APPROVED

by Order of PJSC ALROSA

01/212-P dated 06.11.2022

**REGULATION**

**On Conflict of Interest of PJSC ALROSA**

2022

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1. General provisions

1.1. This regulation (hereinafter: “the Regulation”) developed in accordance with Federal law 273-FZ “On combating corruption” dated 12.25.2008 (hereinafter “the Federal Law”), other federal laws and regulatory acts of the Russian Federation, Code of corporate ethics of PJSC ALROSA and Policy for combating corruption approved by the Supervisory Board of PJSC ALROSA (minutes dated 03.11.2021 01/328-PR-NS) (hereinafter: “the Code” and “the Policy” respectively), other regulatory documents of PJSC ALROSA (hereinafter: “the Company”), describes the nature and causes of conflicts of interest, their essence and role in committing corruptive wrongdoings, prescribes measures for preventing, identifying and handling the conflicts of interest involving the Company’s staff during the performance of their job duties as well as procedures for the implementation of such measures.

1.2. The Regulation approved according to the established procedure is a direct effect document. Taking into account the specific nature of areas and fields of the Company’s activities, the measures and procedures adopted to identify, prevent and handle conflicts of interest can be specified in other regulatory or organizational and methodical documents based on fundamental regulatory provisions applicable in these areas. The provisions of the Regulation are general, while the provisions of these documents are more specific (detailed).

2. Terms used in the Regulation[[1]](#footnote-1)

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| **Assets** | **-** | The Company’s resources, including objects of civil law rights (monetary funds of the Company, infrastructure and production environment, information, intellectual property etc.). |
| **Anti-corruption procedure** | **-** | The course of action set by regulations and aimed to achieve one or more of the goals listed below:  • Identify a risk of corruption;  • Prevent its realization;  • Register the sings of a corruption offence;  • Create conditions for the suppression of unlawful actions related thereto;  • Minimize the economic and/or reputational damage to the Company caused thereby. |
| **Business process** | **-** | The regularly repeating series of interconnected activities of business units and individual employees aimed to achieve statutory purposes (functions) of the Company.  The functional processes performed by the Company to ensure its core activity (human resources, material and technical, regulatory, organizational, financial, information) are considered as a business process for the purposes of this Regulation. All regulations on managing the risks of conflicts of interest (corruption risks) are equally important for the functional units of the Company. |
| **Close relatives** | **-** | Husband, wife, parents, children, adoptive parents, adopted children, blood brothers and sisters, grandparents, grandchildren.[[2]](#footnote-2) |
| **Top executives** | **-** | Members of the Company’s Board, Chief Executive Officer — Chairman of the Board and Deputy Chief Executive Officer, managers of business areas, as well as other persons performing managerial functions at the Company whose decisions affect its performance. |
| **Identification of a conflict of interest** | **-** | Collecting, checking and analyzing the circumstances of the employee’s life, job situation and behavior to make substantiated conclusions on whether he/she has a conflict of interest (potential conflict of interest), as well as how it affects (may affect) proper, objective and unbiased execution of the job duties. |
| **Declaration of a conflict of interest** | **-** | A document in the Company’s established format completed by job applicants, persons holding managerial positions at the Company, other persons performing managerial functions at the Company and/or members of the Company’s procurement services, as well as other employees at the positions involving corruption risks. |
| **Due Diligence**  (**Due Diligence,**  дью-ди́лидженс  (англ. due diligence) | **-** | The procedure for drawing objective conclusions of an investment object, including the evaluation of investment risks, independent appraisal of investment object, comprehensive analysis of company’s activities, comprehensive audit of its financial position and market position, taking a range of measures to gain the necessary and reliable information on a potential contractor. |
| **Official** | **-** | The Company’s employee who is in charge of other employees, has authority to recruit regular staff and determine job functions of employees, apply incentives or awards, disciplinary penalties, has authority to make decisions of legal effect that can bring about certain legal consequences, has authority to manage and control property and/or monetary funds owned by the organization and/or held in its bank accounts, as well as to perform other acts (e.g. decisions on wages or bonuses, control of the flow of material valuables, determine the procedure for their storage, accounting and control of their use). |
| **Committee for corporate ethics and conflicts of interest** | **-** | The permanent collegial consultative body established to assist the CEO — the Chairman of the Company’s Board to implement the provisions of the Code of corporate ethics of PJSC ALROSA and the Policy of combating corruption of PJSC ALROSA. Specifically, the Committee handles the issues of personal liability of the Company’s employees for the violation of rules of corporate ethics, and conflicts of interest**.** |
| **Conflict of interest** | **-** | A situation where a private interest (direct or indirect) of an employee affects or can affect the objective and unbiased execution of his/her job duties that results or can result in a contradiction between a private interest of an employee and legal interests of the Company, and can harm the Company’s legal interests[[3]](#footnote-3). |
| **Counterparty** | **-** | A Russian or foreign legal entity or individual, including a self-employed entrepreneur with whom the Company has contractual relationship, except labor relationship or can have such relationship. |
| **Corruption** | **-** | a) abuse of office, giving a bribe, accepting a bribe, abuse of authority, commercial bribery or other illegal use by an individual of their official position contrary to the legitimate interests of society and the state in order to obtain benefits in the form of money, valuables, other property or services of property nature, other property rights for themselves or for third parties, or illegal provision of such benefits to the specified person by other individuals;  b) committing the above acts on behalf or in the interests of a legal entity. |
| **Critical point** | **-** | A subprocess that during its implementation creates objective opportunities for a Company employee to materialize his/her private interest at the expense of the Company’s interests, as well as for an employee or other person to commit a corruption offense on behalf or for the benefit of the Company. |
| **Private interest** | **-** | Interest of an employee in gaining illegal earnings in monetary or natural form or receiving other benefits by an employee himself/herself or by the members of his/her family or other persons with whom an employee is connected by financial or other obligations (including business, friendly, family or other relations) using his/her official powers. |
| **Area of activity** | **-** | An array of business processes focused on achieving the same statutory purpose (function) of the Company (e.g. such business processes as procurement, HR and personnel management, administrative and logistics services etc. form a single area of activity: “Support of the company’s activities”). |
| **Evaluation of corruption risks** | **-** | A process consisting of the following subprocesses:  **Identification of corruption risks** — identifying corruption offenses that can be committed by employees, and determining those business processes and their respective subprocesses where such illegal actions are possible;  **Analysis of corruption risks** — determining the possible ways of committing a corruption offense, taking into account the peculiarities of the implementation of business processes, the circle of persons who can be involved in committing a corruption offense, vulnerabilities of business processes, the characteristics of their organization which contribute to or do not prevent committing a corruption offense;  **Ranking (determining the significance) of corruption risks** — assessing the likelihood of committing a corruption offense at a certain stage of the business process and possible harm to the Company if an employee commits a corruption offense. |
| **Open Source Intelligence (OSINT)** | **-** | Any information about a person or organization that can be collected from open sources; collection of information from open sources. |
| **Subprocess** | **-** | Procedures, acts and interactions of structural units, collegial bodies, the Company’s employees established by regulatory documents and performed to implement a specific business process. |
| **Potential conflict of interest (situation of potential conflict of interest)** | **-** | A situation where there are such objective conditions that an employee can gain illegal income by abusing his/her position, but they are not enough for a conflict of interest to occur; however a private interest can hypothetically (potentially) develop, affecting the proper, objective and unbiased execution of job duties by such employee. |
| **Legal service** | **-** | The common name for legal services of the Company. |
| **Prevention of a conflict of interest** | **-** | A system of anti-corruption measures making it difficult for an employee to get into a situation of conflict of interest. |
| **Preventing corruption** | **-** | Activities aimed to create and introduce in the Company the elements of corporate culture, organizational structure, rules and procedures regulated by internal regulatory documents and ensuring the prevention of corruption offenses. |
| **Combating corruption** | **-** | Activities of federal government authorities, public authorities of the constituent entities of the Russian Federation, local self-government authorities, civil society institutions, organizations, the Company, its employees and other individuals within their authority:  a) to prevent corruption, including the identification and subsequent elimination of the causes of corruption (**prevention of corruption**);  b) to identify, prevent, suppress, disclose and investigate corruption offenses (**fighting corruption**);  c) to minimize and/or eliminate the consequences of corruption offenses. |
| **Actual conflict of interest (situation of an actual conflict of interest)** | **-** | A situation where it is known (proven) that an employee has a private interest, and it has real effect on the execution of his/her professional and job duties. The scope and nature of such influence on the proper, objective and unbiased execution of job duties depend on the nature of interests and/or their quantitative evaluation by the employee who holds the position, as well as objective conditions of the employee’s position giving opportunity to fulfill these interests. |
| **Reengineering of functions** | **-** | Creating the entirely new business processes preventing the implementation of corruption risk factors, as well as redistribution of functions between business units. |
| **Related parties** | **-** | (in relation to the subject (potential subject) of a conflict of interest:  a) individuals with whom the subject (potential subject) of a conflict of interest in the Company has family or friendly relationship, relations based on financial and/or other obligations or other common interests;  b) legal entities with which the subject (potential subject) of a conflict of interest is connected directly or indirectly;  that can gain illegal income in the monetary or physical form or other benefits as a participant of a corruption deal, as well as for whose benefit a personal interest of the subject of a conflict of interest can form and materialize as a result of abuse of position (i.e. they can gain corruption earnings as third parties). |
| **Personnel Management Service** | **-** | General name for the personnel management units of the Company. |
| **Work incentives** | **-** | Salary, including remuneration for work, compensation payments, incentive payments (incentive allowances and extra pay, bonuses and other incentive payments),[[4]](#footnote-4) as well as other incentive measures provided in the Labor Code, Collective Employment Agreement and internal regulatory documents of the Company. |
| **Subject (potential subject) of a conflict of interest** | **-** | A job applicant or employee of the Company who has (or can have) a conflict of interest. |
| **Work environment** | **-** | A set of conditions of a work process, external incentives (effects) encouraging an employee to have a certain work behavior. |
| **Handling a conflict of interest** | **-** | Taking organizational measures aimed as the obstacle to perform job duties corruptly, gain illegal earnings and other benefits, as well as create objective conditions hindering (making impossible) corrupt actions to prevent or minimize economic and/or reputation damage to the Company. |
| **Family members** | **-** | Husband or wife of an employee, their underage children, children under 23 years old, if they study full-time and are not married. |

3. Conflict of interest

3.1. Nature of a conflict of interest: psychological aspect

To ensure the achievement of the Company’s goals and sustainable development through the performance of activities defined by its Articles of Association, the Company is committed to ensuring that every employee, member of management and control bodies is motivated to execute his/her job duties properly, responsibly and efficiently, in full accordance with the Company’s interests.

In labor psychology,[[5]](#footnote-5) the concept of motivation is closely related to such basic categories as need, interest, motive, incentive.

The key driver of a person, group, society is a need, that is an objectively driven demand of a person for living essentials and activities for their acquisition. People cannot live without food, clothes, a place to live, nonmaterial benefits. To have them, people must work, produce something. Therefore, people work to satisfy their needs. The needs stimulate a person. If there is no need, there will be no activity.

However only conscious needs have an impelling force. Once recognized, needs reflect a discrepancy between external conditions and internal requirements in people’s minds, driving people’s activities to eliminate this discrepancy.

Interests are a specific expression of conscious needs. Conscious needs become the interests with regard to certain objects which can satisfy these needs. The interests are a real reason for social actions. While a need determines that what a subject needs for normal existence, an interest answers the question about what to do to get necessary things to satisfy this need.

In psychology, a force driving a subject to work to satisfy their conscious needs (i.e. interests) is called motive.

Needs and interests determine the internal dependence of work behavior. A subject of labor activity (employee) can develop them even before he/she starts working, while being raised in the family, studying at school, university or college, during social interactions. The interests developed this way may partially or fully disagree with the interests which are objectively necessary or desirable for an employee of an organization employing this person; they may be even of criminal nature.

People start and perform labor activity driven not only by the internal need, but also by the environment. Externally, work behavior is dependent on the work environment, i.e. a set of conditions where a work process takes place. The work environment affects the development and expression of personal needs and interests. It includes incentives and management based on values and regulations. This social control consists of the following key elements:

• Work incentives affecting the behavior of employees indirectly;

• Planning and evaluation indicators which form the criteria of labor activity and play a role of labor values;

• Administrative decisions (orders, instructions) which have a direct influence on the behavior of employees;

• Values and norms of behavior that the personnel follow and that are expected in the behavior of personnel. They are determined in the organization’s code of corporate ethics

However, due to some reasons, some conditions and factors of a work environment can have obstructive, including corruptive nature.

These elements of a work environment have a certain impelling force. Under their influence, a person can act against his/her own internal desires, private interests.

Internal and external effects have different significance in different areas of life. Under the influence of these effects, a person develops his/her internal attitudes, individual inclination towards various objects and situations, readiness to act in a certain way.

Volition (will) of a person is also important. It helps to develop the necessary qualities in the personality structure himself/herself by self-improvement, specifically needs and interests, as well as to purposely prevent implementation of a behavioral motive contradicting the interests of employer.

Playing many roles in various areas of life (an employee, head of the family, friend, member of a gardener association etc), a person has many different needs based on which, under the influence of internal and external factors, multiple interests develop, sometimes partially or fully contradicting to each other (in the latter case — completely incompatible) driving different ways of behavior. Thus, to choose the optimal behavior, a person has to prioritize his/her interests and ways of behavior (actions) driven by them.

When two different interests of a person motivate the completely incompatible and mutually exclusive ways of behavior (actions), this means a conflict[[6]](#footnote-6) of interest. This conflict manifests itself as a fight of motives in the mind of a person[[7]](#footnote-7).

3.2. The essence of a conflict of interest and its understanding to combat corruption

The provisions of item 3.1 describing the psychological aspect of labor activity explain what conflict is meant in the definition of a “conflict of interest” in the area of combating corruption. It is a conflict of interests perceived by the same person (employee). Conflicting interests of an employee are, on the one hand, his/her desire to perform job duties as a responsible worker in full accordance with job procedure, receive salary, bonus and other incentives for this, while, on the other hand, his/her interest in gaining income in monetary or physical form or other advantage as a result of abuse of the position, i.e. private interest (in terms of the anti-corruption law of Russia, the Company’s internal regulatory documents (the Code and the Policy as well as this Regulation)).

These two interests motivate incompatible ways of behavior, one of them aimed at compliance and the other one aimed at violating the job procedure, which results in the fight of motives.

Thus, the essence of a conflict of interest is the fight of motives: the motive of responsible behavior and the motive of abuse of official authorities. In terms of the criminal law, if the latter wins and is implemented, it becomes the basis of subjective aspect of the corruption offense (act of crime).

This implies that activities for the prevention of a conflict of interest, in their essence, are aimed to prevent a private interest (which automatically prevents a corruption motive) based on education, and prevent corruption. They can be carried out at any stage of life of a person and development of his/her personality, including the stage of employment.

To handle a conflict of interest when it has already occurred, it is necessary to decrease the level of motivation of an employee to commit wrongdoings (abuse official authority) as well as to increase the level of motivation to work responsibly. This will help the latter win and be implemented in the fight of the motives. The activities of handling a conflict of interest depend on a specific situation and aim to prevent a specific corruption offense.

To prevent and handle a conflict of interest, measures for eliminating and decreasing the level of influence of objective factors and conditions facilitating a private interest and implementation of corruption motives are also important. These measures designed to minimize the corruptogenicity of a work environment are developed based on the results of assessment of corruption risks in the Company’s activities, both in the area of strategic management and in specific functions and business processes, i.e. the risks that can arise during the performance of job duties by managers of different levels and employees in various departments of the Company.

4. Applicability of this Regulation

4.1. The Regulation applies to any official and other employees of the Company, regardless of the position they hold, when they perform their job duties and/or represent the Company’s interests in any country of the world.

4.2. However, the provisions on handling conflicts of interest within the framework of the Company’s risk-oriented approach to combat corruption are primarily addressed to the categories of employees for whom it is critical to prevent and handle a conflict of interest. These categories include:

4.2.1 persons holding senior positions at the Company (hereinafter: “the executive employees”), i.e. managers making managerial decisions which affect the Company’s activities significantly;

4.2.2 persons who are not executive employees at the Company, but are members of the Company’s procurement services (hereinafter: “members of procurement services”);

4.2.3 other Company’s employees at positions included in the lists of positions with job duties involving corruption risks based on the assessment of risks in business processes, functions and areas of the Company’s activities (item 6.2.2.3).

5. Managing the risks of conflicts of interest

5.1. Factors and conditions determining the approach to the management of risks of conflicts of interest

The basis for organizing activities aimed to manage the risks of conflicts of interest in the Company is the understanding that:

a) development of contradicting interests in the mind of an employee and their direct conflict are the result of comprehensive influence of many subjective and objective factors and conditions of internal and external kind, such as family upbringing, education, role models of certain persons, influence of the society and some social groups, life circumstances, private goals and ambitions, elements of work environment, including provisions of the labor law, internal regulatory documents (including the Code and the Policy, collective labor agreements), employment contract with the employee, job procedures, salary, other work incentives, conditions at workplace, relations with the Company’s contractors (potential contractors), influence from related parties, as well as potential or actual direct corrupting influence from third parties; other factors facilitating or hindering the development and/or implementation of a private interest by abusing official authority (during the performance of job duties);

b) as a phenomenon developing in time, a conflict of interest is a process with successive stages:

– a Company’s employee (future employee) develops a private interest;

– it comes into direct conflict with the employee’s desire to perform his/her job duties responsibly;

– the conflict of interest develops until one of the conflicting interests is fully replaced by the other;

– the conflict of interest is handled at a controlled stage of its development.

However, the measures of addressing a conflict of interest (managing the risk of a conflict of interest) for each of the mentioned stages will have a specific character also determined by the specific character of the anti-corruption form (prevention of corruption, identification, avoidance, stopping, disclosure and investigation of corruption offenses, minimization and/or elimination of corruption offenses) within which they are implemented.

5.2. Organizing principles for the prevention, identification and handling of a conflict of interest

In addition to the full compliance with general principles of the anti-corruption approach, there are some key principles used to develop and implement measures for preventing, identifying and handling conflicts of interest at the Company:

* Consistency and continuity:

(here the principle of consistency means the need to take into account all interconnected factors affecting the occurrence and development of a conflict of interest listed in item 5.1 “a” hereof, and make a comprehensive influence when developing and implementing measures for preventing, identifying, stopping and handling conflicts of interest, while the principle of continuity means the need to permanently combat conflicts of interest at all stages listed in item 5.1 “b” hereof taking into account their specific nature);

* Legal compliance and rules of corporate ethics:

(When developing and implementing measures to combat corruption, the Company is guided by the provisions of the anti-corruption law of Russia, international treaties of Russia and other applicable requirements, including the development of internal regulatory documents of the Company based on them. At the same time, considering that the Company doesn’t belong to the category of organizations where provisions of the anti-corruption law of Russia for the prevention and handling of conflicts of interest can be applied to the full extent, a system of measures for managing the risks of conflicts of interests in the Company is created based on measures focused on the development and establishment of values, principles and ethics of employee behavior set forth in the Code and facilitating the development of corporate culture, achievement of the Company’s strategic goals and strengthening of its business reputation. Specifically, the principles of aversion of any corruption, as well as prevention and handling of the conflicts of interest play an important role.

The effectiveness of these measures essentially focused on the creation of a moral basis for combating corruption is ensured by adding them to the internal regulatory documents as a part of the implementation of the provisions of the Russian labor law.

6. Measures to manage the risks of conflicts of interest

6.1. Measures designed to prevent conflicts of interest

6.1.1. Measures designed to create a moral basis to manage the risks of conflicts of interest

6.1.1.1. Measures implemented by the Company’s management:

* Developing and publishing the Code on the Company’s internal portal and corporate website;
* Including the Code into a set of the Company’s internal regulatory documents mandatory for all employees;
* Timely updating its provisions in accordance with actual changes;
* Making sure that the employees read and understand the Code that shall be confirmed by their signatures at the time of employment;
* Regular training of the employees on the application of the Code;
* Explaining the Code to the employees to prevent wrongdoings, if necessary;
* Providing consultations to the employees;
* Holding briefings before any critical events related to the Company’s important projects, including international;
* Role modeling by the managers who shall show how to follow the principles and rules of behavior established by the Code;
* Managers shall make sure that the Code provisions are followed;
* Direct managers and/or coworkers shall explain and warn that behavior involving risks of violating the established ethical provisions is unacceptable;
* Addressing the employee misconduct related to violations of the Code at the meetings of the Committee for corporate ethics and conflicts of interest;
* If necessary, conducting internal investigations to identify causes of offenses involving a violation of the Code, the facilitating circumstances and the fault of an employee[[8]](#footnote-8);\*
* Applying disciplinary measures to the employees who violate the provisions of the Code and, if there are any signs of offense, submitting the case to law enforcement authorities[[9]](#footnote-9);\*
* Conducting periodic reviews of the state of corporate culture, compliance with the norms and regulations of personal and corporate behavior, and developing measures to improve this state, where necessary;
* Regular reporting on the state of the corporate culture and compliance with the code of corporate conduct to the Chief Executive Officer — the Chairman of the Board and/or the Supervisory Board of the Company.

6.1.1.2. Measures that shall be implemented by the Company’s employees:

* Careful studying and understanding the essence of the principles and rules established by the Code, as well as the requirement of their compliance;
* Complying with the above principles and rules;
* If necessary in a given situation, asking advice and/or consultation from coworkers, direct managers, or the Committee for corporate ethics and conflicts of interest;
* Acceptance and conscious consideration of advice, criticism, clarifications and warnings, always following the recommendations of the Committee for corporate ethics and conflicts of interest, and behavior adjustment, taking into account the implemented measures and decisions;
* Timely and full information disclosure on a situation that could, whether directly or indirectly, lead to a conflict of interest, and immediate informing about its urgent occurrence;
* Full disclosure of any circumstances of a violation of the Code when the misconduct is addressed by a direct manager or other managers, at a meeting of the Committee for corporate ethics and conflicts of interest, or during an internal investigation.

6.1.2. Measures for creating an effective legal and policy anti-corruption framework at the Company

6.1.2.1. Anti-corruption audit of the Company’s internal regulatory documents and drafts of such documents, elimination of the identified corruptogenic factors, adding provisions focused on preventing conflicts of interest and hindering (excluding) the use of opportunities to fulfill one’s private interest.

6.1.2.2. Developing additional measures for preventing violations of the provisions of corporate ethics and improving the Company’s anti-corruption legal framework through the discussion of the following issues at least once a year:

6.1.2.2.1 Compliance practices based on the results of disciplinary measures applied to the employees who violated the Code, provisions of other internal regulatory documents of the Company, its structural units and subsidiaries, specifically including the provisions focused on the prevention of conflicts of interest, which resulted (could result) in the occurrence (increased level) of corruption risks;

6.1.2.2.2 Practices of identification and handling of conflicts of interest by managers in the Company’s business units, structural units and subsidiaries,

6.1.2.2.3 Practices of the Committee for corporate ethics and conflicts of interest,

6.1.3. Implementing the anti-corruption procedures and responsibilities designed to prevent conflicts of interest

6.1.3.1. Adding to the regulations of the Company’s collegial bodies:

a) that perform their activities by conducting sessions (meetings), including videoconference meetings:

– such provisions that require to remind participants of the meetings during the announcement of meeting agenda that they shall declare withdrawal from participation in a meeting (discussion of an issue) (self-disqualification) due to a private interest, as well as to include such declarations (including names of such persons) or their absence in the minutes.

b) that make decisions by in-person (absentee) voting using voting bulletins:

– such provisions that prescribe to include in voting bulletins a reminder to withdraw from voting if a person has a private interest, specifying a method of documenting such withdrawal.

6.1.3.2. Improving the Company’s internal regulatory documents that govern business processes and functional areas of the Company’s activities by adding procedures that minimize the influence of corruptogenic factors as suggested based on results of regular corruption risk evaluations and investigations of specific conflicts of interest.

6.1.3.3. Adding to the internal regulatory documents that govern activities involving corruption risks the provisions requiring an employee to inform a direct manager of the circumstances facilitating a conflict of interest and/or a conflict of interest, whenever they occur, as well as on the liability of a manager if he/she fails to take measures for preventing and handling conflicts of interest of his/her subordinates.

6.1.3.4. Including the responsibilities that ensure the employees’ compliance with the requirements of item 6.1.1.2 of the Regulation in their employment contracts and job procedures and, in addition to the above, the responsibilities to use measures designed to develop and establish values, principles and ethics of conduct of their subordinates described in item 6.1.1.1 of the Regulation in the employment contracts and job procedures of executive employees, as well as the provisions defining liability for failure to perform these responsibilities.

6.1.3.5. Vesting the top executives of the Company in its internal regulatory documents, including the Code and the Policy, with the responsibilities to make sure that the adopted anti-corruption measures are implemented, as well as to initiate and support other anti-corruption initiatives focused on the prevention of conflicts of interest at the Company and to make sure they are implemented.

6.1.3.6. The subjects of measures described in items 6.1.2–6.1.3 of the Regulation are the interested departments of the management and other business units of the Company responsible for the development of respective documents within their competence, as well as the direct managers of employees who are responsible for the development of job procedures for their subordinates.

6.1.4. Introducing restrictions for certain categories of employees

6.1.4.1 To prevent conflicts of interest, the Company’s executive employees are not allowed to:

6.1.4.1.1 Perform activities where a private interest (direct or indirect) affects or may affect proper execution of job duties;

6.1.4.1.2 Use the material, technical, financial and information resources, other Company’s property as well as inside information for non business purposes;

6.1.4.1.3 Receive from individuals or legal entities any compensation (gifts, money, services, payment for entertainment, recreation, transport etc.) associated with the execution of their job duties, except for permitted situations, according to the procedure and in the amount defined in the Policy for business gifts, entertainment and hospitality expenses (item 3.2.1), as well as money reward for performing the functions of a member of a management body or audit committee of a subsidiary or an affiliate of the Company based on the Company’s decision;

6.1.4.1.4 Use official powers and working time as well as material, technical, financial and information resources provided for the execution of job duties in the interests of political parties, public, religion associations;

6.1.4.1.5 During the entire period of employment in the Company and 3 (three) years after termination of employment, disclose information constituting a trade secret or other confidential information provided to him/her (verbally, in writing, in the form of photos, in an electronic, graphical form, as well as in any other format) or became known in the course of labor activities, except the situations stipulated by current law of the Russian Federation, or upon direct written permission by CEO — the Chairman of the Board of the Company.

6.1.4.1.6 Enter directly or indirectly into commercial relations with third parties, if it can damage the commercial interests of the Company, cause its financial damage or damage its business reputation;

6.1.4.1.7 Perform any activities that give benefits to such employee, members of his/her family or other related parties by using the employee’s position in the Company, including the use of available confidential information.

6.1.4.1.8 In accordance with the law of the Russian Federation, the Supervisory Board or CEO — the Chairman of the Board of the Company may establish other restrictions.

6.2. Identifying conflicts of interest in business processes of business units, functions and activities of the Company

6.2.1. To identify situations of actual (potential) conflicts of interests, the Company is interested in receiving and collects information on:

6.2.1.1 a private interest of an employee;

6.2.1.2 subjective and objective factors and conditions of internal and external nature, under the influence of which an employee’s private interest has developed (can or could develop);

6.2.1.3 factors and conditions of a work environment facilitating (hindering) the fulfillment of a private interest;

6.2.1.4 related parties and the nature of connections with the employee (information on the position and acts of these persons can also be included in other categories of information described in this item);

6.2.1.5 signs of behavior showing the fulfillment (attempts of fulfillment) of a private interest that prejudices the proper, objective and unbiased execution of job duties;

6.2.1.6 signs of causing economic and/or reputation damage to the Company, their character and scope.

6.2.2. The sources of information listed in item 6.2.1 may be:

6.2.2.1 declarations of a conflict of interest by job applicants issued in the prescribed form and submitted according to the Company’s established procedure by the employees hired or appointed to positions involving corruption risks, and the results of checking such information;

6.2.2.2 information from an employee who is the subject (potential subject) of a conflict of interest concerning an unexpected situation of actual (potential) conflict of interest;

6.2.2.3 materials of the evaluation of corruption risks in the business processes of business units, functions and areas of activities of the Company carried out using the Company’s methodology, resulting in the identification of corruption risks and positions involving corruption risks;

6.2.2.4 materials of anti-corruption audit of new strategic and other critical Company’s projects implemented in the Company or planned for implementation that also contain/can contain information about potential (actual) risks of conflicts of interest and the associated positions where it is necessary to take measures to minimize the risks as early as the design stage, as well as to design measures of control when the project is implemented;

6.2.2.5 information provided by a Company’s job applicant and data of the analysis of its reliability performed as a part of the selection and recruitment processes;

6.2.2.6 materials of a special psychophysiological analysis conducted according to the established procedure, whenever it is necessary for the recruitment process or to transfer a person to a position involving corruption risks and as a part of an internal investigation;

6.2.2.7 materials of the internal analysis of submitted information about violations in the financial and economic activities of the Company’s business units, other types of activities as specified in the regulations of such business units (within their competence) and/or job duties by the employees who hold positions involving corruption risks;

6.2.2.8 materials of the internal investigations of non-fulfillment or improper fulfillment by employees of the duties defined in the Company’s internal regulatory documents, employment contracts and job procedures, as well as acts (failure to act) of the Company’s employees and/or other persons which result or can result in a damage to the Company, as well as of a damage caused to the Company (actual conditions for such damage), when a person associated with the identified fact is unknown;

6.2.2.9 materials of the analysis of calls and reports including those received via the hotline;

6.2.2.10 materials of other checks, including those conducted as a part of the activities for due diligence, specifically:

* Checks of the participants of procurement processes, sole suppliers, including minor procurements up to 500 thousand rubles (checking if the participants and documentation comply with the requirements established by procurement regulations, analysis of financial and economic activities);
* Checks of the companies participating in procurement processes for affiliation with the Company’s employees;
* Extensive checks of legal entities (checking financial and economic activities of a contractor, Due Diligence, founders, managers. OSINT, obtaining feedback on the subject of check);
* Checks of contractors as a part of the program of Company’s partnership with small and medium businesses;
* Checks of the reliability of evaluation reports;
* Checks related to financial, charity support requested from the Company;
* Checks of complaints about the violations in procurement processes;
* Checks of design and estimate documentation;
* Checks of procurement documentation, including terms of reference, for compliance with the internal regulatory documents and law before publishing on a trading platform;
* Checks of participants when they register on the ALROSA electronic trading platform;

6.2.2.11 data and information provided by the direct manager of the subject (potential subject) of a conflict of interest, other officials and employees of the Company, other persons who maintain and/or maintained relationships with such person.

6.2.3. Using the information selected from sources listed in item 6.2.2 based on such criteria as relevancy, timeliness, accuracy, comprehensiveness and completeness, systemized analysis of the situation is conducted to make conclusions on whether there is a conflict of interest and/or what is its stage of development, as well as whether measures for its prevention or handling are possible and/or necessary, including in direct contact with the subject (potential subject) of the conflict of interest.

6.2.4. If the analysis of information shows any elements of an offense (act of crime) in acts (omissions) of the subject of a conflict of interest and/or related parties, measures are taken to prevent (stop) their illegal acts (omissions), including cooperation with law enforcement bodies according to the established procedure.

7. Preventing conflicts of interest in business processes (prevention of corruption offenses) by addressing the work environment factors

7.1. The prevention of conflicts of interest aims to decrease the general level of corruption risks in the business processes of business units and the Company in general and includes two areas:

7.1.1 Decreasing the level of a corruption risk whenever possible at each critical point of a business process by introducing anti-corruption procedures that fully or partially neutralize the effect of corruptogenic factors;

7.1.2 Reducing the number of critical points (the number of corruptogenic factors) in a business process by adjusting the organization of the business process itself, including reengineering of the functions.

7.2. The preliminary activities aimed to implement the above areas of decreasing the level of corruption risks in the business units of the Company, the Company in general and the ALROSA Group (for common business processes) include:

7.2.1 description of business processes (i.e. identification of constituent sub-processes, series of actions or interactions, including external ones performed by business units or employees to implement each business process as well as oversight mechanisms applied to ensure high quality of their implementation);

7.2.2 identification of corruption risks (i.e. identification of critical points in each business process and sub-process);

7.2.3 analysis of corruption risks (i.e. identification of a possible method of committing a corruption offense (corruption scheme) and the positions that can perform acts necessary to implement such a scheme for each critical point); in addition corruptogenic factors (circumstances and conditions increasing the possibility of committing corruption offenses) are identified for each critical point.

7.3. The results of the stages described in item 7.2 of the Regulation are documented in the text, graphical and/or tabular format.

These documents include:

7.3.1 a formal description (a chart, a table) of the areas of activities, their business processes and sub-processes, including their critical points (possible corruption offenses);

7.3.2 a formal description (a table) of corruption risks at each identified critical point including a brief description of the method of committing a corruption offense and positions that can commit it, as well as the available and implemented (existing) methods and procedures of overseeing the activity of employee (employees) at this point, as well as other procedures identifying and hindering illegal actions;

7.3.3 a list of positions involving corruption risks,

7.3.4 a personalized list of officials and other employees who must inform of their private interests that can affect proper, objective and unbiased execution of job duties (of a conflict of interest). This is a list of employees at positions included in the list described in item 7.3.3. It must be updated to be available for use when handling conflicts of interest (item 8.3).

As the Company gains experience of combating corruption in its business processes, it may use other forms and methods of documenting the processes described in item 7.2 of the Regulation.

7.4. The systemized analysis of business process risks at identified critical points taking into account the degree of manifestation of corruptogenic factors and the probability of implementation of originated risks (respective corruption schemes), type and scope of damage (harm) to the Company caused by each risk helps to evaluate the significance of each risk using a method adopted by the Company, and rank the risks. The results of these activities form the basis for organizing a risk-oriented approach to combating corruption in the Company.

7.5. To ensure the effectiveness of approach to the prevention of conflicts of interest by minimizing the influence of corruptogenic factors described in items 7.1–7.4, the Company develops and from time to time updates the guidelines for organizing and performing the business process risk assessments.

7.6. The implementation of the provisions of item 7.1.2 hereof consists of the development of anti-corruption procedures based on the assessment of business process risks in the Company, with the focus on:

7.6.1 Minimizing the discretionary authority of officials at critical points of business processes by adjusting their job procedures, specifically defining more clearly the acts and possible decisions of each official with the description of conditions for making each of these decisions;

7.6.2 Introducing a collegial method of decision-making at critical points;

7.6.3 Introducing additional approvals of (signatures under) draft decisions made at critical points of business processes in relevant business units;

7.6.4 Introducing additional reports on the results and conditions of actions at critical points;

7.6.5 Improving methods of overseeing the activities at critical points as well as creating new checkpoints and/or methods of oversight;

7.6.6 Using (installing) tools for monitoring and recording the activities of employees (officials).

For these purposes, other anti-corruption procedures may be developed and introduced according to the established procedure provided that they don’t violate the provisions of law, generally accepted rules of ethics, as well as the rights and legal interests of the Company, its employees and contractors.

8. Organizing the activities for handling conflicts of interest

8.1. Principles of handling conflicts of interest

In addition to the general principles of organizing the activities for prevention, identification and handling of conflicts of interest (see item 5.2 of the Regulation), the handling of a conflict of interest is based on the following principles:

* Ensuring the balance of the Company’s interests and the interests of an employee when a conflict of interest is handled;
* Mandatory disclosure of information on an actual or potential conflict of interest by the subject (potential subject) of the conflict of interest;
* Individual consideration and assessment of economic and reputation risks for the Company when any conflict of interest is identified and handled;
* Keeping confidential the process of disclosure of information concerning conflicts of interest and the process of their handling;
* Making sure that an employee is not prosecuted because of the disclosure of a conflict of interest which is timely disclosed by such employee and handled (prevented) by the Company;
* Preventing (minimizing) the damage.

8.2. The process of handling conflicts of interest

8.2.1. The process of handling conflicts of interest in the Company includes the following stages:

8.2.1.1 Disclosing a conflict of interest — providing (declaring) information on the situation with an actual or potential conflict of interest by the subject (potential subject) of a conflict of interest (employee), including the information on a private interest of the employee and the work environment factors facilitating its fulfillment;

8.2.1.2 Analyzing the information provided in a declaration about a conflict of interest, collecting information complying with the provisions of item 6.2.1 of the Regulation about the employee and the situation from the Company’s information resources and other sources described in item 6.2.2 of the Regulation;

8.2.1.3 Analyzing the situation considering all collected information to decide whether there is a conflict of interest (a stage of its development), as well as to select possible methods of its handling;

8.2.2. The result of consideration should be an answer to the question whether this situation is a manifestation of any stage of the occurrence, development or fulfillment of a conflict of interest.

8.2.3. If, after the consideration of a situation it is decided that it is not a situation of an actual (potential) conflict of interest, further consideration is stopped.

8.2.4. If it is concluded that there is a conflict of interest (potential conflict of interest), it must be decided on how to resolve it; this involves the selection of a measure to prevent an employee from committing a corruption offense.

8.2.5. Normally, these measures of resolving a conflict of interest include:

8.2.5.1 Strengthening the oversight of the execution of job duties by an employee, if a conflict of interest can arise during their execution;

8.2.5.2 temporarily suspension of the employee’s activities (decisions) related to a legal entity or an individual (the Company’s employee or a counterparty) with which/whom the private interest is associated;

8.2.5.3 reassigning an employee to another job within a business unit where the situation of a conflict of interest arose or in another business unit of the Company;

8.2.5.4 suggesting that an employee shall refuse a gained or potential benefit which was the cause of a conflict of interest;

8.2.5.5 other decisions involving the introduction of additional anti-corruption procedures into the business processes to minimize corruption risks.

8.2.6. The selected option for resolving a conflict of interest is agreed with an employee who informed (submitted a declaration) about a conflict of interest.

8.2.7. If for some reason an employee and persons who considered the situation in the Company’s business unit fail to reach an agreement, further handling of the conflict of interest will be discussed at a meeting of the Committee for corporate ethics and conflicts of interest.

8.3. Organizational support for handling conflicts of interest

8.3.1. The organizational support for handling conflicts of interest in the Company (its business units) includes the development and approval of internal regulatory, organizational, management and methodological documents that ensure the implementation of procedures necessary for handling conflicts of interest and defining types and formats of the necessary documents, specifically:

8.3.1.1 The following processes are implemented:

8.3.1.1.1 keeping records of the employees who must provide information of a private interest and a conflict of interest;

8.3.1.1.2 requesting the job applicants and employees at the positions with a high risk of corruption to provide information that can be used to assess the possibility of a conflict of interest;

8.3.1.1.3 collecting, storing and using other information, creating and using information resources to prevent and handle conflicts of interest;

8.3.1.1.4 considering the matters of prevention and handling conflicts of interest (deciding whether there is a conflict of interest);

8.3.1.1.5 deciding on the method of handling a conflict of interest;

8.3.1.2 developing forms of documents describing the key aspects of a conflict of interest, organization of the process of its consideration and decisions made to handle the situation.

8.3.2. The key organizational documents to support the handling of conflicts of interest are:

8.2.2.1 the declaration of a conflict of interest that must include the information concerning a private interest of an employee as well as potential (existing) work environment that can facilitate (facilitates) the fulfillment of the interest where the employee abuses his/her official authority. The form recommended by the Ministry of Labor of Russia and given in Annex 1 is chosen as the main form of the declaration. This form may be adjusted depending on business unit and category of employee in terms of scope, the degree of detailing and types of questions based on relevant corruption risks associated with the type of activities of the business unit and/or the employee’s position, determined based on the results of risk assessment.

These declarations are submitted (completed) by the employees of the categories listed in items 4.2.1–4.2.3 of the Regulation when they are appointed to a position, and updated at an interval defined by the Company management.

In addition, the Company uses the so-called “situational declarations”. This means that an employee submits a declaration of private interest originating during the execution of job duties that results or can result in a conflict of interest (Annex 2). This declaration is submitted by an employee if a situation of a potential conflict of interest develops or a situation of actual conflict of interest suddenly originates. In this case, any employee must submit such a declaration, regardless of whether he/she belongs to the categories listed in items 4.2.1–4.2.3 of the Regulation who shall submit and from time to time update the declarations of the format given in Annex 1;

8.3.2.2 personalized lists of the employees at positions involving corruption risks that are created and from time to time updated based on the results of assessment of corruption risks in business processes. Each business unit keeps these lists to keep record of the employees who must inform of their conflict of interest;

8.3.2.3 a register of persons holding managerial positions and performing managerial functions (executive employees) in the Company who must provide information about a private interest in transactions (about a conflict of interest). This register includes a personalized list of executive employees and members of the procurement bodies of the Company, defines types of information related to a private interest, procedure for its provision by executive employees and members of the procurement bodies of the Company, storage and use for the prevention and handling of a conflict of interest.

8.3.3. The procedures and document forms developed to be used for handling conflicts of interest in any Company’s business unit are approved by an internal regulatory document of the Company.

8.3.4. If any area of activities[[10]](#footnote-10) or a group of related areas of activities is highly specific and requires consideration when a conflict of interest is handled, the necessary procedures and document forms may be developed specially for these areas, taking into account their opinion agreed with the Committee for corporate ethics and conflicts of interest.

8.4. Organization of and procedure for handling conflicts of interest

8.4.1. Competent groups responsible for handling conflicts of interest are created to organize and perform the process of consideration and handling of a conflict of interest in structural units and separate subdivisions, as well as in functional units of the Company’s management office.

8.4.2. Since some units of the Company’s management office have few employees, such competent groups may be created to handle conflicts of interest of the employees from a group of divisions that normally perform similar functions.

8.4.3. These competent groups (committees) consist of:

8.4.3.1 a person responsible for handling conflicts of interest. Normally, this is one of the deputy heads of a division (head of a division within a group);

8.4.3.2 a person responsible for receiving information about a conflict of interest who is selected and appointed from a HR service’s employees. The responsibilities of this person include the collection of information on the factors facilitating the development of a private interest of an employee (job applicant) that can affect the objective and unbiased execution of job duties when the employee is hired or appointed to a position included in the list of positions involving corruption risks, acceptance of declarations concerning conflicts of interest from employees who inform about such situations, organizing their checks and considering conflicts of interest at the meetings of the competent group;

8.4.3.3 an employee from the security service responsible for a business unit or area of activity and/or related functions performed by a group of units. He/she participates in the analysis of situation and the examination of declaration to decide whether there is a conflict of interest;

8.4.3.4 an employee from the legal service who is a permanent member of a competent group (or a substituting person) responsible for the compliance with law when the conflicts of interest are considered;

8.4.4 To handle a conflict of interest, a meeting of a competent group is held. The group invites an employee who is the subject of a conflict of interest (a potential conflict of interest) as well as his/her direct manager, a representative of the trade union, an employee of the unit who holds a similar position as the subject or is well aware of this position and, if necessary, a theme expert — all with advisory capacity;

8.4.5 Based on the results of the competent group’s meeting, the unit manager — the direct manager of the employee who is the subject of a conflict of interest makes decision on the handling of the conflict of interest.

8.4.6. The Company’s units establish the following procedure and time limits for disclosing a conflict of interest (submitting a declaration of a conflict of interest) in accordance with items 8.2.1–8.2.9 of this Regulation:

8.4.6.1 If a Company’s employee who doesn’t belong to the category of executive employees encounters a potential (actual) conflict of interest, within five working days upon its origination or the date when a potential conflict of interest becomes known, a declaration of a conflict of interest is submitted to his/her direct manager who familiarizes with the declaration and forwards it to a HR specialist — a member of the competent group responsible for the acceptance of information concerning conflicts of interest, to check the information of the declaration;

8.4.6.2 If the Company receives initial information that an employee shows signs of a conflict of interest from other sources (the direct manager, a member of the HR service, the security service etc.), a person who is responsible for handling conflicts of interest in a Company’s unit and heads a competent group shall request from the employee a declaration of a conflict of interest (a notification of a private interest) within three working days after he/she receives such request;

8.4.7. The security service, HR service and the direct manager check the information in the declaration (each within own scope of competence) within 10 working days; after that, a person responsible for collecting information about conflicts of interest consolidates the information and, together with a representative of the legal service (whenever possible, together with other members of the competent group), decides whether there is enough information for handling the conflict of interest, and selects the optimal method of handling. The statement of the results of checking the declaration and draft decision on the existence (nonexistence) of a conflict of interest and the method of its handling (if it exists) are agreed with all members of the competent group.

If the information is not enough, the period of checking the declaration may be extended, normally, for up to one month.

8.4.8. Once the check of the declaration is finished, within three working days a person responsible for handling conflicts of interest shall consider the materials mentioned in item 8.4.7, approve (with comments whenever necessary) a draft decision specifying a method of handling a conflict of interest, decide on holding a meeting of the competent group within 10 days, invite to the meeting the persons needed for handling the agenda who may participate in the meeting with advisory capacity as provided in item 8.4.4 of the Regulation;

8.4.9. The meeting is chaired by a person who heads the competent group and is responsible for handling conflicts of interest (if he/she is unavailable — another member of the competent group appointed by him/her). The chairperson announces the objectives of the meeting:

a) decide whether there is a conflict of interest in the existing situation;

b) develop a method of handling a conflict of interest (if any) and agree it with a person who submitted the declaration of a conflict of interest.

The results of examination of the declaration about a conflict of interest are announced, and a method of handling a conflict of interest is suggested.

After that, any participant of the meeting may speak on the essence of matters under consideration. The person who submitted the declaration of a conflict of interest can tell about his/her attitude to the results of examination and the suggested method of handling a conflict of interest. The chairman determines the sequence of the speakers.

8.4.10. Based on the results of discussion and method of handling a conflict of interest agreed with the person who submitted the declaration of a conflict of interest, the competent group makes a decision by open voting that must be written in the minutes of the meeting and represents a recommendation for taking the final decision on the method of handling a conflict of interest by the head of unit — direct manager of the employee who is the subject of a conflict of interest, in accordance with items 8.4.5 and 8.5.2 of the Regulation.

8.4.11. The decision of the competent group shall include:

a) full name, position of the employee under consideration who possibly has a private interest which results or can result in a conflict of interest;

b) source of information that became the basis for holding the meeting of the competent group;

c) the date when the information of a private interest (a conflict of interest) contained in the declaration was received;

d) the results of examination of information concerning private interest (a situation of conflict of interest) — a justified conclusion with an opinion of existence/nonexistence of a potential or actual conflict of interest;

e) full names of the members of the competent group and other persons present at the meeting (including the date of the meeting);

f) speakers at the meeting;

g) the essence of the decision (whether there is a conflict of interest) and its justification;

h) the results of voting (“yes/no” votes) of each attending member of the competent group;

i) the suggested method of handling a conflict of interest;

j) whether the employee agrees/disagrees with the method of handling a conflict of interest.

The following record is made: “The decision and the declaration examination materials are sent for further consideration to the Committee for corporate ethics and conflicts of interest — yes/no”.

8.4.12. The process of decision-making on handling conflicts of interest for the Company’s executives is determined by the Regulation on the ALROSA Committee for corporate ethics and conflicts of interest.

8.5. Implementing the decisions on handling conflicts of interest

8.5.1. When selecting a specific method of handling a conflict of interest, it is required to take into account the significance of direct or indirect private interest of a Company’s employee and the probability that this interest can realize with prejudice to its interests, the severity of committed (potential) corruption offense (specifically, failure to comply with the established anti-corruption procedures; noncompliance with the prohibitions and restrictions; non-fulfillment of duties aimed to minimize and prevent the implementation of corruption risks), the degree of fault and work environment of the employee.

8.5.2. The persons responsible for handling a conflict of interest and the respective manager shall take measures to prevent or handle a conflict of interest by selecting a possible method for its handling defined in item 8.2.7 of this Regulation, as well as inform the employee that it is not acceptable to violate the requirements for handling a conflict of interest established by Russian law, the Company’s internal regulatory documents to prevent corruption, and warn him/her of the legal liability applicable in the case of such violation. If necessary, the respective manager applies against the employee the disciplinary measures defined in the labor law of Russia, to the extent determined by requirements, prohibitions, restrictions and duties included in his/her employment contract and job procedures and arising from the respective provisions of the Code, the Policy and other regulatory documents developed by the Company on their basis.

8.5.3. If an employee doesn’t agree with the suggested methods of handling a conflict of interest justly developed to minimize the corruption risks in the Company, his/her employment may be terminated in accordance with the provisions of the labor law.

9. Organizational support for the functioning of the conflict of interest institute in the Company

9.1. This Regulation based on a set of provisions of Russian law and the Company’s internal regulatory documents that govern the relationships related to the prevention of corruption (by preventing, identifying and handling conflicts of interest) is a version of a conflict of interest institute[[11]](#footnote-11) implemented in the Company.

9.2. The provisions of this Regulation are followed by each business unit of the Company, its branch and representative offices, each employee of the Company as far as relevant, which is determined by their position in the Company, goals and objectives, functions performed as part of the Company’s activities, specific business processes, management processes in which they (business units and employees) participate, as well as the corruption risk levels in the areas of their activities.

9.3. The overall effectiveness of the corruption prevention in the Company is essentially determined by the effectiveness of functioning and integrated result of the conflict of interest institute.

9.4. To ensure integrated systemized approach to the development and implementation of measures aimed to identify corruption risks, prevent and stop their realization, and minimize damage to the Company, the Company has created a specific functional area of activity — the anti-corruption management.

9.5. In accordance with item 6.3 of the Policy, the “Anti-corruption management” function includes the following:

9.5.1 setting goals to combat corruption at all levels of management;

9.5.2 planning activities to combat corruption for the business units and the Company, organizing execution of the plans and follow-up control;

9.5.3 coordinating activities to combat corruption in the Company’s business units and controlled bodies in various areas;

9.5.4 managing interaction with other Russian and foreign companies as a part of anti-corruption initiatives of the Russian business associations and international industry organizations respectively;

9.5.5 organizing reporting and assessment of the performance of business units;

9.5.6 consolidating results and preparing materials for public reports to create and sustain the Company’s business image as an active participant of fight against corruption;

9.5.7 monitoring the implementation of anti-corruption procedures, assessing their effectiveness and issuing suggestions for their improvement;

9.5.8 analyzing the implementation of the function and issuing recommendations on its improvement (including in terms of the coverage of activity areas, the effectiveness of achievement of objectives, optimization of costs and involved resources);

9.5.9 developing methods of encouraging the business units to participate in combating corruption.

9.6. The regulatory environment of the “Anti-corruption management” function is determined by the regulation on anti-corruption management developed in the Company.

9.7. The approach to the organizational support for the implementation of the “Anti-corruption management” function as a key area involves the development of organizational measures for each of items listed in 9.5.1–9.5.9 (planning, reporting, monitoring, analysis, improvement etc.) related to the activities (actions) aimed to prevent, identify and handle conflicts of interest.

9.8. The “Anti-corruption management” function in the Company is implemented on a planned basis, as a complete closed management cycle starting with goal-setting, continuing with the organization of work to achieve the goals and monitor the work, ending with the assessment of results, summing up and developing directions and measures for its improvement for the next cycles.

9.9. An important element of the organizational support for the functioning of the conflict of interest institute is the Committee for corporate ethics and conflicts of interest which is a permanent collegial consultative body established to help the CEO — the Chairman of the Company’s Board implement the provisions of the Code and the Policy.

9.10. In addition to the matters of personal liability for the violation of the corporate ethics and/or handling conflicts of interest by (first of all) executives, the Committee deals with the matters of organizational, and organizational and methodological nature.

9.10. The scope of competence of the Committee includes consideration of the following matters at its meetings:

9.10.1 organizing activities in the Company, its structural units, branches as well as functional units of the Company’s management office (departments, functional services and teams) to make their employees familiar with the content of the Code and the Policy, to timely update their provisions, to make sure they understand the provisions of these documents, including regular training on their application as well as individual consultations and orientation of the employees, if necessary;

9.10.2 organizing the supervision of the employees’ compliance with corporate ethics, anti-corruption law and the requirements of the internal regulatory documents on combating corruption, including the implementation of anti-corruption procedures aimed to prevent and handle conflicts of interest;

9.10.3 preventing and handling conflict situations among the Company’s employees due to non-compliance with the Code by some employees (groups of employees) creating an unhealthy work environment;

9.10.4 preventing and stopping specific violations of the Code’s principles and requirements resulting in violations of human rights and discrimination of an employee (group of employees), harassment and/or mistreatment (bullying) as well as bringing to liability the persons who violated such principles and requirements (if an offense is committed with the described consequences);

9.10.5 addressing situations of a potential conflict of interest and handling a conflict of interest originated to a Company’s employee, including creating and organizing competent groups for the consideration and handling of conflicts of interest in structural units, branches of the Company as well as in the Company’s management office (directorates, functional services and departments);

9.10.6 creating and ensuring efficient functioning of a system of organizational measures for managing the process of combating corruption in the Company;

9.10.7 preparing comprehensive analytical reports on the condition of the Company’s system of measures designed to ensure high standards of corporate ethics, organize activities for preventing corruption by preventing and handling conflicts of interest, to develop suggestions for its improvement, as well as preparing analytical reports on specific aspects of the Company’s activities in these areas;

9.10.8 preparing reports on current challenges of the improvement of measures to ensure high standards of the corporate ethics and corruption prevention;

9.10.9 preparing annual reports on the Company’s performance.

10. Liability for noncompliance

10.1. The Company employees who fail to comply with the provisions of this Regulation will be subject to disciplinary action in accordance with the labor law and the Company’s internal regulatory documents.

11. Oversight of compliance with the provisions of the Regulation

The Chief Executive Officer — the Chairman of the Board of the Company supervises the observance of the provisions of this Regulation.

12. Final provisions

12.1. Those aspects of the organization of activities for preventing, identifying and handling conflicts of interest in the Company which are not covered by this Regulation are regulated by the Code, the Policy and the Regulation on anti-corruption management of PJSC ALROSA.

12.2. If some provisions of this Regulation come into collision with Russian law and/or the Articles of Association of the Company, they cease to be in force, and the respective provisions of Russian law and/or the Articles of Association of the Company will be applicable. The invalidity of some provisions of the Regulation does not result in the invalidity of other provisions hereof or the Regulation in general.

12.3. The Regulation is a public document. The Company publishes the Regulation and all amendments hereto for permanent access on its corporate website at: [www.alrosa.ru](http://www.alrosa.ru).

Annex 1

to the Regulation on Conflict of Interest of PJSC ALROSA

**MODEL DECLARATION**

**of a conflict of interest**

This Declaration includes three sections. The first section and the second section are filled in by an employee. The third section is completed by his/her direct manager. An employee must disclose information on each actual or potential conflict of interest. This information will be subject to comprehensive analysis by the manager according to the established procedure.

This document is strictly confidential (after its completion) and only intended for internal use in the Company. It is forbidden to disclose the contents of this document to any third parties; the latter may not use it for any purposes. The retention period of this document is one year. The destruction of this document is performed according to a procedure established in the organization.

***Declaration***

*Before completing this declaration, I have read and understood the Code of Corporate Ethics of PJSC ALROSA (hereinafter “the Code”), the Policy for Combating Corruption of PJSC ALROSA (hereinafter “the Policy”), the Regulation on Conflicts of Interest of PJSC ALROSA.*

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Full name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| **To:**  (specify full name and position of direct manager) |  |
| **From:**  (full name of the employee who completes the declaration) |  |
| **Position:** |  |
| **Date of completion:** |  |
| **The Declaration covers the period** | from .......... to …………………. |

Read carefully the questions below and answer “yes” or “no” to each of them. If you answer “yes”, it doesn’t necessarily mean that you have a conflict of interest, but indicates an issue for further discussion and consideration by the direct manager. Give explanations to all “yes” answers at the end of the first section of the form. When filling in the declaration, note that all questions are applicable not only to you, but also to your husband or wife (or a common-law partner), parents (including adoptive parents), children (including adopted children), brothers and sisters, and cousins.

**Section 1**

**External interests or assets**

1. Do you or any person acting in your interests directly or as a beneficiary own any stock (shares, interest) or any other financial interest:
   1. in the Company’s assets? \_\_\_\_\_
   2. In another company having business relationship with the Company (counterparty, contractor, consultant, customer etc.)? \_\_\_\_
   3. In a company or organization which can be interested in or looks for opportunities to build business relations with the Company or conducts negotiations with it? \_\_\_\_
   4. In the business of a competitor company or a competitor who is an individual (physical person)? \_\_\_\_
   5. In a company or organization acting as a party to a lawsuit or arbitration with the Company? \_\_\_\_\_\_
2. Are you or any person acting in your interests a member of management bodies (the Board of Directors, executive committee), an executive director, deputy director etc.), an employee, advisor, consultant, agent or proxy:
   1. In an organization having business relationship with the Company? \_\_\_\_
   2. In a company which looks for an opportunity to build business relationship with the Company or conducts negotiations with it? \_\_\_\_
   3. In a Company’s competitor company? \_\_\_\_
   4. In a company acting or planning to act as a party to a lawsuit or arbitration with the Company? \_\_\_\_\_\_\_
3. Do you currently take part in any other activities except the aforementioned which compete with the Company’s interests in any form, including but not limited to acquisition or disposal of any assets (property) or opportunities for business development or business projects? \_\_\_\_

**Private interests and private business**

1. Have you ever participated on behalf of the Company (as a decision-maker, person responsible for the fulfillment of a contract, acceptance of completed work, execution or approval of payment documents etc.) in any deal where you had a financial interest in the counterparty? \_\_\_\_\_
2. Have you ever received any cash or other material valuables which can be considered as illegally or unethically affecting the commercial operations between the Company and other business, e.g. a payment from a counterparty to facilitate the conclusion of a deal with the Company? \_\_\_\_
3. Have you ever made any payments or approved any payments from the Company which can be considered as illegally or unethically affecting a commercial deal between the Company and other business, e.g. a payment to a counterparty for services provided to the Company which exceeds the amount of compensation normally paid for the actual services provided to the Company in the existing market environment? \_\_\_\_
4. Have you ever violated the anti-corruption prohibitions and restrictions, responsibilities relating to your official position and established by the Company? \_\_\_\_\_
5. Have you ever violated the anti-corruption procedures established to minimize the level of corruption risks in a business process, area of activity, execution of functions associated with the position you hold? \_\_\_\_\_

**Relations with public officials**

1. Have you ever made any payments, suggested to make any payment, approved payment of cash or other material valuables, directly or through a third party, to a public official, applicant to a public position or a member of a political party to gain undue preference or affect actions performed or decisions made by a government body to keep business going or acquire new opportunities for the Company’s business? \_\_\_\_

**Insider information**

1. Have you ever disclosed to any third parties any information about the Company: (1) that can have a significant influence on the price of its securities on the stock market, should this information become known to the public; (2) to enable third parties to buy or sell the Company’s securities on stock markets for your own benefit or for the benefit of third parties? \_\_\_\_
2. Have you ever disclosed any confidential information (plans, programs, financial data, formulas, technologies etc.) owned by the Company provided to you for job duties or developed by you for the Company during the performance of your job duties in your own interests, including financial interests, to any person or company? \_\_\_\_
3. Have you ever disclosed any other information related to the Company which became known to you in connection with your work in your own interests, including financial interests, to any individual or legal entity (third party)? \_\_\_\_

**Resources of the organization**

1. Have you ever used the Company’s funds, time, equipment (including means of communication and Internet access) or information in such a way that could damage the Company’s reputation or contradicted to the Company’s interests? \_\_\_\_
2. Do you take part in any commercial and economic activities beyond your employment in the Company (e.g. part-time job) which contradict the Company’s requirements for your work time and results in the use of assets, resources and information owned by the Company for the benefit of a third party? \_\_\_\_

**Equal rights of employees**

1. Do you have any family members or close relatives who work in the Company, including under your direct supervision? \_\_\_\_
2. Do you have any family member or close relative who holds a position in the Company allowing him/her to influence the evaluation of your performance? \_\_\_\_
3. Have you ever helped your family members or close relatives to get a job in the Company; or have you ever evaluated their performance, promoted them to a higher position, assessed their performance and determined the level of their salary, or relieved them from disciplinary action? \_\_\_\_\_

**Business gifts, business hospitality and representational expenses**

18. Have you ever violated the requirements of item 3.2.1 of the “Business gifts, business hospitality and representational expenses” Policy? \_\_\_\_\_\_

**Other matters**

19. Do you know about any other circumstances not mentioned above, including violations of the provisions of the Code and Policy by you, which cause or can cause a conflict of interest or can make your coworkers and managers believe that you make decisions under the influence of a conflict of interest? \_\_\_\_\_\_

If you answered “Yes” to any of the above questions, please explain your answer below in detail to ensure a comprehensive consideration and evaluation of the circumstances.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Declaration***

*I hereby confirm that I have read and understood all above questions, that my answers and any explanatory information are full, true and correct.*

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Full name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Section 2**

*I have checked the accuracy and completeness of the information provided in the declaration:*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(position full name, signature)

Other participants (if necessary):

Representative of the Company’s executive

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(full name, signature)

Representative of the Internal Audit Department

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(full name, signature)

Representative of the Security Service

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(full name, signature)

Representative of the Legal Service

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (full name, signature)

Representative of the HR Service

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(full name, signature)

**Decision on the declaration by the direct manager**   
(shall be confirmed by signature)

|  |  |
| --- | --- |
| No conflicts of interest found |  |
| I do not consider a situation which, in the opinion of the declaring employee, creates or can create a conflict with the Company’s interests as a conflict of interest. |  |
| I have restricted the employee’s access to the Company’s information which can be relevant to the private interests of the employee  [specify particular information] |  |
| I have suspended (permanently or temporarily) the employee from the participation in discussions and the process of making decisions on the matters which are or can be under the influence of a conflict of interest  [specify particular matters] |  |
| I have adjusted the circle of duties and functions of the employee  [specify particular duties] |  |
| I have temporarily suspended the employee from a position which results in a conflict of interest between his/her job duties and private interests |  |
| I have transferred the employee to a position involving job duties which are not associated with a conflict of interest |  |
| I have requested a higher-ranked manager to dismiss the employee on the initiative of the Company for misconduct according to the current legislation |  |
| I have forwarded the declaration to a higher-ranked manager for examination and definition of the best way of handling a conflict of interest because ……………… |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(position, full name, signature)

Annex 2

to the Regulation on Conflicts of Interest

of PJSC ALROSA

|  |  |
| --- | --- |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (confirmation of acknowledgement by head of unit)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (confirmation of acknowledgement by direct manager, supervising deputy)  Registered:  No. \_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | To the head of business unit[[12]](#footnote-12)  PJSC ALROSA  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  from\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (full name)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (position) |

**NOTIFICATION**

of a private interest that originated during the performance of job duties and results or can result in a conflict of interests

I hereby inform that I have encountered a private interest during the performance of my job duties which results or can result in a conflict of interests (underline as necessary).

The circumstances of private interest origination: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The job duties that are affected or can be affected by the private interest:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I suggest the following measures for preventing or handling the conflict of interest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please, consider the notification without my personal participation (with my personal participation) \_\_\_\_\_\_\_\_ (underline as necessary)

\_\_\_\_\_\_\_ 20\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
|  | (signature of a person who is sending the notification) | (name of the signatory) |

1. This Regulation defines the key concepts for its subject matter. The definitions of other concepts used in the field of combating corruption are the same as in the Code and the Policy. [↑](#footnote-ref-1)
2. Art. 5 of the Criminal Procedure Code of Russia. [↑](#footnote-ref-2)
3. The term “conflict of interest” in the Regulation involves the concept of a conflict of interest related to the corruption prevention with the meaning and wording according to Article 10 of the Federal law “On combating corruption”. [↑](#footnote-ref-3)
4. Art. 129 of the Labor Code of Russia. [↑](#footnote-ref-4)
5. Labor psychology is a discipline of psychology that studies psychological aspects of the human work activity, patterns of the development of work skills. The subject of psychology is psychological components that encourage, guide and govern the work activity of a subject and materialize it in executing actions, as well as in personal properties thereby this activity is implemented. [↑](#footnote-ref-5)
6. Conflict (from Latin “conflictus”, i.e. “collision”):

   1) is defined in psychology as lack of agreement between two or more parties;

   2) is a situation where two parties have opposite views, making mutually exclusive demands on each other. [↑](#footnote-ref-6)
7. Fight of motives is a collision of differently directed motivation tendencies, a kind of intrapersonal conflict. [↑](#footnote-ref-7)
8. \* This measure of resolving a conflict of interest also prevents such conflicts [↑](#footnote-ref-8)
9. [↑](#footnote-ref-9)
10. For example, procurement activities are highly specific. [↑](#footnote-ref-10)
11. The institute of law is a relatively small consistent group of legal provisions that govern a certain field of social relations (in this case, they regulate the relations with regard to preventing, identifying and handling conflicts of interest of the Company’s employees). [↑](#footnote-ref-11)
12. Structural unit, branch, management office unit of [↑](#footnote-ref-12)