|  |  |  |  |
| --- | --- | --- | --- |
| ANTI-CORRUPTION POLICY REGULATIONS  JSC "EPM-MANAGEMENT" | | | |
| Company: | JSC "EPM-MANAGEMENT" | Area: | Law enforcement activities |
| Directorate: | Asset Protection and Security | Director: | A.B. Myaukin |
| Department: |  | Manager: |  |
| Adoption date or last review date: | September 2020 | | |

ACCEPTED TERMS AND DEFINITIONS

|  |  |
| --- | --- |
| Company | JOINT-STOCK COMPANY "EPM-MANAGEMENT" |
| Managed Companies | Joint-Stock Company "EPM -Novocherkassk Electrode Plant" Joint-Stock Company "EPM - Chelyabinsk Electrode Plant", Joint-Stock Company "EPM - Novosibirsk Electrode Plant", Limited Liability Company Doncarb Graphite, and other companies within the Company's management framework. |
| Company management | CEO, Area Directors, Managing Directors of Plants. |
| Employees | Individuals who have entered into an employment relationship with the Company or a Managed Company. |
| Counterparty | Person identified as such in accordance with the applicable Regulations for contract work. |
| Corruption | Abuse by an employee of the Company or a Managed Company of his/her official position, giving a bribe, mediation in bribery, abuse of authority, commercial bribery or other illegal use by an employee of his/her official position contrary to the legitimate interests of the Company/Managed Company and the state in order to obtain benefits for himself/herself or a third party in the form of money, valuables, other property or property-related services, other property rights, or illegal provision of such benefits to the specified person by other individuals, and the commission of these acts on behalf or in the interests of the Company/Managed Company. |
| Conflict of Interest | A situation when the personal interest (direct or indirect) of an employee of the Company or a Managed Company influences or may influence the proper, objective and impartial performance of his/her official (labor) duties and/or when between the personal interest of an employee and the legitimate interests of the Company/Managed Company, a contradiction arises or may arise that could lead to harm to the business reputation of the Company or a Managed Company it represents. |
| Personal Interest of an Employee | Interest of an employee of the Company or a Managed Company associated with the possibility of receiving by an employee and/or his/her relatives (parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, children of spouses and spouses of children), individuals or organizations with whom an employee and/or his/her relatives are connected by property, corporate or other close relationships of income in the form of money, valuables, other property or property-related services, other property rights, results of work performed, or any benefits (advantages) when performing official (labor) duties. |

|  |  |
| --- | --- |
| Corrupt Practices | Illegal practices of employees of the Company or a Managed Company which result or can result in Corruption. |
| Corruption Offenses | Corrupt Practices of employees of the Company and/or a Managed Company for which criminal, administrative, or disciplinary liability is established. |
| Corruption Risks | The possibility of committing a corruption offense by an employee of the Company or a Managed Company, as well as by other persons on behalf or in the interests of the Company or a Managed Company. |
| Security Service | The Security Service of the Company and a Managed Company. |
| List of Civil and Municipal Service Positions | Positions of the federal civil service included in Sections I and II of the List of Federal Civil Service Positions, upon appointment to which individuals or upon replacement for which federal civil servants must provide information about their income, property, and property-related obligations, as well as information about the income, property, and property-related obligations of his/her spouse and minor children, approved by Decree of the President of the Russian Federation No. 557 dated May 18, 2009, as well as other positions of the federal civil service determined by the federal public authority in accordance with Section III of the above List or positions determined by government authorities of the constituent entities of the Russian Federation. |
| Corporate Network | The totality of local electronic networks of the Company and Managed Companies. |

1. **GENERAL PROVISIONS**
   1. These Anti-Corruption Policy Regulations have been developed in accordance with the Constitution of the Russian Federation, Article 13.3. of Federal Law No. 273-FZ of December 25, 2008 “On Combating Corruption” and is a local regulatory act of the Company and Managed Companies.
   2. All employees of the Company and Managed Companies, regardless of their positions and functions, are subject to these Anti-Corruption Policy Regulations.
   3. The Anti-Corruption Policy is a set of interrelated principles, procedures and specific measures aimed at preventing Corruption, as well as preventing and suppressing Corrupt Practices and/or Corruption Offenses by employees of the Company and Managed Companies.
   4. The Anti-Corruption Policy reflects adherence of the Company and Managed Companies to the government's policy aimed at improving the operation of the state apparatus, including in relations with business entities (and relations of business entities among themselves) based on the principles of transparency, predictability, and mutual trust.
   5. Upon hiring by the Company and Managed Companies, the hired individuals should familiarize themselves with these Regulations against signature in the manner determined by the relevant Human Resources Department.
2. **GOALS AND OBJECTIVES OF THE ANTI-CORRUPTION POLICY AND RESULTS OF ITS IMPLEMENTATION**

The purpose of the Anti-Corruption Policy is to develop and implement a system of measures aimed at countering Corruption and ensuring that employees of the Company and Managed Companies do not engage in Corrupt Practices and/or Corruption Offenses.

The objectives of the Company's Anti-Corruption Policy are as follows:

* Defining the list of Corrupt Practices and Corruption Offenses;
* Informing employees of the Company and Managed Companies on the regulatory framework for the prevention of Corruption and liability for committing Corruption Offenses;
* Determination of the basic principles of work to prevent Corruption in the Company and Managed Companies;
* Methodological support for the development and implementation of measures aimed at preventing and combating Corruption in the Company and Managed Companies;
* Ensuring liability of employees of the Company and Managed Companies for non-compliance with the requirements of the Anti-Corruption Policy.

As a result of implementation of the Anti-Corruption Policy, the following shall be ensured:

* Elimination of the risks of the Company, Managed Companies, and/or their employees engaging in Corrupt Practices and/or Corruption Offenses;
* Developing the corporate anti-corruption mentality of employees of the Company and Managed Companies, as well as uniform understanding of the position on rejection of Corruption in all forms and manifestations;
* Establishing the obligation of employees of the Company and Managed Companies to know and comply with the standards of the applicable anti-corruption laws and the requirements of these Anti-Corruption Policy Regulations.

1. **KEY PRINCIPLES OF IMPLEMENTING THE ANTI-CORRUPTION POLICY**
   1. **Key principles of preventing Corrupt Practices.**
2. The principle of compliance of the Company's Anti-Corruption Policy with the applicable laws and generally accepted legal norms, which is that any activities implemented by the Company and/or Managed Companies must comply with the Constitution of the Russian Federation, anti-corruption laws, international treaties concluded by the Russian Federation and other regulatory legal acts applicable to the Company and Managed Companies.
3. The principle of prohibition of Corrupt Practices is that employees of the Company and Managed Companies shall not engage in Corrupt Practices.
4. The principle of the personal example of the Company's Management is that the Management should cultivate intolerance to Corruption among the employees reporting to them, including through conferences and meetings on methods with them in order to identify which actions taken (or being prepared) by employees are Corrupt Practices and which risks are related to their commission, as well as to correct employees behavior in order to prevent Corrupt Practices.
5. The principle of employee awareness is that the Company's Management or the persons designated by them should periodically, as requited, send via the Corporate Network to all employees of the Company and/or Managed Companies electronic messages containing information about the laws and regulations adopted and about amendments and addenda thereto, including:

* to identify and eliminate the reasons for Corruption;
* to prevent, stop, disclose, and investigate the Corruption Offenses;
* to minimize and/or eliminate the Corruption Risks.

1. The principle of employee involvement is that the Company's Management should periodically, as needed, organize and hold company-wide meetings with all employees of the Company and/or Managed Companies to discuss the standards of conduct of employees of the Company and Managed Companies in relations with persons with whom the employees enter into business relations.
2. **Key principles in establishment of the list of disclosed information provided by the employee upon hiring by the Company or a Managed Company and during employment.**
3. The principle of completeness of information disclosed about a possible Conflict of Interest, which consists in the fact that when employed by the Company or a Managed Company, the individuals being employed should provide the maximum amount of reliable information:

* About holding shares in business entities and about participating in business partnerships;
* About appointment to the position of sole executive body (director, CEO, CEO of the managing company) and collective executive body (directorate, management board) of the Counterparty and about election to its board of directors;
* About the legal entities with whose employees the hired individuals have family, friendly, amicable, and other personal relations;
* About the individual entrepreneurs with whom the hired individuals have family, friendly, amicable, and other personal relations.

The procedure for disclosing the information provided for by this Sub-clause is set forth in Clause 6.1. of these Anti-Corruption Policy Regulations.

1. The principle of disclosure of information about a real Conflict of Interest is that, when selecting the Counterparty or interacting with it, the employees of the Company and Managed Companies  participating in its selection or interacting with the Counterparty must immediately disclose information:

* About holding shares in the Counterparty and about participation in it if the Counterparty is a business partnership;
* About appointment to the position of sole executive body (director, CEO, CEO of the managing company) and collective executive body (directorate, management board) of the Counterparty and about election to its board of directors;
* About the Counterparty's employees with whom they have family, friendly, amicable, and other personal relations;
* About family, friendly, amicable, and other personal relations with the Counterparty if the Counterparty is an individual entrepreneur or does not have this status (is a citizen).

The procedure for disclosing the information provided for by this Sub-clause is set forth in Clause 6.2. of these Anti-Corruption Policy Regulations.

1. The principle of disclosing information about the civil and municipal service is that, upon hiring by the Company or a Managed Company, individuals who were in the civil and municipal service must report the date of their dismissal from the service.

The procedure for disclosing the information provided for by this Sub-clause is set forth in Clause 6.3. hereof.

* 1. **Key principles during introduction of standards of conduct of employees of the Company and Managed Companies in relations with persons with whom the employees enter into business relations.**
     1. The principle of openness is that if employees of the Company and Managed Companies are encouraged to engage in Corrupt Practices, the employees must inform the persons with whom they enter into business relations about the anti-corruption norms and rules established in the Company, provided for in these Anti-Corruption Policy Regulations.
     2. The principle of adequacy of anti-corruption procedures for the risk of Corruption is that a set of measures to reduce the possibility of involvement of employees of the Company and Managed Companies in Corrupt Practices is prepared and carried out taking into account the Corruption Risks existing in the Company and Managed Companies.
     3. The principle of effectiveness of the standards of conduct in that standards of conduct are introduced for employees of the Company and Managed Companies which are low-cost, but provide simple implementation and effective results.
     4. The principle of responsibility and inevitability of punishment, which consists in the possibility of bringing to administrative liability if the Corrupt Practices of employees of the Company and Managed Companies or their failure to comply with the requirements of these Anti-Corruption Policy Regulations have resulted in damage to the Company and/or Managed Companies, including damage to their business reputation, or have become the grounds for bringing to responsibility for committing Corruption Offenses.

1. **LIST OF CORRUPT PRACTICES AND THEIR PREVENTION**
   1. **Possible Corrupt Practices of employees of the Company and Managed Companies which constitute Corruption Offenses and entail criminal liability of employees who have committed them.**
      1. Bribery in the form of money, securities, other property, or illegal property-related services (e.g. provision of free package tours, apartment repairs, construction of cottages, etc.), as well as provision of other property-related rights (in particular, transfer by gift of someone else's debts with the possibility to reclaim) by an employee personally, or at his/her order or request, by other employees or other parties to a person holding a position in state and municipal bodies (institutions, corporations), including foreign ones (including international organizations), who has dispositive powers to take any actions or to assist in taking any actions (to abstain from taking actions) for the benefit of the employees of the Company and/or Managed Companies or to condone (e.g. giving a bribe to ensure that an official of the state control body would not react to detected violations during the audit: would not issue instructions, would not draw up reports on administrative offenses, etc.) (Article 291 of the Criminal Code of the Russian Federation).
      2. Bribery facilitation, i.e. personal delivery of a bribe from other employees or other persons to the persons specified in Clause 4.1.1. (Article 291.1 of the Criminal Code of the Russian Federation).
      3. Abuse of office by the Company's CEO, by a member of the Company's Board of Directors, or by other employees of the Company or Managed Companies with dispositive rights against the Company's and/or a Managed Company's legal interests in order to derive benefits and advantages for himself/herself or other persons or to inflict damage on other persons if such actions result in material damage to the rights and legal interests of the Company and/or Managed Companies, their Counterparties, and other persons with whom employees engage in business relations (e.g. instructing to sell defective goods at the price of quality goods, including in order to complete the procurement plan and receive a bonus, promotion, etc.) (Article 201 of the Criminal Code of the Russian Federation).
      4. Commercial bribery that means the transfer by an employee of the Company or a Managed Company to employees of other entities with whom he/she enters into business relations, as well as transfer by such employees to an employee of the Company or a Managed Company and his/her receipt of money, securities, other property, rendering of property-related services, granting of other property-related rights in order to enable them to use their powers to interfere in the activities of such entities or the Company and/or a Managed Company and to perform any actions in the interests of the giving person or another person on whose behalf he/she acts (e.g. the Counterparty's employee receives money from the Company's employee for using his/her powers to interfere with the Counterparty's activities and to lobby for the purchase of goods from the Company beyond the stipulated procurement procedures; the Company's employee receives money from the Counterparty's employee for using his/her powers to interfere in the Company's activities and lobby for the purchase of goods from the Company beyond the stipulated procurement procedures) (Article 204 of the Criminal Code of the Russian Federation).
      5. Provocation of a bribe or commercial bribery, i.e. an attempt to give a bribe or to commit commercial bribery without the consent of the persons to whom the bribe or an item of commercial bribery is given in order to artificially create evidence of a bribe or blackmail (e.g. providing gifts to a Third-Party employed by the Counterparty for no particular reason and then informing it that the gift is given for the latter to use its powers to interfere with the Counterparty's activities and to lobby for the Counterparty's purchase of goods from the Company beyond the procedures provided for their purchase) (Article 304 of the Criminal Code of the Russian Federation).
   2. **Possible Corrupt Practices which are Corruption Offenses and which result in bringing the Company or a Managed Company to administrative liability.**
      1. Giving a bribe or commercial bribery on behalf of or in the interests of the Company or a Managed Company (irrespective of whether it was committed by an employee of the Company or a Managed Company or by another person entitled or not to act on behalf of the Company or a Managed Company, but actually acting as such if the Company or the Managed Company is aware of it, but does not prevent it) (Article 19.28 of the Administrative Offenses Code of the Russian Federation).
      2. Employment by the Company or a Managed Company under an employment contract or involvement thereby in the performance of work or provision of services under a civil law contract of a state or municipal employee filling a position included in the list established by laws and regulations, or of a former state or municipal employee who replaced such a position, in violation of the requirements stipulated by Federal Law No. 273-FZ of December 25, 2008 “On Combating Corruption” (Article 19.29 of the Administrative Offenses Code of the Russian Federation).

Note: An employer, when concluding an employment or civil law contract for the performance of work (provision of services) with a citizen who held positions of the state or municipal service, the list of which is established by the laws and regulations of the Russian Federation, within two years after his/her dismissal from the state or municipal service, is obliged to inform the representative of the employer of the state or municipal employee at the last place of his/her service of the conclusion of such a contract within ten days and in the manner prescribed by the laws and regulations of the Russian Federation. (Part 4 of Article 12 of Federal Law No. 273-FZ of December 25, 2008 “On Combating Corruption”).

* 1. **Possible Corrupt Practices of employees of the Company or Managed Companies, which result in bringing employees to disciplinary liability pursuant to the Labor Code of the Russian Federation.**
     1. Engagement by an employee of the Company or a Managed Company of a Counterparty without the consent of the Company's CEO shall be a Corrupt Practice resulting in disciplinary liability if the employee:
* Holds shares in the Counterparty and participates in it if the Counterparty is a business partnership, or
* Acts as the sole executive body (director, CEO, CEO of the managing company) or collective executive body (directorate, management board) of the Counterparty or is elected to its board of directors, or
* Has family, friendly, amicable, and other personal relations with the employees of the above Counterparty, and
* Is in family, friendly, amicable, and other personal relations with the Counterparty if the Counterparty is an individual entrepreneur or does not have this status (is an individual).
  1. **Committing Corruption Offenses abroad.**

Employees of the Company and Managed Companies who are citizens of the Russian Federation, who have committed Corruption Offenses abroad specified in Sub-clauses 4.1.1.—4.1.5. of these Anti-Corruption Policy Regulations may be held criminally liable in accordance with the legislation of the host country or in accordance with the Criminal Code of the Russian Federation, if there is no decision of a foreign court on the offense committed.

* 1. **Prevention of Corrupt Practices by the Company's Management.**
     1. In preventing Corrupt Practices, the Company's CEO shall:
* Organize the process for acceptance and consideration of information on inducing employees of the Company and Managed Companies to engage in Corrupt Practices, as well as on the facts of inducement to Corrupt Practices of other employees of the Company and Managed Companies and/or Counterparties of the Company/Managed Companies or other persons, and/or information on such practices;
* Take measures to protect an employee who has reported a case of Corrupt Practices by other employees of the Company and Managed Companies in terms of providing the employee with guarantees preventing his/her unlawful dismissal, transfer to a lower-level position, non-payment or reduction of a benefit, shift in vacation time, and bringing to disciplinary liability;
* Ensure the confidentiality of consideration of the information provided concerning cases of inducement or engagement in Corrupt Practices and/or Corruption Offenses;
* Assist the authorized representatives of law enforcement agencies in measures to prevent or investigate Corruption Offenses, including participation in investigative actions;
* Organize the assessment of the results of implementation of these Anti-Corruption Policy Regulations and preparation of the relevant reports.
  + 1. When complying with the requirements of these Anti-Corruption Policy Regulations, the Company's Management must hold conferences, meetings on methods, and company-wide meetings according to the general principles of preventing the Corrupt Practices specified in Sub-Clauses 3.1.2.—3.1.5. hereof.
  1. **Preventing of employees of the Company and Managed Companies from committing Corrupt Practices.**
     1. Employees of the Company and Managed Companies, acting on their behalf and in their interests, shall:
* Strictly comply with the norms of these Anti-Corruption Policy Regulations in the course of their professional activities, be guided by the principles and requirements hereof;
* Refrain from engaging and/or participating in Corrupt Practices and/or Corruption Offenses in the interests or on behalf of the Company or a Managed Company irrespective of their location in the Russian Federation or abroad;
* Avoid conduct which can be interpreted by the wider public as preparedness to engage or participate in Corrupt Practices and/or Corruption Offenses in the interests or on behalf of the Company or a Managed Company;
* Immediately inform the Company's Management and/or the Security Service of any cases of inducement of an employee of the Company or a Managed Company to engage in Corrupt Practices and/or Corruption Offenses by a Notice as per the form provided for in Appendix 1 to these Anti-Corruption Policy Regulations;
* Immediately inform the Company's Management and/or the Security Service of any information that becomes known to the employee about cases of committing Corrupt Practices and Corruption Offenses by other employees and/or Counterparties of the Company/Managed Companies, as well as by other persons, by a Notice as per the form provided for in Appendix 1 to these Anti-Corruption Policy Regulations.

1. **MEASURES TO PREVENT CORRUPTION WHEN INTERACTING WITH COUNTERPARTIES**

5.1 Work in the Company and Managed Companies to prevent Corruption when interacting with Counterparties is carried out in the following areas:

* Establishing and maintaining business (economic) relations with Counterparties which conduct business (economic) relations in good faith, take care of their own reputation, demonstrate support for high ethical standards in conducting business, implement their own anti-corruption measures, participate in collective anti-corruption initiatives;

- Introduction of special procedures for checking Counterparties in order to reduce the risk of involvement of the Company and/or Managed Companies in corrupt practices and other unfair practices in the course of relations with Counterparties (collection and analysis of information on potential Counterparties, their reputation in the business community, duration of economic activity in the market, participation in corruption scandals, etc.);

* Dissemination to Counterparties of programs, policies, standards of conduct, procedures and rules aimed at preventing and combating Corruption, which are applied in the Company and Managed Companies;
* Inclusion of norms on compliance with anti-corruption standards in contracts concluded with Counterparties (Anti-Corruption Clause).

1. **INFORMATION TO BE DISCLOSED UPON HIRING AND DURING EMPLOYMENT**
   1. **Disclosure of information about possible Conflicts of Interest.**
      1. When hiring in the Company or a Managed Company, individuals must provide the maximum amount of reliable information:

* About holding shares in business entities and about participating in business partnerships;
* About appointment to the position of sole executive body (director, CEO, CEO of the managing company) and collective executive body (directorate, management board) of the Counterparty and about election to its board of directors;
* About the legal entities with whose employees the hired individuals have family, friendly, amicable, and other personal relations;
* About the individual entrepreneurs with whom the hired individuals have family, friendly, amicable, and other personal relations.

The above information shall be provided in the manner determined by the relevant Human Resources Department and shall be provided to the Security Service upon its receipt.

The reliability of the information provided shall be verified by the Security Service prior to executing employment contracts with such persons in accordance with the current Regulations on Internal Check. At the same time, inaccuracies discovered concerning such information shall result in refusal to execute an employment contract.

* + 1. Employees of the Company and Managed Companies who have provided the information specified in Sub-Clause 6.1.1. hereof shall immediately notify the Security Service of its amendment by sending an electronic message via the Corporate Network.
  1. **Disclosure of information about real Conflicts of Interest.**
     1. When selecting a Counterparty or interacting with it, employees of the Company and Managed Companies participating in its selection or interacting with the Counterparty should immediately disclose information:
* About holding shares in the Counterparty and about participation in it if the Counterparty is a business partnership;
* About appointment to the position of sole executive body (director, CEO, CEO of the managing company) and collective executive body (directorate, management board) of the Counterparty and about election to its board of directors;
* About the Counterparty's employees with whom they have family, friendly, amicable, and other personal relations;
* About family, friendly, amicable, and other personal relations with the Counterparty if the Counterparty is an individual entrepreneur or does not have this status (is a citizen).

The above information shall be provided to the Company's CEO or to the relevant area director, managing director (for Managed Companies employees), line manager, as well the Security Service immediately upon discovering the above facts by sending an electronic message via the Corporate Network.

* 1. **Disclosure of information about the record of civil and municipal service.**
     1. Upon hiring by the Company or a Managed Company, individuals shall provide information about whether they have held positions in the civil and municipal service as well as the date on which they were discharged from their service and the last time they were dismissed from such service. This information shall be provided in the manner determined by the relevant Human Resources Department.

If any individual fails to provide the above information and an employment contract is executed with him/her, but it later becomes known that he/she held positions in the civil and municipal service, provided that less than two years have passed from the time of dismissal from the service, the employee's employment contract must be terminated immediately (at the time of discovery) based on Part 5, Article 84 of the Labor Code of the Russian Federation.

* + 1. If an individual being hired informs that he/she held positions listed in the List of Civil and Municipal Service Positions, provided that less than two years have passed from the time of the last dismissal from the service, he/she must also provide information about whether he/she interacted with the Company (if employed with the Company) or with a Managed Company (if employed with a Managed Company) in his/her previous position at the service. This information shall be provided in the manner determined by the relevant Human Resources Department.

If such individual interacted with them, he/she shall provide a notice to the committee about compliance with the conduct requirements for civil and municipal servants and about settlement of conflicts of interest in the previous position at the service in order for the individual to occupy the position that he/she is seeking.

Failure to provide the above notice or improper submission of the notice shall result in refusal to execute an employment contract, and if an employment contract was executed, it will be immediately terminated (at the time of discovery) based on Part 5, Article 84 of the Labor Code of the Russian Federation.

1. **STANDARDS OF CONDUCT FOR EMPLOYEES OF THE COMPANY AND MANAGED COMPANIES IN RELATIONS WITH THE PERSONS WITH WHOM THEY ENTER INTO BUSINESS RELATIONS**

7.1. All employees are required to know the list of Corrupt Practices provided in Sub-Clauses 4.1.–4.3. of these Anti-Corruption Policy Regulations and not to commit them.

7.2. If employees participate in the selection of a Counterparty or interact with it in a situation where a real Conflict of Interest exists (Sub-Clause 3.2.2. and Clause 6.2. of these Anti-Corruption Policy Regulations), they shall:

* Be guided by the interests of the Company and Managed Companies without considering their personal interests when making decisions on business issues and performing their job duties;
* Assist in resolving Conflicts of Interest.

7.3. If an employee is induced to commit Corrupt Practices and in the event of receiving information on the inducement of other employees of the Company and Managed Companies and/or Counterparties of the Company/Managed Companies or other persons to commit Corrupt Practices, as well as if the fact of committing Corrupt Practices has become known to him/her in the course of his/her professional activity, he/she shall inform the Company’s CEO or the relevant area director, managing director (for employees of the Managed Companies), line manager, as well as the Security Service immediately upon discovering the above fact by sending a Notice as per the form provided for in Appendix 1 to these Anti-Corruption Policy Regulations.

7.4. When an employee is outside his/her permanent place of work (vacation, business trip, temporary disability, etc.), a relevant message about known facts of inducement to commit Corrupt Practices or of committing Corrupt Practices, shall be transmitted by the employee by any available means of communication, and, upon arrival at the permanent place of work, shall be immediately duplicated by sending a Notice as per the form provided for in Appendix 1 to these Anti-Corruption Policy Regulations.

7.5. The list of information that should be specified in the Notice provided for in Appendix 1 to these Anti-Corruption Policy Regulations (hereinafter, the “Notice”) includes the following:

* position, full name of the manager of the Company/Managed Company to whom the Notice is sent;
* full name, position, structural division, phone number of the employee;
* all known information about the person who induces to commit Corrupt Practices;
* the nature of the alleged Corrupt Practices;
* method of inducement to commit Corrupt Practices;
* date, place and time of inducement to commit Corrupt Practices and/or of committing thereof;
* circumstances of inducement to commit Corrupt Practices and/or of committing thereof;
* additional documents available to the employee on the fact of inducement to commit Corrupt Practices and/or of committing thereof;

This Notice shall be signed and dated by the employee.

7.6. The Notice submitted to the Management and/or the Security Service shall be reviewed within three (3) business days. Based on the results of the review, a decision shall be made to conduct an appropriate inspection based on the information contained in the Notice, determining necessary measures and the persons responsible for the implementation thereof.

During the inspection, the presence of signs of Corrupt Practices in the information provided by an employee shall be determined, and the employee who sent the Notice may be asked to provide a written explanation of the facts and events stated by him/her.

By decision of the Management, the employee of the Company or a Managed Company, in respect of which the Notice was received, may be temporarily suspended from his/her position for the period of the inspection with full pay for this period.

The inspection based on the information contained in the Notice shall be completed within one (1) month from the date the decision to conduct thereof has been made, and its results shall be presented in the form of a written opinion.

If, as a result of the inspection, it is established that there are signs of a Corruption Offense, a copy of the Notice and the inspection materials shall be sent to law enforcement agencies.

If the facts stated in the Notice have not been confirmed, but, in the course of the inspection, signs of a Conflict of Interest have been revealed, appropriate measures shall be taken to resolve it.

7.7. If an employee has provided information that clearly indicates the presence of signs of a Corruption Offense, for which criminal or administrative liability is provided, the information about such facts shall be sent to law enforcement agencies within ten (10) days from the date of its receipt. Further actions shall be taken jointly with law enforcement agencies in the manner provided for by the relevant laws.

7.8. The employee of the Company or a Managed Company who has sent the Notice shall be provided with guarantees preventing wrongful dismissal, transfer to a lower position, deprivation or reduction of the bonus, and the vacation postponement. Also, the employee who sent the Notice shall be guaranteed not to be brought to disciplinary liability for the period of consideration of the Notice and conducting an appropriate inspection in cases of disciplinary offenses related to violations of labor discipline and/or improper performance of official (labor) duties committed by him/her during the specified period.

1. **COOPERATION WITH REGULATORY BODIES AND LAW ENFORCEMENT AGENCIES IN THE FIELD OF ANTI-CORRUPTION**

8.1. Cooperation with regulatory bodies and law enforcement agencies is an important indicator of the real commitment of the Company and Managed Companies to the declared anti-corruption standards of conduct.

8.2. The Company and Managed Companies shall make a public commitment to report to law enforcement agencies all cases of Corruption Offenses that have become known in the course of their business activities.

8.3. The Company and Managed Companies shall refrain from any sanctions against employees who have reported to the regulatory bodies and law enforcement agencies the information about a Corruption Offense that is being prepared or has been committed, that has become known to them in the course of performing their official duties.

8.4. Cooperation with regulatory bodies and law enforcement agencies shall also be carried out in the form of:

* assistance to the authorized representatives of regulatory bodies and law enforcement agencies in their regulatory activities in relation to the Company and/or Managed Companies on preventing and combating Corruption;
* assistance to the authorized representatives of law enforcement agencies in measures to prevent or investigate Corruption Offenses, including participation in investigative actions.

8.5. The Company’s Management and other employees shall provide full support to law enforcement agencies in detecting and investigating Corruption, take measures to preserve and transfer to law enforcement agencies documents and information containing data on Corruption Offenses and prevent interference in the activities of officials of regulatory bodies and law enforcement agencies.

1. **GIFTS AND ENTERTAINMENT EXPENSES**

9.1. Gifts and entertainment expenses, including business hospitality, which employees of the Company or Managed Companies may use on behalf thereof for gifting to other persons and organizations, or which employees of the Company or Managed Companies, in connection with their professional activities, may receive from other persons and organizations, shall meet all the following criteria:

* be directly related to the objectives of the Company and Managed Companies;
* be reasonably justifiable, proportionate, and not luxury;
* not represent a hidden reward for a service, action, omission, connivance, patronage, granting rights, making a certain decision on a transaction, agreement, permission, etc., or an attempt to influence the recipient for any other illegal or unethical purpose;
* not create any obligations for the recipient;
* not be in the form of cash and non-cash funds, securities, precious metals and stones;
* not create reputational risks for the Company and/or Managed Companies and for employees of the Company or Managed Companies and other persons, in case of disclosure of information about gifts or entertainment expenses;
* not contradict the norms of the applicable laws, the principles and requirements of these Regulations, or other local regulations.

9.2. Gifts in the form of souvenirs (low-cost products) with the logo of the Company and/or Managed Companies provided at exhibitions, presentations, and other events in which the Company and/or Managed Companies officially participate shall be allowed and considered as image materials.

1. **ANTI-CORRUPTION EDUCATION OF EMPLOYEES OF THE COMPANY AND MANAGED COMPANIES**

10.1. Anti-corruption education of employees of the Company and Managed Companies is carried out in order to form the anti-corruption frame of reference, intolerance to corrupt behavior, increase the level of legal awareness and legal culture of employees through anti-corruption education and anti-corruption consulting.

10.2. Anti-corruption education of employees of the Company and Managed Companies shall be carried out at the expense of the Company and/or Managed Companies in the form of training (retraining), advanced training and self-education of employees of the Company and/or Managed Companies responsible for the implementation of the Company’s anti-corruption policy.

10.3. Anti-corruption consulting shall be carried out on an individual basis by employees of the Company and/or Managed Companies responsible for the implementation of the Company’s anti-corruption policy. Consulting on private anti-corruption issues, including the settlement of conflicts of interest, shall be carried out in confidence.

1. **PROCEDURE FOR REVISING AND AMENDING THE ANTI-CORRUPTION POLICY REGULATIONS**

11.1. The Company and Managed Companies shall constantly monitor the effectiveness of the Anti-Corruption Policy.

11.2. The revision of these Anti-Corruption Policy Regulations may be carried out in the event of changes in labor laws, anti-corruption laws, changes in the legal form or organizational and staff structure of the Company and/or Managed Companies.

1. **FINAL PROVISIONS**

Failure by the employees of the Company and Managed Companies to comply with the requirements of these Anti-Corruption Policy Regulations shall result in bringing them to disciplinary liability.

1. **PERSON RESPONSIBLE FOR COMPLIANCE WITH THIS ANTI-CORRUPTION POLICY REGULATIONS**

The person responsible for monitoring compliance with the requirements of these Anti-Corruption Policy Regulations shall be the Director for Asset Protection and Security.

1. **DOCUMENT APPROVED**

CEO Order No. *123* dated *September 14, 2020*.

|  |
| --- |
| Appendix 1  to JSC "EPM-MANAGEMENT" Anti-Corruption Policy Regulations |
| To CEO |
| (full name) |
| To the Director for Asset Protection and Security |
| (full name) |
| To the Area Director/Managing Director of the Plant |
| (full name) |
| from |
| (full name, position, phone number of an employee) |

NOTICE

about the fact of inducement of an employee to commit Corrupt Practices and/or Corruption Offenses (about information that has become known to the employee about inducement of other employees, Counterparties, other persons to commit Corrupt Practices and/or Corruption Offenses, or about the facts of committing Corrupt Practices and/or Corruption Offenses)

(please underline as necessary)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| I inform that:  1. | | | | |
| description of the circumstances under which the address occurred for the purpose of inducing to commit Corrupt Practices and/or Corruption Offenses (date and place of the address, to the commission of what action (omission) the inducement occurs, the proposed benefit, the expected consequences, other circumstances of the address) | | | | |
| 2. | | | | |
| description of the circumstances under which it became known about committing Corrupt Practices and/or Corruption Offenses by other employees, Counterparties, other persons, detailed information about possible (committed) Corrupt Practices and/or Corruption Offenses | | | | |
| 3. | | | | |
| known information about a person (individual or entity) inciting to Corrupt Practices and/or Corruption Offenses | | | | |
| 4. | | | | |
| the method and circumstances of inducement to commit Corrupt Practices and/or Corruption Offenses and information about the refusal (consent) to accept a person's proposal to commit Corrupt Practices and/or Corruption Offenses | | | | |
| date |  | signature |  | (last name and initials of an employee) |