

APPROVED

By decision of the Board of Directors
of Public Joint Stock Company
«PIK - specialized homebuilder»
Minutes No. 11 dated 27 August 2021

ANTI-CORRUPTION POLICY

of Public Joint Stock Company «PIK – specialized homebuilder»

Moscow, 2021

1. GENERAL PROVISIONS

1.1 This Anti-Corruption Policy defines the main goals, objectives and principles of the anti-corruption system at PJSC «PIK SHb» (hereinafter the Company) and the main approaches for its application within the Group companies.

1.2 The Policy is a part of the compliance risk management system and establishes the basics of corruption prevention, measures to minimize and/or eliminate the consequences of corruption offences, its participants, tasks, functions, powers and responsibilities, including those in relations with third parties, including individuals, legal entities, state and municipal authorities and their representatives.

1.3 The Policy is developed in accordance with the requirements of the Russian legislation, best practices in the field of anti-corruption, the Code of Corporate Conduct recommended for use by the Bank of Russia and the Company's Code of Ethics.

2. POLICY GOALS AND OBJECTIVES

2.1 The purpose of developing this Policy is to identify, prevent and minimise instances of unlawful, unethical, corrupt conduct of the Company's employees. This Policy aims to develop a uniform understanding of the essence of corrupt practices, their forms and manifestations among all employees of the Company to prevent and suppress situations and actions that, including potentially, may violate the requirements of anti-corruption laws and this Policy.

2.2 The main objectives of this Policy are:

- Establishment of principles and rules to counteract corruption in the Company;
- Creation of effective mechanisms, procedures, controls and other measures aimed at combating corruption and minimizing the risks of involvement of the Company as well as its employees in corrupt practices;
- Informing the Company's employees about the principles and approaches to the Company's anti-corruption policy, as well as about measures and procedures applied in the Company to prevent corruption;
- Formation of a culture of ethical behavior and unified standards of anti-corruption behavior among the Company's employees;
- Integration of anti-corruption principles into strategic and operational management at all levels of the Company's activity;
- Informing the Company about corruption offences and measures taken to counteract corruption;
- Application of liability measures for a corruption offence.

3. CORRUPT PRACTICES

3.1 The following actions of Employees may be regarded as corrupt practices:

- Bribery or intermediation in bribery, i.e. giving or promising to give any financial or other benefit/advantage with the intent to induce any person to perform his/her official duties improperly, i.e. on more favorable conditions for the giver and (or) in violation of the procedures and practices established by the legislation of the Russian Federation and/or by the Company's internal documents;
- Bribery or intermediation in bribery, i.e. receiving or agreeing to receive any financial or other benefit/advantage for performing their official duties improperly, i.e. on more favorable conditions for the giver and/or in violation of the procedures and practices established by the legislation of the Russian Federation and/or by the Company's internal documents;
- Commercial bribery, i.e. illegal transfer of money, securities, other property, provision of services of property nature, granting other property rights to a person performing official and functional duties in the Company for committing actions/inaction in the interests of the giver in connection with the official position held by this person;

- Bribery of public officials, i.e., giving or promising to give a public official any financial or other benefit/advantage in order to influence the performance of his/her official and functional duties in order to obtain/retain business or provide a competitive or another advantage to the Company;
- Use by the Company's employees for themselves or for the benefit of third parties of opportunities related to their official position and/or powers to obtain financial or other benefits/advantages not provided for by the laws of the Russian Federation and/or the Company's internal documents;
- Offering, promising or making payments of money or anything else of value, including, but not limited to, business gifts, expense reimbursement, discounts, entertainment, etc., as well as any financial or other benefit, to a public official, a representative of a commercial organization or any other person in order to influence his/her actions (ensure inaction) and induce him/her to perform his/her official duties improperly and/or to obtain an improper business advantage;
- Requesting, consenting to receive or obtaining any payments of money or any other valuables, as well as any financial or other benefits or advantages, if such payments, benefits or advantages are received with the purpose of influencing his/her actions (provide inaction) and inducing him/her to perform his/her job duties improperly and/or obtaining an improper business advantage;
- Other unlawful use of one's official position contrary to legitimate interests of the Company, the society, the state in order to obtain financial or other benefits/advantages.

3.2 The Company's employees are prohibited from committing any actions referred to in clause 3.1 of this Policy.

4. MEASURES AIMED AT COMBATING CORRUPTION

In order to minimize the risks of corrupt practices, the Company applies the following key measures:

- Assessing and processing any incoming information about intentions and facts of corruption offences or any situations when employees are approached with an intent to induce them to commit corruption offences;
- Establishing rules for dealing with gifts and hospitality;
- Establishing the procedure for information disclosure and its assessment in order to prevent conflicts of interest, including potential conflicts of interest;
- Keeping full and reliable records and documentation of all payments made by the Company;
- Establishment of procedures for evaluation, analysis and selection of the Company's counterparties, as well as of the rules of interaction with them;
- Anti-corruption expert review of the Company's internal documents and contracts to be concluded;
- Communicating the provisions of this Policy to all the Company's employees;
- Conducting mandatory training followed by testing of employees on their knowledge and understanding of the main provisions of this Policy;
- Bringing perpetrators of corruption offences to justice;
- Openness and publicity of the Company's activities.

4.1 Organization of a "Single Hotline". Reports on Violations

4.1.1. An employee of the Company, regardless of his/her position, who becomes aware of a violation of this Policy and/or of anti-corruption laws by other employees, counterparties or by other persons interacting with the Company, shall report it in any of the following ways specified on the Company's website <https://www.pik.ru/about/contacts/combating-corruption>:

- Via the Company's Single Hotline at +7 (495) 505-97-33; +7 (495) 229-90-22 or by sending an e-mail to: security@pik.ru;

- To the Head of the Control and Regime Department or to any other employee thereof.

4.1.2 The Company undertakes to protect employees who, in good faith, report a violation or a suspected violation of the provisions of this Policy and/or of anti-corruption laws, from retaliation or from any form of discrimination by the person against whom the report was made, as well as ensures that no employee will be subject to sanctions by the Company if the employee reports in good faith an alleged act of corruption.

4.1.3 The Company's assurances against sanctions shall not apply to employees if an internal investigation proves that the report in question was intentionally false.

4.2 Contractual Policy and Anti-Corruption Measures in Interactions with Counterparties

4.2.1 In its relations with its counterparties, the Company takes active measures to prevent any manifestations of corruption. In this regard, the Company requires its counterparties to unconditionally adhere to the principles of compliance with anti-corruption laws and mutually maintain a culture that does not allow any unethical business behavior both when participating in the Company's procurement procedures and when doing business with the Company afterwards.

4.2.2 When organizing and carrying out counterparty selection procedures, the Company is guided by the following principles:

- Establishment of clear and understandable conditions for the implementation of counterparty selection procedures;

- Application of objective and clear criteria for selection of counterparties;

- Open and equal conditions for all participants of each contractor selection procedure during the competitive selection, including providing all participants with identical information on the contractor selection procedure, setting uniform deadlines, imposing uniform requirements for participants, clarifying conditions for participation, establishing the clearest possible criteria for determining the winner;

- Control over the counterparty selection procedures.

4.2.3 In order to minimize the risk of the Company's involvement in corrupt practices, the Company has developed and implements the appropriate procedures for verification of both counterparties being legal entities and individuals, with whom the Company plans to conclude an employment or a civil law contract. At the same time, the Company checks business reputation of potential counterparties, their shareholders and beneficial owners in accordance with the procedure established in the Company, including with regard to tolerance to corruption.

The said procedure is also applied in cases when the Company acquires an interest in any legal entities. The due diligence procedure related to a proposed acquisition includes both an appropriate examination of the acquisition target, its owners and management, and verification of the purpose and execution of such transaction for compliance with the requirements of this Policy.

4.2.5 As a general rule, the Company can initiate inclusion of an anti-corruption clause in any contracts/agreements to be concluded.

4.3 Reports on the Employment of Former State and Municipal Officials

4.3.1 If an employment contract (civil law contract) is concluded with a citizen who held certain positions in the state or municipal service, within two years after his/her dismissal from the state or municipal service, the Company subdivision responsible for the registration of labor relations shall notify the employer/its representative at the last place of his/her service.

4.4 Gifts and Hospitality

4.4.1 Gifts as well as entertainment expenses, including business hospitality expenses that employees may make on behalf of the Company for other individuals or legal entities or that employees may receive from other persons and organizations in connection with their work for the Company, may, under certain circumstances, be construed as illegal. Therefore, any gifts and hospitality must meet a set of the following criteria:

- Be directly related to the Company's legitimate business objectives, such as the presentation or completion of business projects, the promotion of goods or services, the successful execution of contracts, or to common holidays such as Christmas and New Year's Day, International Women's Day, anniversaries, etc;
- Be reasonably justified, proportionate and shall not be luxury items;
- Shall not compromise the recipient's ability to make unbiased and fair decisions in connection with his or her assigned duties and responsibilities, namely, but not limited to, being provided in exchange for information, preferential treatment or opportunities that would not otherwise have been provided;
- Shall not constitute a covert reward for a service, action, omission, connivance, patronage, granting of rights, making a certain decision on a transaction, agreement, license, permit, etc. or an attempt to influence the recipient for another illegal or unethical purpose;
- Shall not create a reputational risk for the Company in case of disclosure of information on such gifts or entertainment expenses;
- Shall not be prohibited by law or other procedures and policies applicable to the recipient;
- Shall not impose any moral obligation on the recipient;
- Shall not contradict the principles and requirements of this Policy, the Code of Ethics, and other internal documents of the Company.

4.4.2 The criteria referred to in clause 4.4.1. shall also apply to expenses for organization, on behalf and/or at the expense of the Company, of events aimed at stimulation of customer activity, attraction, retention or development of customer base, as well as activities related to public relations, media, investment and professional community activities of the Company.

4.4.3 Gifts to any third party in the form of cash, including cash in hand or non-cash payments, or cash equivalents in any currency are not permitted.

4.5 Charity, Sponsorship

4.5.1 The Company has developed and implemented internal documents and procedures regulating the Company's participation in charitable activities.

4.5.2 The charity does not provide rendering advertising services.

4.5.3 The expediency of the Company's participation in a sponsorship project is determined, inter alia, based on the analysis of the following parameters:

- Project consistency with the Company's image and strategy;
- The value of the sponsorship package shall correspond to the advertising opportunities presented in it;
- Experience of working with the organizer;
- Anticipated number of sponsors.

4.5.4. Sponsorship activities shall be carried out on the basis of a paid services contract, i.e. a sponsorship agreement.

4.5.5 The decision to provide charitable and sponsorship assistance by the Company shall be made by an authorized collegial body of the Company.

4.5.6 In the process of implementation of charitable and sponsorship activities, the Company carries out:

- Control over the disclosing of all financial transactions related to sponsorship or charitable activities in the accounting records;
- Verification of reliability of information submitted by legal entities applying to the Company for charitable assistance;

- Due diligence review of the documents submitted by legal entities applying to the Company for charitable assistance or with whom sponsorship agreements are concluded.

4.5.7 The Company does not finance or otherwise participate in charitable and (or) sponsorship activities in order to obtain any improper advantages or preferences in connection with its business activities.

4.6 Participation in Political and Social Activities

4.6.1 The Company does not finance or otherwise support or encourage political parties or their members, including candidates for political office, their election campaigns or political events, or any political organizations or movements.

4.6.2 Employees of the Company who participate in political or other public activities may act in such cases only as private individuals and not as the Company's representatives, and only outside of working hours.

4.7 Control Over Financial and Economic Activities

4.7.1 All financial transactions, accounting entries and records shall be reliable, shall be included in the Company's accounting records, documented and available for audit.

4.7.2 In order to minimize the risks of corrupt practices, the Company's financial policy with respect to any third parties, including counterparties, should meet the following requirements:

- Compliance of the actual patterns of legal relations with third parties with the documented terms of such legal relations;

- Minimization of settlements using cash;

- Cooperation for the purposes of settlements and payments with banks with a positive business reputation in the financial services market.

4.7.3 Actions are prohibited in the Company, such as:

- Creation of informal reporting;

- Conducting unrecorded or incorrectly recorded transactions;

- Keeping records of non-existent expenses;

- Recognition of liabilities which subject matter is incorrectly identified;

- Use of false documents;

- Destruction of primary accounting documents; documents executed in accordance with the concluded transactions, including contracts; documents on competitive selection procedures before the deadlines stipulated by the legislation and internal documents.

4.7.4 The Company has implemented internal financial control procedures.

4.7.5 The Company carries out internal and external audit of financial and economic activities on a regular basis, as well as continuous control over the completeness and accuracy of recording of all business transactions in the accounting and compliance with legal requirements and internal documents of the Company.

4.7.6 As part of internal control procedures, the Company conducts inspections of the discipline of execution of established business processes, including inspections of the legality of transactions with the Company's assets, their economic feasibility, expediency of expenses, including for confirmation by primary accounting documents and compliance with this Policy.

4.8 Conflict of Interest

4.8.1 The Company's employees shall avoid any conflict of interest in the performance of their duties.

4.8.2 In order to prevent, avoid and resolve conflicts of interest, the Company's employees shall:

- Disclose any conflict of interest that has arisen or is likely to arise, as soon as they become aware of it, to their line manager;

- Take measures to prevent any possibility of a conflict of interest;
- Minimize the risk of conflicts of interest in the performance of their duties.

4.8.3 Prevention or settlement of a conflict of interest may consist of a change in the tasks and specific assignments performed as part of the job duties by an employee who is a party to the conflict of interest and/or his/her refusal from the benefit (benefits) that caused the conflict of interest (e.g., refusal to work with a particular client, refusal to participate in the preparation of a transaction, etc.).

4.8.4 In order to prevent any possible conflict of interest, prior to entering into an employment relationship with the Company, employees shall provide complete and accurate information about all previous and current places of employment and positions held, including civil service positions, as well as about all legal entities in which the employee and/or his/her relatives are participants/shareholders.

4.9 Awareness and Training

4.9.1 The Company shall post this Policy on its website, openly declare its rejection of corruption and require its employees to comply with the principles and requirements of this Policy.

4.9.2 The Company shall take measures to ensure that the requirements of this Policy are communicated and explained to employees and counterparties.

4.9.3 The Company implements and maintains a training program for Employees on the principles and standards of compliance with anti-corruption laws and with this Policy through a specially designed training system.

4.9.4 Trainings shall be conducted upon employment with the Company, annually in electronic form, as well as in person as necessary, including in case of significant changes in the anti-corruption legislation or in the Company's anti-corruption procedures.

4.9.5 If any the Company's employee has any questions regarding the contents of this Policy, interpretation of any of its provisions, implementation of the principles and compliance procedures specified in this Policy, including the applicability of such principles and procedures in certain situations or Company business processes, or doubts about the legality or ethics of his/her actions, the employee may seek advice and clarification from the HRDepartment.

4.10. Periodic Monitoring and Risk Assessment

4.10.1 The Company periodically carries out measures to identify, assess and reassess corruption risks, paying special attention to risks specific to its operations, as well as potentially vulnerable business processes.

4.10.2 Based on the results of risk assessment, the Company shall develop and implement anti-corruption procedures appropriate to the level and nature of the identified risks.

4.10.3 Risk monitoring and control include:

- Monitoring and control of incidents involving corrupt practices;
- Monitoring and control of factors causing corruption risks;
- Monitoring and controlling the effectiveness of the application of this Policy.

5. KEY AUTHORITIES AND RESPONSIBILITIES OF THE COMPANY'S BODIES, STRUCTURAL SUBDIVISIONS AND EMPLOYEES WITHIN THE ANTI-CORRUPTION SYSTEM

5.1 Mission and Reputation of the Management

5.1.1 The Company's management and members of the Board of Directors shall set a standard of ethical conduct by their conduct and, by their personal example, form an irreconcilable attitude towards any forms and manifestations of corruption among employees, which shall become an integral part of the Company's corporate culture and daily business practices.

5.1.2 The Company's management and members of the Board of Directors shall allocate the necessary resources to implement the anti-corruption policy and to exercise general control over its implementation and efficiency.

5.1.3 The Company shall make reasonable efforts to prevent persons known to be or to have been involved in illegal activities from holding managerial positions or serving on management bodies of the Company.

5.2 Powers and Duties of the Company's Governing Bodies and Internal Audit Department

5.2.1 The Company's Board of Directors:

- Approves this Policy;
- Exercises general control over combating corruption and measures taken by the Company in this area.

5.2.2 The Company's executive management bodies shall:

- Be responsible for compliance of the Company's activities with anti-corruption laws and this Policy;
- Monitor compliance with the provisions of this Policy, including ensuring effective and prompt resolution of issues arising in the anti-corruption system.

5.2.4. Internal Audit Department:

- Verifies compliance of the Company's employees with the anti-corruption laws and this Policy;
- Checks reliability and integrity of business processes and information systems, including reliability of procedures for counteracting illegal actions, abuses and corruption;
- Assists the Company's management in investigating employee and third-party malpractice/misconduct, including negligence, fraud, bribery and corruption, commercial bribery, abuse and various unlawful acts.

5.3 Scope of Authority and Duties of the Company's Security Service

5.3.1 The Company's security service in the field of anti-corruption:

- Prepares and conducts activities aimed at detecting and suppressing corrupt practices of the Company's employees;
- Conducts anti-corruption expert review of documentation on procurement procedures conducted by the Company;
- Initiates internal investigations and conducts internal investigations within its competence;
- Cooperates with law enforcement authorities in terms of submission of materials on revealed facts of corruption committed by the Company's employees in order to bring them to responsibility in accordance with the current legislation of the Russian Federation;
- Takes measures to protect the Company's employees from the influence of other persons whose actions are aimed at organizing corruption schemes;
- carries out activities to identify information on intentions or facts of corrupt practices by the Company's employees.

5.4. Powers and Duties of Heads of Independent Structural Subdivisions and Employees of the Company

5.4.1 Employees who are heads of the Company's independent structural subdivisions and their deputies:

- Guide employees under their direct supervision to unconditional compliance with the requirements of this Policy and the Company's Code of Ethics, set a personal example of conscientious and ethical conduct;

- Identify areas, types of activities and business processes with a high level of corruption risks based on the scope of authority and functionality of independent structural divisions, develop and take measures to minimize the risk;
- Monitor compliance with the principles and requirements of this Policy by the employees under their direct supervision.

5.4.2 All other employees of the Company:

- Shall comply with anti-corruption laws and the requirements of this Policy when performing their job duties or when acting on behalf of the Company;
- Refrain from taking actions and decisions that may lead to corruption offences;
- Inform of every known/potential/assumed case of violation of this Policy and/or report these facts to the Compliance Hotline;
- If in doubt about the permissibility of actions or other issues regarding the application of this Policy, seek clarification to the immediate supervisor .

6. LIABILITY

6.1 All the Company employees shall be personally liable for compliance with the principles and requirements of this Policy.

6.2 For each reasonably justified suspicion or established fact of violation of the provisions of this Policy and/or anti-corruption legislation, the Company shall initiate an internal official investigation in accordance with the internal documents.

6.3 Employees found guilty of violating the requirements of this Policy as a result of an internal investigation may be subject to disciplinary action, up to and including termination of employment, and can be brought to civil liability.

6.4 If the results of an internal investigation establish that an employee has violated the law, the materials of the internal investigation shall be transferred to law enforcement authorities by decision of the Company's management in order to bring the guilty parties to administrative or criminal liability.

7. POLICY IMPLEMENTATION AND FINAL PROVISIONS

7.1. The Company's management, members of the Board of Directors and employees shall be responsible for compliance with the principles and requirements of this Policy and anti-corruption laws.

7.2 The Company shall initiate implementation of its own anti-corruption policies similar to this Policy in the Group companies, and shall make reasonable efforts to ensure that the fundamental principles and requirements of this Policy are complied with by them.

7.3 This Policy may be amended in case of changes in the anti-corruption legislation of the Russian Federation, as well as taking into account new trends in international and Russian practices.

7.4 In the event that certain provisions of this Policy come into conflict with the applicable laws of the Russian Federation, the provisions of the applicable laws of the Russian Federation shall apply.

Terms used in this Policy

Anti-corruption legislation means Federal Law dated 25.12.2008 No. 273-FZ "On Combating Corruption", the Criminal Code, the Civil Code, the Code of Administrative Offences, as well as other federal laws and regulations containing provisions aimed at combating corruption with all subsequent amendments and (or) additions to them.

Charity means voluntary activity of the Company carried out without request or expectation of commercial gain on gratuitous transfer of property, including money, to citizens or legal entities, rendering services, provision of other assistance to support education, provision of social assistance or the voluntary activity for the purposes of a similar nature.

Compliance Hotline means a safe and confidential information channel designed for the Company's employees and other third parties, including counterparties, to provide information on intentions or facts of corrupt practices with regard to the Company and/or its employees, clients, counterparties, allowing, inter alia, to transmit information anonymously.

Group companies means PJSC «PIK SHb» and its subsidiaries.

Compliance procedures - means a set of measures representing an independent process or integrated into various stages of other processes, duly regulated and carried out on an ongoing basis, aimed at ensuring compliance of the Company's activities with the legislation, regulatory requirements and rules.

Compliance risk means the risk of legal sanctions or regulatory sanctions, significant financial loss or loss of reputation of the Company as a result of non-compliance with laws, instructions and regulations, standards of self-regulatory organizations or codes of conduct and ethical business conduct.

Counterparty means an individual or a legal entity that is a party to a civil contract with the Company.

Conflict of Interest means any conflict between the Company's interests and personal interests of an employee, which involves any direct or indirect personal interests or interests in favor of a third party, including due to his/her business, friendly, family and other relations and relationships, holding positions in another legal entity, owning shares in another legal entity by him/her or related persons, conflicts between his/her duties to the Company and the duties to another person. A conflict of interest may, in particular, be caused by entering into transactions in which the relevant person is directly or indirectly interested, acquiring shares (stakes) in legal entities competing with the Company, holding positions in such legal entities, establishing contractual relations with them, or otherwise being related to them.

Corruption Offence means an unlawful act (or omission) committed that has the elements of corruption.

Gifts means any value in tangible or intangible form for which there is no obligation to pay the usual price, including money, securities and other property, benefits and services of property nature (work, services, payment for entertainment, recreation, transportation costs, loans, discounts, provision of property for use, including housing, charitable contributions, donation and others) received or given in connection with work in the Company.

Employee of the Company means any natural person who has entered into an employment relationship with the Company.

Management means members of the Board of Directors, members of the Management Board of the Company and General Director of the Company.

Sponsorship activities means voluntary activities of the Company aimed at rendering assistance to citizens or legal entities, including monetary funds, services and other support, including substantiation of the goals of sponsorship and results of investment of funds, preparation of a report on expenditures.