

Regulations on Anti-Corruption Policy of SITRONICS Group

1. Introduction

SITRONICS Group strives to build and maintain the reputation of a reliable partner and a responsible company worthy of trust in the IT world. We implement global standards, professional ethics and business conduct practices in our activities and strictly adhere to them. Zero tolerance of corruption in any form or manifestation is our fundamental principle.

We consider it our duty to contribute to the enhancement of an anti-corruption culture within our company and in the business environment as a whole. This document sets forth the standards and principles of countering corruption and ensuring compliance with applicable anti-corruption legislation. We expect all our employees, as well as partners, intermediaries, customers and other counterparties to comply with the standards outlined in this policy.

As part of our Anti-Corruption Compliance Program, we support all appropriate measures aimed at preventing the commission or encouragement of acts of corruption. The company's objective is to teach every employee to identify situations where corruption risks may arise; to show which actions constitute bribery or giving of a bribe; to explain why such actions are unacceptable and how to behave in such situations. We try to enhance the awareness of our employees with regard to interaction with counterparties, so that they pay attention to particular signs that may indicate involvement in corrupt practices.

With this document we:

- protect employees, senior officers, members of the Board of Directors of SITRONICS JSC and its subsidiaries and affiliates including members of their management bodies and employees, as well as all third parties acting on behalf and/or in the interests of SITRONICS Group against involvement in corrupt practices and consequences of violation of anti-corruption legislation;
- contribute to preventing acts of corruption in relations with business partners and counterparties;
- establish a system of corporate measures aimed at preventing acts of corruption within and on behalf of the SITRONICS Group;
- ensure compliance with applicable anti-corruption legislation and maintenance of the best practices in anti-corruption compliance management;
- express to all stakeholders the SITRONICS Group's position of zero tolerance of corruption;

- fulfill our social obligation to combat corruption in the business environment.

2. Key Principles

The Regulations on Anti-Corruption Policy (the Regulations) is the fundamental document of the entities within SITRONICS Group that determines the rules of business conduct for all its employees, senior officers, members of their management bodies, as well as all third parties acting on behalf and/or in the interests of SITRONICS Group (hereinafter, the Company).

In Russia and elsewhere around the world, “acts of corruption” are prohibited by law. These include giving and receiving bribes, acting as an intermediary in giving or receiving bribes, abuse of official position or authority, commercial bribery and facilitation payments.

All employees and members of the Company are prohibited from:

- offering, promising, authorizing or giving bribes, including in the form of monetary funds, business gifts, reimbursement of expenses, discounts or entertainment;
- demanding, agreeing to or accepting a bribe in the form of monetary funds or other valuables;
- mediating in bribery or commercial bribery, including transferring bribes on instructions or otherwise facilitating the receipt and delivery of bribes or the commission of commercial bribery;
- ignoring indications of or being secretive about actual or potential bribery, or other corrupt activities.

3. Anti-Corruption Compliance Program

We implement and maintain an Anti-Corruption Compliance Program, taking into account Russian and foreign legislation, including the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010.

3.1. Responsible Officer

The Head of Compliance is responsible for ensuring an effective Anti-Corruption Compliance Program, maintains the Anti-Corruption Compliance Program on a daily basis and reports on the status, deficiencies, violations and other issues associated with the Company’s anti-corruption policy.

3.2. The Leadership Role of Management

Members of the Board of Directors, the President and senior officers of the Company utilise their personal examples to foster a culture of ethical behaviour among employees and exercise their commitment to anti-corruption principles in their activity at all levels.

3.3. Assessment of Corruption Risks

The Company assesses and identifies areas where acts of corruption may occur, monitors them and determines the necessity of further regulating them in order to

effectively manage possible corruption risks.

3.4. Development of Compliance Culture

The Company supports initiatives to build and promote a compliance culture through training, raising awareness and ethical leadership.

On an annual basis, we conduct mandatory anti-corruption training in the format of courses, workshops, in-person sessions and discussions. New employees take an induction course on anti-corruption compliance.

The compliance function provides information on changes and trends in the practice of anti-corruption legislation and reminds of the rules and requirements through news updates and addresses by the Company's senior officers on the subject of anti-corruption.

The Company's senior officers and managers guide their subordinates to act responsibly, assist them in making the right decisions in accordance with ethical standards in addition to discussing and addressing examples and cases of unethical behaviour.

3.5. Policies and Control Procedures

The Company develops and adopts documents that govern high-risk business processes and establish a system of anti-corruption compliance controls.

3.6. Regular Monitoring

The compliance function monitors and follows up anti-corruption procedures, compliance controls and compliance obligations to partners.

3.7. Integrity of Business Partners

The Company treats its business partners responsibly so as to prevent possible damage to its own or other partners' reputation. Before entering into business relationships with partners, a mandatory due diligence check is carried out and potential corruption risks to the Company as a result of such interaction are assessed.

3.8. Audit

The Company conducts internal and external audits of its activities, monitors the completeness and accuracy of all transactions in its accounting records, as well as compliance with legal requirements and internal regulations.

3.9. Reporting to Management Bodies

The head of the compliance function provides the members of the Board of Directors and the President with information on the status of implementation and functioning of the Anti-Corruption Compliance Program including violations revealed, control deficiencies and measures taken, as well as submitting strategic directions for development of the Anti-Corruption Compliance Program to the management bodies for approval.

3.10. Reporting Violations and Investigations

Any person has the opportunity to notify the Company of known or suspected corruption violations. The Company requires the reporting of instances where a person associated with its activities is physically threatened in order to extort a bribe or commit acts of corruption.

Information on possible corruption violations is checked and investigated in accordance with the Company's internal procedures.

4. Corruption Risk Areas

The Company adheres to mandatory measures in order to control activities where corruption risks arise.

4.1. Government and Public Officials

Corruption most often involves influencing government and public officials in favour of business. The Company has adopted mandatory regulations and implements the necessary controls in its interaction with government and public officials so as to prevent from exerting any undue influence on them. All employees shall be familiar with regulations and procedures governing the relationship with such persons and be aware of the rules and restrictions when interacting with them. It is prohibited to present gifts, render services with the use of entertainment allowance, provide valuables or preferences or otherwise try to exert influence on them.

4.2. Business Partners

The Company expects all its business partners to comply with the general principles and requirements set forth in the Regulations, including carrying out due diligence in regards to their counterparties and intermediaries. If a partner is found to have committed acts of corruption, the Company will not continue contractual relationships with such a party.

Similarly, the Company undertakes a compliance commitment towards its counterparties and customers to adhere to the anti-corruption requirements.

4.3. Contractual Relationships

It is prohibited to have business dealings in the Company without contractual or documentary arrangements. The anti-corruption clause is included in contracts.

4.4. Conflict of Interest

Employees and members of the Board of Directors shall not conceal situations of a conflict of interest in which they may have a personal interest. Such cases shall be reported in accordance with the established procedures. The Company expects that all external persons and partners will also provide information on possible conflicts of interest.

4.5. Gifts, Hospitality Expenses and Other Courtesies

Gifts, payment of expenses and invitations to events are the most common and direct ways to exert influence on a decision-maker. Purchase, giving and receipt of gifts is strictly regulated in the Company. Abuse of gifts and hospitality expenses in favour of any person on behalf of the Company is also strictly prohibited.

Herewith, the Company maintains a business tradition of exchanging modest gifts with its partners and potentially with other persons in order to show respect and appreciation.

4.6. Sponsorship and Charity

Sponsorship and charity activities can be a way of making improper payments. The Company participates in sponsorship or charitable projects in the interests of its reputation. Sponsorship and charity shall comply with the established criteria and be made through transparent payments.

4.7. Membership in Non-Profit Organizations

A decision to finance external activities is taken by the management bodies, once an entity's financial reporting has been examined and analyzed. If an entity is linked to government officials, additional approval of the compliance function is required in order to exclude risks.

4.8. Political Activity

The Company does not support or finance political campaigns, parties, politicians or candidates for party positions. The Company does not prohibit its employees from participating individually in political movements subject to the provision of information in advance.

4.9. Subsidiaries and Joint Ventures

The Anti-Corruption Compliance Program is in place at all subsidiaries.

When participating in a joint venture, the Company analyzes information about the reputation of the participants, advises them of its business principles and encourages the adoption of a similar anti-corruption policy.

4.10. Valid Reporting

All transactions, operations and payments shall be correctly and accurately recorded in accounting statements. It is prohibited to incompletely or ambiguously indicate the purpose of payment, to misrepresent budget item categories or to distort expense reports.

5. Unified Hotline

Every employee of the Company is responsible for complying with the Regulations!

It is the duty of every employee to report on actual or attempted corrupt behaviour.

Information about violations may be provided to any of the following persons:

- Head of the Compliance Function,
- Head of the Internal Audit Department,
- Your Immediate Supervisor or Senior Manager,
- President of the Company.

Any employee may leave a message anonymously through any channel of the Unified Hotline:

- by email at: report@sitronics.com,
- by voice message to the automatic responding machine of the UNIFIED HOTLINE at +7 (495) 739-79-79,
- by postal letter to the following address: 32 Volgogradsky Ave., Bld. 31, 109316 Moscow, attention: Director of the Internal Audit Department (IAD) of SITRONICS JSC, specifying "Personally – UNIFIED HOTLINE".

The complainant has the right to contact the Hotline of the Shareholder – Sistema PJSFC at <https://sistema.ru/>.