

ACRA

Policy on personal holding and trade of securities by ACRA employees

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General provisions

This policy on personal holding and trade of securities by ACRA employees (hereinafter – Policy) was developed in order to establish limitations and requirements to ACRA employees and their Family Members in respect of securities holding and trade.

Limitations and restrictions provided by this Policy do not apply to pension contributions to non-state pension funds, investment units of unit investment funds, bank deposits and possession of other property, which does not provide a possibility of influencing the activities of these individuals and does not lead to a Conflict of Interests connected with Confidential Information and / or other Non-public Material Information at disposal of ACRA employees.

The present Policy was developed in accordance with requirements of clauses 2,3 of Article 10 of the Federal Law No. 222-FZ, dated July 13, 2015, "On Activity of Credit Rating Agencies in the Russian Federation, on Amending Article 76.1 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Recognizing Null and Void Certain Provisions of Legislative Acts of the Russian Federation".

The present Policy shall be posted on the ACRA website www.acra-ratings.com following its approval by the Board of Directors.

List of terms and definitions

ACRA — Analytical Credit Rating Agency (Joint-Stock Company).

Account — a brokerage account, controlled (directly or via a power of attorney) by an ACRA employee, his/her Family Member, or a legal entity under his/her control, which enables to perform trading transactions in order to get profit from purchase and sale of Securities.

Analytical Unit — a set of Analytical Groups.

Analytical Group — an ACRA business unit performing such functions as analysis of creditworthiness of certain types of Rated Entities in accordance with the adopted Methodology as well as preparation and implementation of Rating Actions.

Compliance and Internal Control Service — ACRA unit performing the functions of an internal control body.

Confidential Information — any information that is not generally available, including: (1) non-public information submitted by counterparties for Rating Actions in accordance with the signed agreements; (2) Material Non-public Information, obtained from any source; (3) details and plans for specific Rating Actions; (4) unpublished press releases regarding rating actions, unpublished reports on research and forecasts; (5) non-public information related to the work process of the Rating Committee; (6) details of agreements with counterparties for rating and other services; (7) internal non-public financial information; (8) a development strategy, description of internal business processes and other know-how; (9) insider information according to the list specified by

the regulation of the Bank of Russia; (10) personal data of ACRA employees and employees of corporate counterparties.

Conflict of Interests — a contradiction between ACRA’s proprietary and other interests and (or) those of its employees, and (or) Rated Entities/issuers, which may entail negative consequences for independence and/or objectivity of ACRA and (or) its employees.

Family Members — children and spouses.

Methodology (Rating Methodology) — one of ACRA internal documents defining the principles and forms of analyzing quantitative and qualitative factors and applying models and key rating assumptions, which serve the basis for decisions on a Rating Action.

Non-Public Information — information is considered non-public until it is spread in any way and by any means, providing access for the general public to this information.

Rating Analyst — an employee of the ACRA Analytical Unit performing analytical functions required for Rating Actions.

Rated Entity — a legal or a public-law entity whose ability to meet its assumed financial obligations (creditworthiness, financial accountability and financial sustainability) is explicitly or implicitly evaluated in an ACRA Credit Rating as a result of performed Rating Actions in relation to this entity.

Managed Account — an account, in the framework of which trade operations and decisions are made by a third party under the official consultative agreement; an owner of such account does not retain a right to manage investment or trade activity at his own discretion.

Material Information — any information that can affect the value of public Securities, as well as information, which is material for investors when making their investment decisions concerning operations with Securities. The examples of Material Information for various companies are listed below:

- Information concerning planned assignment, modification, suspension of a Credit Rating or other Rating Action with respect to an issuer of Securities or Securities accepted for an on-exchange trading or in respect of which an application for an on-exchange trading was submitted;
- Unpublished financial statements (audited/unaudited);
- Mergers and acquisitions, restructuring or asset sale/acquisition;
- Appearance or exit of a major supplier/customer/counterparty, significant changes in contract liabilities;
- Increase or decrease of dividends, split-up of shares/additional share issue;
- Changes of management structure/top-management positions;
- Potential legal proceedings.

Security — any traded financial instrument representing a traded asset. Within this Policy the term “Security” means, including but not limited to: shares, bonds, promissory notes as well as derivative financial instruments (including futures, options, swaps, etc.).

3. Prohibitions and limitations on operations with Securities

3.1. Limitations in respect of all ACRA employees, their Family Members and legal entities (including trust) under their control

3.1.1. Insider trading

It is prohibited to invest in Securities or perform transactions with Securities, if an employee has Non-Public Material Information regarding the issuers of these Securities or Securities themselves. The prohibition remains in force regardless of the fact whether an issuer has an ACRA Credit Rating or not and irrespective of Rating Actions performed with regard to particular Securities or their issuers.

ACRA considers information on future Rating Actions as one of the types of Non-Public Material Information available to ACRA employees. The ban on transactions with Securities in respect of which ACRA performed Rating Actions shall expire after 3 business days after the information ceases to be Non-Public.

3.1.2. Trade upon recommendation («Tipping»)

It is prohibited to give advice to third parties regarding any operations with Securities in respect of which (or issuers of which) Non-Public Material Information is available. It is forbidden to discuss the above information with third parties or distribute this information by any means in violation to the ACRA procedures of information disclosure or of transferring this information to third parties.

3.1.3. Investment in Securities of competitors

It is prohibited to invest in Securities or carry out operations with Securities issued by organizations performing Rating Activity or activity with signs of a rating activity.

3.1.4. Short-term trade, «short selling» and derivative financial instruments¹

A purchased Security may not be sold earlier than 30 days after its acquisition, with the exception of the situation when its price at the time of sale is lower than the purchase price. In order to determine the time for purchase and sale of Securities in the framework of the above rule, the principle Last In, First Out (“LIFO”) shall be used. A sold Security cannot be purchased again within the period of 30 days.

It is not allowed to use “short selling” strategies to make a profit as a result of Security’s price lowering.

¹ This ban does not apply to employees listed in p.4.1.

It is prohibited to invest in derivative financial instruments whose underlying assets are Securities of Rated Entities.

3.2. Limitations in respect of employees of the ACRA Analytical Unit, their Family Members and legal entities (including trust) under their control

3.2.1. It is prohibited to invest in Securities or perform transactions with Securities issued by entities within specialization of an Analytical Group of a Rating Analyst. The prohibition remains in force regardless of the fact whether this issuer or Security is an object of Rating Actions (or participates in Security placement) at the moment of transaction performance or not and irrespective of the fact whether an issuer (or a Security) has an ACRA Credit Rating.

3.2.2. Should questions concerning a ban with regard to a certain Security arise, Rating Analysts shall address the Compliance and Internal Control Service.

3.3. Limitations on participation in the process of a Credit Rating assignment

3.3.1. An ACRA employee cannot directly or indirectly participate in the process of assigning or forecasting a Credit Rating or affect this process in any way, if this employee, his/her Family Member or a legal entity controlled by this employee or his/her Family Member (including trust):

- a) holds Securities or performs operations with Securities of a Rated Entity or individuals controlling or materially influencing them²;
- b) holds Securities or performs operations with Securities issued by any legal entity affiliated with a Rated Entity, which leads or can lead to a Conflict of Interests unacceptable for ACRA;
- c) holds Securities or performs operations with Securities issued by a lead underwriter, originator, organizer or SPV, which leads or can lead to a Conflict of Interests unacceptable for ACRA;
- d) has or had any other relations with a Rated Entity or any other legal entity affiliated with it, which leads or can lead to a Conflict of Interests unacceptable for ACRA.

3.3.2. The prohibition specified in p.3.3.1 applies to the composition of the Rating Committee, which made a decision on a Rating Action (including the composition of non-voting members), as well as to other employees of ACRA, who may be involved in the rating assessment.

3.4. Limitations on participation in the process of Methodology development

An ACRA employee may not participate in or in any way affect the process of developing a Methodology that will be applied to an issuer/Security issued by an issuer, if he/she holds Securities of this issuer.

² Terms "control" and "material influence" are defined in accordance with the International Financial Reporting Standards, recognized in the Russian Federation.

4. Disclosure of Accounts, Securities and performed operations by employees

4.1. The following categories of employees are released from information disclosure provided that they do not have an access to the Confidential Information or to the Non-Public Material Information: 1) HR managers; 2) Secretaries working at the reception desk; 3) cleaning specialists, hired workers, drivers and couriers.

4.2. Disclosure of information by new employees

All newly hired ACRA employees with an access to the Confidential Information as well as to the Non-Public Material Information (with the exception of those listed in p. 4.1), shall disclose information concerning Securities and Accounts (including Managed Accounts and non-active Accounts) in their possession, possession of their Family Members and legal entities under their control within 7 calendar days after conclusion of an employment agreement via e-mail to Compliance and Internal Control Service.

4.3. Disclosure of Accounts and operations with Securities of ACRA employees, their Family Members and legal entities under their control

All ACRA employees with an access to the Confidential Information as well as to the Non-Public Material Information (with the exception of those listed in p.4.1.) are obliged to:

- disclose all information about opening new Accounts (including Managed Accounts and non-active Accounts) and operations with Securities within 7 calendar days from their opening (or performance of respective operations) via e-mail to Compliance and Internal Control Service;
- disclose current information about Accounts (including Managed Accounts and non-active Accounts) and existing Security portfolio on a quarterly basis via e-mail to Compliance and Internal Control Service;
- disclose information in case of changes of their Security portfolio not resulting from operations with Securities (for example, receiving Securities as a present, inheriting Securities, etc.) within 7 calendar days from the moment when such changes occurred via e-mail to Compliance and Internal Control Service.

4.4. Disclosure of information upon request

All ACRA employees with an access to the Confidential Information as well as to the Non-Public Material Information (with the exception of those listed in p.4.1.) are obliged to disclose information about Securities and Accounts (including Managed Accounts and non-active Accounts) in their possession and in possession of their Family Members and legal entities under their control upon the request of the Compliance Director or the Board of Directors within 7 calendar days from the date of receipt of such request.

4.5. Order of disclosing information about operations with Securities

4.5.1. When disclosing information, ACRA employees (except for the CEO and the Head of Compliance and Internal Control Service) shall send the relevant information to Compliance and Internal Control Service via e-mail.

4.5.2. The Head of Compliance and Internal Control Service shall disclose the relevant information to the CEO via e-mail.

4.5.3. The CEO shall disclose the relevant information to the ACRA Board of Directors via e-mail.

5. Mandatory Sale of Securities

5.1. Rating Analysts, their Family Members as well as legal entities under their control are obliged to get rid of (to sell) Securities in their possession which violate this Policy as soon as possible but not later than the following timelines:

- For newly hired employees/employees transferred from other departments (including other Analytical Groups): 30 calendar days;
- In case of getting Securities as a present, inheriting Securities, etc.: 60 calendar days.

5.2. In case of violation of requirements of this Policy, Securities, which caused this violation (with the exception of cases listed in p.5.1.), must be immediately sold by the ACRA employee.

6. Final provisions

ACRA shall undertake all required measures to prevent violation of requirements of this Policy by ACRA employees.

When receiving data that an ACRA employee has committed (is committing) illegal, unethical actions or those that violate this Policy or when there are reasonable suspicions that such actions have been committed, every ACRA employee must report such information to Compliance and Internal Control Service. ACRA considers any failure to provide information about another ACRA employee committing illegal, unethical actions or actions that violate this Policy or ACRA internal documents as complicity in such an action.

Violation of this Policy and the legislation of the Russian Federation on insider trading can result in administrative or criminal penalties and other civil penalties. Failure to comply with requirements of this Policy can result in disciplinary action against an employee, up to and including termination of employment.

Any deviations from this Policy should be documented in writing and agreed upon by Compliance and Internal Control Service and the Board of Directors pursuant to the procedure established by ACRA internal documents. Any deviations from this Policy resulting in a breach of requirements contained in government regulations of the Russian Federation and requirements of the Bank of Russia are not permitted.

This Policy shall come into force after 7 business days from the moment of its approval by the ACRA Board of Directors and be valid until approval of an updated or substituting document.

(C) 2019
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The Analytical Credit Rating Agency (ACRA) was founded in 2015, with its 27 shareholders representing major Russian corporate and financial institutions and its authorized capital exceeding RUB 3 bn. ACRA's main objective is to provide the Russian financial market with high-quality rating products. Methodologies and internal documents of ACRA are developed in compliance with the Russian legislation and with regard to global rating industry best practices.

The provided information, including, without limitation, credit and non-credit ratings, rating assessment factors, detailed credit analysis results, methodologies, models, forecasts, analytical reviews and materials, as well as other information placed on the ACRA website (further referred to as Information), coupled with the ACRA website software and other applications, are intended for information purposes only. Information must not be modified, reproduced or distributed by any means, in any way or form, either in whole, or in part, in marketing materials, as part of public relations events, in news bulletins, in commercial materials or reports without a prior written consent from, and reference to, ACRA. Any use of Information in violation of these requirements or the law is prohibited.

ACRA credit ratings reflect ACRA's opinion about the ability of a rated entity to meet its financial obligations or about the credit risk of individual financial obligations and instruments of a rated entity at the time of publication of the relevant Information.

Non-credit ratings reflect ACRA's opinion about certain non-credit risks assumed by interested parties interacting with a rated entity.

The assigned credit and non-credit ratings reflect all material information pertaining to a rated entity and known by ACRA (including the information received from third parties), the quality and reliability of which ACRA considers appropriate. ACRA shall not be responsible for the accuracy of information provided by clients or relevant third parties. ACRA does not audit or otherwise verify the provided data and shall not be held responsible for their accuracy and completeness. ACRA conducts rating analysis of information provided by customers using its own methodologies, with the texts thereof available on ACRA's website – www.acra-ratings.com/criteria.

No credit rating and/or credit rating outlook is regulated by the Central Bank of the Russian Federation, unless distributed so that such credit rating and/or credit rating outlook is in the public domain.

The only source that reflects the latest Information, including the one about credit and non-credit ratings assigned by ACRA, is ACRA's official website – www.acra-ratings.com. Information is provided on an "as is" basis.

Information shall be considered by users exclusively as ACRA's statement of opinion and must not be regarded as advice, recommendation or suggestion to buy, hold or sell securities or other financial instruments of any kind, nor shall it be viewed as an offer or advertisement.

Neither ACRA, nor its employees and persons affiliated with ACRA (further referred to as the ACRA Parties) provide any direct or implied guarantee expressed in any form or by any means regarding the accuracy, timeliness, completeness or applicability of Information for making investment and other decisions. ACRA does not act as a fiduciary, auditor, investment or financial advisor. Information must be regarded solely as one of the factors affecting an investment decision or any other business decision made by any person who uses ACRA's information. It is essential that each of such persons conduct their own research and evaluation of a financial market participant, as well as an issuer and its debt obligations that may be regarded as an object of purchase, sale or possession. Users of Information shall make decisions on their own, involving their own independent advisors, if they deem it necessary.

ACRA Parties shall not be responsible for any action taken by users based on Information provided by ACRA. ACRA Parties shall under no circumstances be responsible for any direct, indirect or consequential damages or losses resulting from interpretations, conclusions, recommendations and other actions taken by third parties and directly or indirectly connected with such information.

Information provided by ACRA is valid only as of the date of preparation and publication of materials and may be amended by ACRA in the future. ACRA shall not be obliged to update, modify or supplement Information or inform anyone about such actions, unless the latter was recorded separately in a written agreement or is required by the legislation of the Russian Federation.

ACRA does not provide advisory services. ACRA may provide additional services, if this does not create a conflict of interest with rating activities.

ACRA and its employees take all reasonable measures to protect all confidential and/or material non-public information in their possession from fraud, theft, unlawful use or inadvertent disclosure. ACRA provides protection of confidential information obtained in the course of its business activities as required by the legislation of the Russian Federation.