



**Gazprombank
(Joint Stock Company)
(Bank GPB (JSC))**

**APPROVED BY
Resolution of the
Management Board
of Bank GPB (JSC)
10 December 2014
(Minutes № 56)**

Anti-Corruption Policy of Bank GPB (JSC)

**Moscow
2014**

1. GENERAL PROVISIONS

1.1. This Anti-Corruption Policy of Bank GPB (JSC) (hereinafter, the Policy) has been developed to confirm the commitment of Bank GPB (JSC) (hereinafter, the Bank), its management bodies and employees to international standards of ethics and principles of doing business openly and honestly, and also the Bank's desire to improve its corporate culture, follow the best corporate governance practices and maintain business reputation of the Bank at a proper level.

1.2. The Policy has been developed in accordance with the legislation of the Russian Federation with due regard to the norms of international anti-corruption legislation.

1.3. This Policy shall be the Bank's internal normative document that defines key principles and requirements for the prevention of corruption and compliance with the legislation of the Russian Federation in countering corruption, the norms and requirements of international anti-corruption legislation by the Bank, members of the Bank's management bodies and Bank employees.

1.4. The Policy shall aim to:

- ensure that the Bank's activity conforms to the requirements of Russian and international anti-corruption legislation, standards of business ethics;
- develop a clear understanding of the Bank's position of zero tolerance toward corrupt conduct in the Bank's activity in any form and manifestation by the shareholders, members of the management bodies and employees of the Bank, its customers, and counterparties ;
- minimise the risks of the involvement of the Bank, members of its management bodies and its employees in corrupt practices;
- summarize and explain the basic requirements of the legislation of the Russian Federation in countering corruption, the norms and requirements of international anti-corruption legislation applicable to the Bank, members of its management bodies and its employees;
- establish the responsibilities of members of the Bank management bodies and its employees, know and comply with the legislation of the Russian Federation on countering corruption, the norms and requirements of international anti-corruption legislation, the principles and requirements of this Policy.

1.5. The Bank states that it shall not accept corruption and have zero tolerance toward corrupt behaviour in any form or manifestation, it monitors compliance with the principles and requirements of this Policy by the members of the management bodies and employees of the Bank.

1.6. Attachment № 1 contains the list of documents employed to develop the Policy.

1.7. The Internal Control Department (compliance service) (hereinafter, the ICD (CS)) shall be responsible for updating the requirements of this Policy.

1.8. If a Bank Employee has any questions related to any Policy provisions, he/she may turn to the ICD (CS).

1.9. If amendments to any legislative acts, laws and regulations of the Russian Federation put some of the Policy paragraphs at variance therewith, Bank Employees shall disregard such paragraphs.

1.10. If any of the Policy provisions or anti-corruption procedures of the Bank related herewith fail to achieve optimum effect or if the requirements of the Applicable Anti-Corruption Legislation are amended, the Bank shall ensure that amendments are made to the Policy and/or relevant anti-corruption procedures. The said responsibilities shall be vested in the ICD (CS).

2. LIST OF TERMS AND DEFINITIONS

2.1. **Senior officer of the Bank** – a Bank officer whose authority was defined by Order № 130 “On Reallocation of Responsibilities among Senior Officers of the Bank” (in its current version) dated 09 June 2009.

2.2. **Bank Group** – a group of legal entities which does not constitute a legal entity and where one or several legal entities (Group members) are controlled or are significantly impacted by the Bank. Its control and significant impact are determined in accordance with International Financial Reporting Standards recognised in the Russian Federation.

2.3. **Foreign politically exposed person** – any appointed or elected person holding any position in any legislative, executive, administrative or judicial body of a foreign nation, or any person that performs any public function for a foreign nation, including for a public agency or a public enterprise.

2.4. **Conflict of interest** – a contradiction between proprietary and other interests of the Bank and (or) its Employees and (or) its customers, which may result in adverse effects for the Bank and (or) its customers.

2.5. Corruption –

2.5.1. Abuse of official capacity, giving or receiving of bribes, abuse of power, graft or any other illegal use of his/her official capacity by an individual in defiance of the legitimate interests of society or the state in order to receive a gain in the form of cash, valuables, other property or property-related services, other proprietary rights for himself/herself or third parties or any illegal provision of such benefit to the said person by other individuals.

2.5.2. Practices specified in para. 2.5.1 and committed on behalf or in the interests of a legal entity.

2.6. **Corruption offence** – an act showing signs of Corruption against which the legislation of the Russian Federation has established administrative or criminal liability.

2.7. **Corruption risk** – risk of committing Corruption Offences.

2.8. **Management bodies** – the General Meeting of Shareholders, Board of Directors, Sole Executive Body (Chairman of the Management Board) and Collegial Executive Body (Management Board) of the Bank.

2.9. **Gift** – anything of value in a tangible or intangible form one does not have to pay for, i.e. which is transferred gratuitously, including items, things, gift vouchers for any types of goods and services, invitations to events (concerts, excursions, sports events, etc.), cash, securities and other property, benefits and property-related services, including works, services, payment for entertainment, transportation expenses, loans, discounts, property provided for use, including housing, etc.

2.10. **Bank representatives** – persons acting on behalf or in the interests of the Bank.

2.11. **Applicable anti-corruption legislation** – legislation of the Russian Federation on countering corruption, the norms and requirements of international anti-corruption legislation.

2.12. **Countering corruption** – the activity of the Bank, members of the Management Bodies and employees of the Bank irrespective of their position and within their authority in order to prevent Corruption, including to identify and then remove causes for Corruption (Corruption prevention).

2.13. **Bank employees** – employees of the head office and branches/representative offices of the Bank.

2.14. **Internal Control Department (compliance service)** – an autonomous structural unit of the head office of the Bank, with functions vested therein in accordance with para. 4(1) of Regulations № 242-П of the Bank of Russia “On Organising Internal Control in Lending Institutions and Banking Groups” dated 16 December 2003.

3. LIST OF ABBREVIATIONS

- | | |
|---------------------|---|
| 3.1. Bank | • Bank GPB (JSC). |
| 3.2. SO | • A senior official. |
| 3.3. IND | • an internal normative document. |
| 3.4. ICD(CS) | • The Internal Control Department (Compliance Service). |
| 3.5. HRD | • The Human Resource Department. |
| 3.6. ASU | • An autonomous structural unit of the head office. |

4. SCOPE OF POLICY APPLICATION AND RESPONSIBILITIES OF BANK EMPLOYEES AND MEMBERS OF MANAGEMENT BODIES

4.1. Bank employees and members of the management bodies should be governed by the Policy and strictly comply with its principles and requirements.

4.2. Policy principles and requirements shall be taken into account when the Bank establishes contractual and other business relations with individuals and legal entities.

4.3. The Bank shall communicate to the Bank Group members any information about measures the Bank takes to counter corruption and recommend other members of the Bank Group to implement such measures by employing its corporate procedures.

5. CORRUPTION OFFICES AND APPLICABLE ANTI-CORRUPTION LEGISLATION

5.1. In accordance with the Applicable Anti-Corruption Legislation, corruption offences shall be taken to mean:

5.1.1. Giving a bribe.

5.1.2. Receiving a bribe.

5.1.3. Mediating in bribery – direct transfer of a bribe upon the instruction of a bribe-giver or a bribe taker or any other assistance to the bribe-giver and (or) bribe-taker in achieving or implementing an arrangement between them to receive and give a bribe.

5.1.4. Graft – illegal transfer to a person that performs management functions in the Bank of cash, securities, other property, provision of property-related services thereto for any actions (inaction) taken in the interests of the giver in connection with the official capacity of such person or any illegal receipt of cash, securities, other property by a person with managerial functions in the Bank, as well as any illegal use of property-related services or other property rights for actions (inaction) in the interest of the giver in connection with the official position held by such person.

5.1.5. Other action/inaction assigned to corruption offences by the legislation of the Russian Federation.

5.2. Corruption offences specified in para. 5.1 shall not be allowed:

- in any form, including receiving or giving cash, valuables, services and other gains;
- with respect to the Bank or on behalf or in the interests of the Bank, with respect to third parties, including government and regulatory bodies and their employees, other legal entities and their employees, management bodies and representatives of the said legal entities;
- in person or via mediation of third parties irrespective of the goal, including facilitation of administrative and other procedures and securing competitive or other advantages.

5.3. The Members of the Management Bodies and Employees of the Bank shall be strictly prohibited from committing corruption offences directly or indirectly, in person or via third party mediation, including for facilitation of administrative or other formalities.

5.4. When performing their job duties, the Members of the Management Bodies and Employees of the Bank should comply with the anti-corruption legislation of the Russian Federation, foreign national legislations on countering corruption (when the Bank does business in foreign states), and the norms and requirements of international anti-corruption legislation.

6. MANAGEMENT OF ANTI-CORRUPTION ACTIONS

6.1. The Members of the Bank Management Bodies shall serve as an example of zero tolerance towards corrupt conduct in any form and manifestation at all levels.

6.2. The Chairman of the Bank Management Board can determine the authority of a SO, Bank ASU leaders/branch managers/heads of representative offices in Countering Corruption.

6.3. The ICD (CS) shall develop the Policy, amendments hereto and exercise control over compliance with Policy requirements by Bank employees, including by conducting inspections.

7. PRINCIPLES OF COUNTERING CORRUPTION

7.1. The basic principles of Countering Corruption shall be:

7.1.1. maintain the government policy of Countering Corruption.

- 7.1.2. ensure that the principles of Countering Corruption set by the Applicable Anti-Corruption Legislation are complied with.
- 7.1.3. pursue the Bank's unified policy on Countering Corruption, comply with anti-corruption procedures associated with Corruption Risks that the Bank faces and designed to minimise such risks in the Bank and also exercise control over compliance therewith.
- 7.1.4. the Bank shall interact with government authorities on matters of Countering Corruption, and consider applications of citizens and legal entities.
- 7.1.5. take measures to involve Bank Employees in active participation in Countering Corruption and to develop zero tolerance towards Corruption and corrupt conduct in any forms and manifestations.
- 7.1.6. take organizational measures to identify Conflict of Interest and manage the latter.
- 7.1.7. take comprehensive measures to counter money laundering, including as a result of corrupt practices.
- 7.1.8. improve the Bank's internal control system and the structure of Bank units related to ensuring security of the Bank's activity, create the mechanisms for control over their activity.
- 7.1.9. ensure fair competition in providing banking services and in working with the Bank's counterparties.
- 7.1.10. improve the procedure for utilising the Bank's property and resources, as well as the procedure for the transfer of rights to use such property and for its divestment.
- 7.1.11. recognise, ensure and protect the basic rights and freedoms of people and citizens.
- 7.1.12. legality.
- 7.1.13. inevitable accountability for committed Corruption Offences.
- 7.1.14. comprehensive prevention-led use of managerial, organisational, informational, socio-economic, legal, special and other measures against Corruption Offences.
- 7.2. The Bank shall not allow any forms of reward, including cash, valuables, services or any other benefit in favour of other persons and organizations to impact on actions (inaction) of any officers in order to facilitate, speed up or overcome bureaucratic, administrative and other formalities.

8. PREVENTION OF CORRUPTION

- 8.1. The Bank shall prevent Corruption by developing the personal position of zero tolerance towards Corruption and corrupt behaviour in any form or manifestation on the part of the members of the management bodies and Bank Employees, inform them about the key principles of the Policy, responsibility for breaching it and request that the members of the management bodies and Bank Employees comply herewith.
- 8.2. The Bank shall promote higher levels of anti-corruption culture by making the members of the management bodies and Bank Employees aware of the Policy in accordance with Section 14 hereof and conducting training (information workshops/classroom and (or) remote or any other forms of training) for the members of the management bodies and Bank Employees to keep up their awareness on matters of the Bank's anti-corruption policy.
- 8.3. The Bank, members of the management bodies and Bank Employees shall not be allowed to involve and use intermediaries, partners, agents or other persons in committing Corruption Offences.
- 8.4. The Bank shall especially focus on maintaining reliable reporting:
 - 8.4.1. The Bank shall strictly comply with legislative requirements and the rules of maintaining reporting documentation. All business operations of the Bank shall be subject to being prepared as primary accounting documents. It shall not be allowed to distort or falsify the data of accounting, management and other types of accounting or supporting documents.
 - 8.4.2. All financial transactions shall be recognized in the accounting reliably, accurately and with the required level of detail.

8.4.3. Employees whose authority includes keeping accounts shall be responsible for the preparation and provision of complete and reliable reporting within the established time frames.

8.4.4. Deliberate distortion or falsification of reporting shall not be allowed and be subject to legal prosecution.

8.5. The Bank shall select suppliers (contractors) to purchase goods (works, services) to ensure effective operational management of expenses as part of administrative and business activity in accordance with Regulations № И/85 "On Selection of Suppliers of Goods, Works and Services in GPB (OJSC)" dated 25 November 2013.

8.6. The ICD (CS) shall analyse economic feasibility of entering into contracts with legal entities and individual entrepreneurs to provide services and (or) perform works, which ensure that a lending institution performs banking operations (outsourcing). The Bank shall regularly conduct internal and external audit of financial and business activity, including random inspections of legality of payments made, their economic justification and viability of expenses, control over the completeness and accuracy of recognizing data in accounting and compliance with legislative requirements of the Russian Federation and IND, including the principles and requirements established herein.

9. GIFTS AND ENTERTAINMENT EXPENSES

9.1. The Bank Employees should refrain from accepting and giving Gifts in connection with their activity/work in the Bank. In some situations the taking and giving of Gifts may be part of established business relations and correspond to the traditional business ethics. Gifts which Bank Employees may give on behalf of the Bank to other persons and organizations or receive them because of their work in the Bank from other persons and organizations, and also entertainment expenses, including those of business hospitality and Bank promotion, which Bank Employees may incur, should meet the following criteria:

9.1.1. be directly related to the goals of the Bank's activity.

9.1.2. be reasonably justifiable, commensurate and not constitute luxury items.

9.1.3. not to constitute an ulterior reward for a service, action (inaction), acquiescence, patronage, provision of rights, making of a certain decision on a transaction, agreement, licence, permit, etc. or an attempt to impact on the receiver for some other illegal or unethical purpose.

9.1.4. not to create any reputational risk for the Bank, Bank Employees and other persons should information about Gifts or entertainment expenses be disclosed.

9.1.5. not to contradict the principles and requirements of the Policy, Corporate Governance Code of Gazprombank (Open Joint - Stock Company) approved by a resolution of the Annual General Shareholders' Meeting dated 23 June 2009 (Minutes № 01) (as amended as of 27 June 2012 № 01), the Corporate Code of Employee of Joint Stock Bank Gazprombank (CJSC) dated 11 April 2005 № 20, IND, Applicable Anti-Corruption Legislation.

9.2. The value of a Gift to civil servants and local government employees, other categories of persons under the legislation cannot exceed certain amount/limits if such amounts/limits are established by legislation, including laws and regulations.

9.3. It shall not be allowed to make Gifts to third parties on behalf of the Bank, its Employees and Representatives in the form of financial funds both cash and noncash irrespective of the currency, certificates for any types of goods and services, securities, precious metals (including bullions), precious stones, as well as benefits and services, including payment for entertainment, transportation expenses, loans, discounts, provision of property for use, including housing, and other benefits.

9.4. Regulations № И/61 “On Entertainment Expenses” in GPB (OJSC) dated 16 September 2010 regulate the composition, procedure for formalizing and paying for entertainment expenses in the Bank and the limits of expenses for entertainment events.

10. PARTICIPATION IN CHARITY AND SPONSORSHIP

10.1. The Bank shall focus on economic as well as social component of its activity. The Bank's charity and sponsorship shall aim to revive spiritual and national values, support culture, science and education, contribute to scientific and technological progress, and promote healthy living.

10.2. The Bank shall not finance any charitable and sponsorship projects to receive commercial advantages from the projects of the Bank.

10.3. The centre of social responsibility shall quarterly provide the ICD (CS) with information about performed charity and sponsorship.

11. INVOLVEMENT IN POLITICS AND INTERACTION WITH GOVERNMENT OFFICIALS

11.1. The Bank shall not be involved in politics, nor shall it finance political parties, organizations and movements.

11.2. The Bank shall refrain both from paying for the expenses of government officials and their close relatives (or in their interests), including those of transportation, accommodation, meals, entertainment, PR campaigns, etc., and from providing government officials with other benefits for the account of the Bank.

11.3. While entering into an employment or civil labour contract to perform works (provide services) with a citizen who filled government or local government posts, whose list is established by laws and regulations of the Russian Federation, within two years of the date of his/her dismissal from government or local government service, the Bank shall inform a representative of the employer of such government or local government official at his latest place of service within 10 days of entering into such contract in a procedure established by laws and regulations of the Russian Federation. Units responsible for meeting the requirements herein shall be the HRD for the Employees of the Bank head office, ASU heads for individuals with whom civil labour contracts were entered into, branch managers for branch employees and individuals with whom civil labour contracts were entered into.

12. NOTICE OF VIOLATION

12.1. In case of doubt about the legality and conformity of their actions and also actions (inaction) or proposals by other Bank Employees, counterparties or other persons, who interact with the Bank, to Policy goals, principles and requirements, any Bank Employee may report it to their line manager and (or) the ICD (CS) via any convenient method – by telephone, email to the address: compliance_risks@gazprombank, via the Bank's corporate portal through the Feedback section on the Bank official website at www.gazprombank.ru or by sending a letter in hard copy or by fax. The ICD (CS) shall guarantee the confidentiality of any application by a Bank Employee to the ICD (CS).

The ICD (CS) shall make an input of information about identified Corruption Risks and risk events into the Automated Operational Risk Management System (AORMS) in accordance with Procedure № И/46 for Processing Data on Operational Risks, Operational Risk Events and Key Risk Indicators in GPB (OJSC) dated 22 August 2011.

12.2. The Bank shall state that none of the Bank Employees may be punished, dismissed or discriminated against in connection with their report to the ICD (CS) on a proposed corrupt practice or if it refused to bribe or be bribed, commit graft, mediate in bribery or commit any other corruption offences.

13. RESPONSIBILITY FOR FAILURE TO FULFILL (IMPROPER FULFILLMENT OF) POLICY

13.1. Members of the management bodies and Employees of the Bank irrespective of their position shall be personally responsible for compliance with Policy principles and requirements.

13.2. A disciplinary action may be taken against those found in violation of Policy requirements.

13.3. The Bank shall reserve the right to file a complaint to the law enforcement agencies to hold a person criminally liable when their actions (inaction) reveal the signs of a Corruption Offence.

14. BANK EMPLOYEE FAMILIARIZATION WITH POLICY REQUIREMENTS

14.1. Each Employee and each member of the management bodies of the Bank must be made aware of the Policy.

14.2. Members of the management bodies who are not Bank employees, shall document their obligation in the list of acknowledgement which form is provided in Attachment № 2 hereto.

14.3. SOs, ASU leaders, branch managers and heads of representative offices of the Bank, advisors to the Chairman of the Management Board shall ensure that Employees reporting thereto and consultants to the Management Board supervised thereby are made aware of the Policy against their signature put to the employee acknowledgement list (Attachment № 3) within 10 (ten) business days of the Policy approval date or the approval date of Policy amendments.

14.4. The Bank's Management Board Staff shall ensure that the members of the management bodies who are Bank employees, SOs, First Vice Presidents – deputies of the Bank chief accountant, advisors to the Chairman of the Management Board are familiarized with the Policy against their signature within 10 (ten) business days of the Policy approval date or the approval date of Policy amendments.

14.5. The ICD (CS) jointly with the Management Board Staff shall ensure that all members of the Bank management bodies who are not Bank employees are made familiar with the Policy within 20 (twenty) business days of the Policy approval date or the approval date of Policy amendments.

14.6. The Management Board Staff /SOs/ASU leaders/branch managers/ heads of representative offices shall send copies of acknowledgement lists signed by the Employees to the ICD(CS) within 10 (ten) business days of their signing but not later than 20 (twenty) business days of the Policy approval date or the approval date of Policy amendments and ensure storage of the acknowledgement lists.

14.7. SOs/ASU leaders/branch managers/ heads of representative offices shall ensure that Bank employees on leave (including maternity and childcare leaves), those who are temporarily absent from work for the reasons of their sick leave, sickness of their relatives, Bank employees away on business or those engaged in classroom training are familiarized herewith against their signature on the day when they return to their work place, with the copies of acknowledgement lists signed by the said Bank Employees and sent to the ICD (CS) within 3 (three) days of the date of signing.

14.8. The ICD(CS) shall ensure that the acknowledgement lists of each member of the management bodies who is not a Bank employee are stored during the time when they are elected to a management body and within 3 (three) years of the end of the said term.

14.9. The HRD/branch managers/heads of representative offices shall ensure that new full-time employees of the head office/branch/representative office are made familiar with the Policy on the date of their employment by the Bank. Acknowledgement lists that acknowledge the fact of Bank Employees familiarization with the Policy on their employment date shall be subject to safe keeping in their personal files in an established procedure.

List of Documents Employed in Policy Development

1. The Criminal Law Convention on Corruption (ETS №173) dated 27 January 1999, ratified by the Russian Federation in Federal Law № 125-ФЗ "On Ratification of Criminal Law Convention on Corruption" dated 25 July 2006.
2. The United Nations Convention against Corruption dated 31 October 2003, ratified by the Russian Federation in Federal Law № 40-ФЗ "On Ratification of United Nations Convention against Corruption" dated 08 March 2006.
3. The OECD Convention on Combating Bribery of Foreign Public Officials in International Commercial Transactions (approved 21 November 1997, acceded by the Russian Federation on 01 February 2012).
4. The Code of Administrative Offences of the Russian Federation
5. The Criminal Code of the Russian Federation.
6. Federal Law № 273-ФЗ "On Countering Corruption" dated 25 December 2008.
7. Regulations № 700 of the Government of the Russian Federation dated 08 September 2010 "On procedure for an employer to inform – in entering into an employment contract with a citizen who filled government or local government posts, whose list is established by laws and regulations of the Russian Federation, within two years of the date of his/her dismissal from government or local government service – a representative of the employer of such government or local government official at his/her latest place of service about entering into such contract".
8. Recommended Practices of the Ministry of Labour and Social Protection of the Russian Federation on Development and Approval by Organizations of Measures to Prevent and Counter Corruption (published 08 November 2013, approved by a meeting of the Presidium of the Presidential Council of the Russian Federation on 08 April 2014).
9. Regulations № 24 of the Plenum of the Supreme Court of the Russian Federation "On Court Practice on Cases Involving Bribery and on Other Corruption-Related Crimes" dated 09 July 2013.
10. The Anti-Corruption Charter of Russian Business dated 21 September 2012.
11. The Compliance Policy of Gazprombank (Open Joint - Stock Company) approved by resolution of the Board of Directors of GPB (OJSC) dated 18 May 2009 (Minutes № 12).
12. The Corporate Governance Code of Gazprombank (Open Joint - Stock Company) approved by a resolution of the Annual General Meeting of Shareholders of Gazprombank (Open Joint - Stock Company) dated 23 June 2009 (Minutes №01) (as amended as of 27 June 2012 № 01).
13. The Corporate Code of Employee of JSB Gazprombank (CJSC) dated 11 April 2005 № 20.
14. Regulations № И/85 on Selection of Suppliers of Goods, Works and Services in GPB (OJSC) dated 25 November 2013.
15. Regulations № И/61 on Entertainment Expenses in GPB (OJSC) dated 16 September 2010.

[illegible]

