to correlate with the changes in the anti-corruption legislation;
- the assessment of the corruption risks;
- the reports reception and review about all cases of employee's involvement into the corruption acts in the interests or on behalf of another company, as well as all corruption cases committed by the employees, the contractors of the Company or by other persons.

All employees of the Company, irrespective of their position in the Company, are obliged:

- to avoid from committing and (or) participating in the corruption acts in the interests or on behalf of the Company;
- to avoid the behavior that may be interpreted by others as a willingness to commit or participate in the corruption act in the interests or on behalf of the Company;
- to inform immediately the management of the Company or the responsible employee, appointed by the General Director of the Company (Managing Company), on all cases of an employee persuasion to commit a corrupt act;
- to inform immediately the General Director of the Company (Managing Company) on all corruption acts committed by other employees, counterparties of the Company or other persons;
- to inform the General Director of the Company (Managing Company) about the possibility or already happened conflict of interest with any employee.

4.6.3. The liabilities for the corruption acts in the Company are the following: the acts punishable by the criminal, administrative and discipline sanctions according to the current legislation of the Russian Federation and the internal corporate measures based on the legal documents of the Company.

The Company has a right to carry out the internal investigations in every reasonably suspicious situation or to investigate the set corruption act under the legal norms of the Russian Federation.

5. The conflict of interest

5.1. The employees in order to disclose and resolve the conflict of interest are obliged to:

when making decisions on business matters and fulfilling the labor duties to be guided by the interests of the Company - without regard for their personal interests, the interests of their relatives and friends;

to avoid (if possible) the situations and circumstances that can lead to the conflict of interest;

to disclose the happened conflict (real one) of interest or any potential conflict of interest;

to facilitate the settlement of the happened conflict of interest.

5.2. The Company is obliged to review confidentially the submitted information or to resolve confidentially the conflict of interest.

5.3. The received information shall be checked thoroughly by the responsible persons in order to assess the risks range and to choose the way to resolve the conflict of interest.

5.4. The ways to resolve the conflict of interest:

To limit the employee access to specific information that may affect the personal interests of the employee;

a voluntary refusal of the employee or his removal (permanent or temporary) from participation in the discussion and decision-making process on issues that are or may be influenced by a conflict of interest;

the revision and change of the employee duties;

the temporary dismissal of the employee from his position, if his personal interests come into conflict with his duties;

the transfer of an employee to a position when his duties are not related with the conflict of interest;

the transfer by an employee of his belongings into the trust management, when that belongings is a reason for the conflict of interest;

the refusal of an employee from his personal interest, when it is a reason for the conflict of interest of the medical company;

the employee's dismissal initiated by his own will;

the employee's dismissal initiated by the Employer due to disciplinary fault commitment, i.e. for failure to perform or improper performance by an employee of his duties due to his fault.

5.5. The list of ways to resolve the conflicts of interest is not exhaustive. In each specific case, by an agreement between the Company and an employee who disclosed information about the conflict of interests, the other ways of its settlement can be found. The Company seeks to prevent and timely resolve pre-conflict situations among its employees.

5.6. A responsible person for receiving the information about the emerging (existing) conflicts of interest is the actual employee's manager. A group of responsible people review the information received.

6. The course of the Anti-corruption policy

6.1. Evaluation of corruption risks

The aim of corruption risks evaluation in the Company is to determine specific business processes and transactions within the Company operation process, during which the highest probability of committing a corruption offence by the Company's employees may take place both for the purposes of personal advantage and for the advantage of the Company.

The corruption risks evaluation is performed both for the whole of Company's operation field and the separate directions.

6.2. Anti-corruption control of the procurement activities of the Company.

6.2.1. Anti-corruption control of the Company's procurement activities is performed on all stages of procurement operations (planning, conclusion and execution of the transaction).

6.2.2. When performing the procurement operations following principles are being applied by the Company:

- principle of information transparency;
- principle of equality, fairness, nondiscrimination and unwarranted restrictions of competition with regards to the procurement parties;
- principle of appropriate and cost-effective expenditures of funds for the acquisition of goods, works, services (with consideration, if necessary, of life cycle costs of the purchased goods), and implementation of measures aimed at the saving of Company's cost;
- principle of non-restriction in terms of admission to participation in procurement process by means of establishing of non-measurable requirements to the procurement party;
- principle of publicity and transparency of procurement operations, prevention of corrupt practices and conflict of interests, and other abusive practices.

6.3. Development and practical adoption of standards and procedures aimed at the provision of responsible work of the Company.

6.4. Internal control and audit.

6.4.1. The Company performs internal control and audit taking into account the requirements of this Policy, including the carrying out of the following:

- verification of compliance with different organizational procedures and operation rules, which are significant in regard to the corruption prevention;
- control of the documenting of the Company's business activities;
- verification of economic feasibility of operations being performed in the fields with corruption risk;

6.4.2. In order to conduct the internal control and audit the Company has adopted a mandatory planning and realization procedure for internal audit of the business processes performed by the Company.

To secure the reliability and accuracy of the financial (accounting) records the Company has adopted a mandatory Policy for formation and realization of the internal control system for all the financial records of the Company.

Internal control and audit on the part of the Company is aimed at the exemption of the possibility of anti-corruption activities and other law violations, as well as at the exclusion of unofficial reports composition, forged documents usage, non-existent expenditures registration, non-availability of the primary accounting documents, correction in any documents and reports, destruction of documents and reports ahead of the stipulated date and so on.

In order to validate the economic feasibility of the operations performed in the fields of corruption risk all payments made by the Company's employees (business gift exchange, representational expenses, rewards etc.) shall be controlled by the General Director of the Company (Managing organization).

6.4.3. In accordance with the Federal Law "On Accounting" the Company performs the business transactions control, which is being done on a continuing basis on all stages of business transactions.

In accordance with the Federal Law "On Accounting" the Company is obligated to organize and conduct an internal control of maintenance and preparation of accounting (financial) records. The Company adopts the following internal control procedures:

- documenting based on the primary accounting documents, including the accounting statements, inclusion of the essential accounting estimates based exclusively on calculations into the accounting (financial) records;
- assessment of conformity between the objects (documents) or of their conformity with the established requirements (verification of conformity of primary accounting documents with the established requirements during their acceptance into the accounting operations, control procedures for the interrelated facts of business life, including the correlation of funds transfer for material assets with acceptance and recognition of these assets);
- approval (authorization) of transactions and operations that provides the confirmation of the validity of their execution (approval of payment orders, advance statements by the Company's management);
- data reconciliation (incl. the reconciliation of accounts of an economic agent with suppliers and buyers for the confirmation of receivables and payables; reconciliation of the available funds on bookkeeping accounts with the rest of the money as per the bank data);
- delimitation of authorities for business operation annual planning (budgeting), their approval and accounting;
- procedures for control of actual presence of assets (physical security, access restriction, inventory procedures);
- inspection that provides the appraisal of achievement of goals and results (incl. planning control by means of compilation of budget execution reports, control of deadlines for the compilation of accounting (financial) reports by the management of the Company).

6.5. Adoption of measures for corruption prevention when interacting with contractors.

6.5.1. The Company aims to have the business relationships with contractors supporting the Policy and contractors declaring the nonacceptance of corruption.

6.5.2. The Company declares that it refuses to stimulate the employees of contractors in any manner, including but not limited to the provision of money, gifts, and free works (services) rendered to them, which would cause a certain dependency in said employees and would aim at the performance of any actions for the benefit of the Company by said employees.

6.5.3. The Company declares to conduct transparent financial activities with contractors and supports the state policy on takeaway of the national economy and its strategic fields out of the offshore zone.

6.5.4. The Company performs actions on gathering, checking, consolidating the information with regards to the whole chain of owners of participants/potential participants in procurement process including beneficiaries (incl. the ultimate ones), as well as information on composition of executive bodies of participants/potential participants, including those registered in offshore zones.

6.6. Cooperation with government bodies performing the oversight functions.

6.6.1. The Company declares that it does not pay the expenses (money rewards, loans, services, payments for entertainments, holiday expenses, transportation costs and other bonuses) for the government employees and their close relatives (or for the benefit of them) in order to gain or secure the commercial advantage for the Company.

6.6.2. The Company makes no provision for the expenses on gifts for the civil employees that perform oversight functions in regard to the Company.

6.6.3. The employees of the Company are recommended to refrain from any and all proposals, acceptance of which may lead to a conflict of interest situation with a government employee.

6.6.4. In case a situation arises where government employees performing the oversight functions in regard to the Company ask for or demand a bribe, the employees must immediately report this to the law enforcement authorities, to the management of the Company and/or to government authority that carries out the inspection using the "hotline".

6.6.5. The employees of the Company are obligated to comply with the provisions of this Policy when interacting with the government employees.

6.7. Cooperation with law enforcement authorities in respect of anti-corruption management.

6.7.1. The Company declares transparency in the fight against corruption and assumes a public obligation to report the events of corruption that became known to the Company (to the employees of the Company) to the corresponding law enforcement authorities.

6.7.2. The Company permits the appeals of the Company's employees, contractors and other persons (natural or legal) as to the facts on corruption. The Company receives the appeals as to the corruption by means of e-mail, phone, post and personal appointments.

6.7.3. All employees of the Company are recommended to lend support to law enforcement authorities in detecting and investigating the corruption instances, to take any efforts necessary to secure and transfer the documents and information that contain the data on corruption offences to the law enforcement authorities.

7. Analysis of the Policy and its revision.

7.1. The higher management of the Company may decide on the revision of the Policy in case of introduction of amendments into the current legislation of the Russian Federation on countering corruption, change of the organizational structure of the Company, reveal of poor efficiency as a result of the analysis of this Policy.

7.2. The revision of this Policy shall be done by the appointed manager responsible for the prevention of corruption and other crimes.

8. Responsibility of the employees for nonconformity with the requirements of Anti-corruption policy.

8.1. The Company's employees that committed corruption offences shall bear criminal, administrative, civil

and disciplinary responsibility in accordance with the legislation of the Russian Federation (article 13 of the Federal law).

9. Final provisions.

9.1. The Company demands the compliance with this Policy and with the norms of anti-corruption legislation from its employees informing them about key principles, requirements and sanctions for violation. All employees of the Company shall be governed by this Policy and shall strictly adhere to its principles and requirements. Every employee of the Company shall read and acknowledge in writing that they understand this Policy.

9.2. The compliance with the principles and requirements of the Policy shall be taken into consideration during the succession pipeline for advancing to senior positions.