



NLMK Group

APPROVED BY

the Board of Directors
of Public Joint Stock Company Novolipetsk Steel

Minutes No. 260

dd. 21 December 2018

ANTI-CORRUPTION POLICY OF NLMK GROUP

(revised)

Lipetsk
2018

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ARTICLE 1. SCOPE OF APPLICATION

- 1.1. The Anti-Corruption Policy of NLMK Group (hereinafter – the Policy) is an internal corporate document that lays down the key principles and requirements of public joint-stock company Novolipetsk Steel (hereinafter – the Company or NLMK) and its affiliates and subsidiaries (hereinafter – NLMK Group) relating to anti-corruption measures and compliance with the statutes of prevailing anti-corruption legislation aimed at meeting high ethical standards of business practice and strengthening the goodwill of NLMK Group.
- 1.2. The requirements of this Policy apply to members of the Board of Directors and all employees of NLMK Group irrespective of their position or occupation, as well as to the counterparties and business partners of NLMK Group companies in cases where the relevant obligations are established by the contracts with them or expressly stipulated by law.

ARTICLE 2. DEFINITIONS

This Policy references the terms defined as follows:

- 2.1. **NLMK Group:** NLMK and all legal entities directly and (or) indirectly controlled by NLMK.
- 2.2. **Business gifts:** any presents offered by employees on behalf of and/or at the expense of NLMK Group companies to counterparties and other third parties, as well as presents received by NLMK Group companies or their employees from counterparties and other third parties during their official duties.
- 2.3. **Business entertainment:** expenses of third parties for the benefit of or in the interest of NLMK Group's employees related to the establishment and/or maintenance of business cooperation, incurred as part of accepted business practices, including expenses for business dinners, transportation costs, entertainment expenses, etc.
- 2.4. **Risk Management Committee (RMC):** a collegial body set up to ensure the efficiency of risk management processes at NLMK Group companies.
- 2.5. **Counterparty:** any Russian or foreign legal entity or individual that NLMK Group companies have entered into contractual relations with, except for labour relations.
- 2.6. **Conflict of interest:** situation or circumstances when private interests of an employee of NLMK Group contradict or may contradict the interests of NLMK Group, which impacts or may impact the proper fulfilment of their official duties, i.e. making unbiased decisions, as well as situations or circumstances which may lead to a damage to rights, lawful interests, property and/or goodwill of NLMK Group companies.
- 2.7. **Corruption (acts of corruption, corrupt practices):**
 - Offer, provision or promise of a bribe (material or non-material advantage in any form).
 - Extortion, request or accepting of a bribe (material or non-material advantage in any form).
 - Mediation in bribery.
 - Making any facilitation payments (including payments in form of monetary funds, other values, property, property rights or other material and/or non-material advantages) to any person or receiving the same from any person or organization including (but not limited to) public officials, authorities, public and private companies and their employees and representatives, political parties and organizations, in order to influence their actions or decisions to obtain any undue advantages or for any other undue purpose.
- 2.8. **Prevailing legislation:** The constitution of the Russian Federation, international treaties concluded by the Russian Federation, legislation of the Russian Federation, as well as legislative

and regulatory legal acts of foreign states applicable to NLMK Group and/or its employees due to relevant circumstances (e.g. carrying out activities in the territory of a specific state, terms and conditions of a contract with a foreign counterparty, etc.).

2.9. Public official:

- Civil officer (Federal or Russian Federation constituent entity officer).
- Person holding (serving):
 - A public position in the Russian Federation.
 - A position of a member of the Board of Directors of the Central Bank of Russia.
 - A public position in a constituent entity of the Russian Federation.
- Judge or another person who performs organizational and executive, administrative and business functions in judicial authorities of the Russian Federation, constituent entities and municipalities of the Russian Federation (incl. Justice of the Peace).
- Municipal officer.
- Military officer.
- Law enforcement officer.
- Member of governing or other bodies of a political party;
- Foreign officer (an officer of a foreign state, acknowledged as such by the applicable legislation).
- Person who performs organizational and executive, administrative and business functions in an international public organization (including IMF, UN, World Bank, etc.).

2.10. Employee: an individual who entered into labour relations with NLMK Group.

2.11. Related persons: persons who are blood relatives (parents, children, grandchildren, siblings, half-siblings, grandparents, aunts, uncles, nephews, nieces) or family members (spouses, cohabiting partners, adopters, adoptees) of the employee, as well as other persons carrying out entrepreneurial activities jointly with NLMK Group's employee or acting in his/her name and/or in his/her interests.

2.12. Social partner of NLMK Group: a non-governmental (non-state and non-municipal) non-profit organization that carries out social and charitable programmes as part of NLMK Group's charity work (including, "Miloserdie" charitable foundation for social protection, Lipetsk, and "Zabota, pomosch, miloserdie" charitable foundation, Revda, Sverdlovsk oblast).

2.13. Functional area (FA): a function controlled at the Group level, whose head reports directly to the President (Chairman of the Management board).

2.14. Private interests of an employee: any personal, social, proprietary, financial, political or other commercial or non-commercial interests of the employee and/or their related person.

ARTICLE 3. GENERAL PROVISIONS

3.1. This Policy is developed in strict compliance with the requirements of the legislation of the Russian Federation, NLMK Charter and other internal corporate documents of NLMK Group companies with due regard to the requirements of national and international anti-corruption legislation, anti-corruption recommendations of international organizations and best global anti-corruption practices.

- 3.2. The prevailing anti-corruption legislation stipulates that NLMK Group is liable for acts of corruption committed by a person acting on behalf of and/or for the benefit of NLMK Group companies, as well as for the absence of a proper anti-corruption system within the Group.

ARTICLE 4. PROHIBITION OF CORRUPTION

- 4.1. In adherence to the principle of zero tolerance to corruption, all employees of NLMK Group are strictly prohibited from engaging in any corruptive practices, directly or indirectly, personally or through any third parties, including:
- Offering, giving or promising bribes.
 - Extorting, requesting or accepting bribes.
 - Mediating in bribery.
 - Making facilitation payments in any form (including cash, other things of value, property, property rights or other material and/or non-material advantages) to any persons or receiving such payments from any persons or organizations including (but not limited to) the ones listed in Clause 2.7.
- 4.2. NLMK Group employees must observe the generally accepted principles and standards of international law and international treaties of the Russian Federation, prevailing anti-corruption legislation, as well as the principles and requirements of this Policy in any country of the world irrespective of the business practices there.
- 4.3. In order to ensure efficient anti-corruption measures and to maintain the reputation of an honest and reliable partner, NLMK has joined the Anti-Corruption Charter of Russian Business, under which NLMK is implementing a number of measures for the prevention of corruption in the Group's activities.

ARTICLE 5. BASIC ANTI-CORRUPTION PRINCIPLES

Anti-corruption measures implemented by NLMK Group are based on the following principles:

- **Zero tolerance to corruption:** NLMK Group repudiates any and all forms or manifestations of corruption in its operational, financial, economic or other activity, including in interaction with shareholders, investors, counterparties, authorities, public officials, political parties and their representatives, or other persons.
- **Preventive nature of implemented anti-corruption measures:** NLMK Group prefers to implement anti-corruption measures and procedures preventing violation of established standards and requirements. These anti-corruption measures and procedures are combined to constitute the anti-corruption system that is integrated into all business processes of NLMK Group companies.
- **Compliance with the prevailing legislation:** NLMK Group's anti-corruption system is created in line with the requirements of the prevailing anti-corruption and other legislation, and is guided by the best global practices. NLMK Group companies are responsible for keeping it up to date.
- **Efficiency of anti-corruption measures:** NLMK Group ensures periodic assessment and review of its anti-corruption system in case of inadequate performance and/or efficiency of certain control procedures and/or measures.
- **Due diligence:** NLMK Group undertakes all reasonable endeavours to avoid entering into business relations with counterparties which might be involved in corrupt practices.

- **Non-prosecution clause:** no sanctions shall be applied to employees and/or counterparties of NLMK Group who refuse to take part in acts of corruption, even if such refusal results in a loss of revenue or other commercial and/or competitive advantages for NLMK Group companies, neither shall sanctions be applied to the persons who reported in good faith on corruption violations committed by other employees or counterparties of NLMK Group.
- **Binding nature:** provisions of the prevailing anti-corruption legislation and internal anti-corruption requirements established by NLMK Group are binding on all employees of the Group (irrespective of their position, length of service or other circumstances). In case of the violation of said provisions and requirements, the perpetrators shall be held accountable as stipulated by the prevailing legislation and internal corporate documents of NLMK Group companies.

ARTICLE 6. CORE ELEMENTS OF THE ANTI-CORRUPTION SYSTEM

6.1. Management example (“tone at the top”)

6.1.1. The Management of NLMK Group, including members of the Board of Directors, the President (Chairman of the Management Board), Vice Presidents and directors of functional areas, forms an understanding among all NLMK Group employees of the complete inadmissibility of any form or manifestation of corruption and sets a personal example of ethical behaviour, compliance with the prevailing anti-corruption legislation and the relevant requirements of NLMK Group as part of their official duties.

“Tone at the top” is aimed at inculcating a corporate culture based on the principles of impartiality, honesty, transparency and openness across all NLMK Group companies.

6.1.2. The Management of NLMK Group develops a package of anti-corruption measures and monitors its implementation.

The President (Chairman of the Management Board) of the Company is responsible for overall orchestration of measures aimed at implementation of the principles and requirements of this Policy, and for appointment of persons responsible for the development of anti-corruption procedures, their implementation and control.

6.2. Identification and analysis of corruption risk

6.2.1. NLMK Group performs identification and periodic analysis of the company-specific corruption risks inherent to its financial and business activities, the presence of NLMK Group companies in both local and international metal markets, its organizational structure and other factors.

6.2.2. NLMK Group identifies and analyses the corruption risk in specific business processes and lines of business that are deemed to carry increased risk in order to introduce relevant anti-corruption procedures and/or other measures.

6.2.3. NLMK Group recognizes the necessity to manage corruption risks irrespective of their likelihood or impact.

6.3. Fundamental anti-corruption internal corporate documents

NLMK Group’s corporate anti-corruption system is based on this Policy and the Corporate Ethics Code, which lay down the key principles and requirements in this area.

6.4. Anti-corruption procedures

NLMK Group is developing and introducing the system of anti-corruption procedures, covering corporate-level controls and control procedures within individual business processes of NLMK Group. At the same time, NLMK Group makes all reasonable efforts to ensure the transparency and practicability of anti-corruption procedures.

6.5. Officers and business units responsible for fighting corruption, and their interaction

6.5.1. In order to counteract corruption efficiently, NLMK Group has appointed an individual that holds responsibility for anti-corruption activities, as well as other officers and units that participate in the development and monitoring of anti-corruption measures and procedures. The units assigned to NLMK Group's functional areas that are responsible for anti-corruption activities are listed in the Appendix.

6.5.2. NLMK Group ensures proper division of powers of the persons and units responsible for anti-corruption activities, and their efficient interaction.

6.6. Notification and communication

6.6.1. NLMK Group openly states its zero tolerance policy to any form or manifestation of corruption and publishes this Policy, as well as general information on its anti-corruption activities on its official website, ensuring free access.

NLMK Group shall be certain to inform its counterparties and business partners of the anti-corruption principles and requirements it has adopted, such as by inclusion of special anti-corruption clauses in the contracts it concludes with them.

6.6.2. NLMK Group promotes an appropriate anti-corruption culture through communicating this Policy to all employees, requiring their signature as confirmation, providing necessary advice if employees have any doubt concerning the compliance of their actions or actions of any third parties with the requirements of this Policy or concerning other matters in the area of ethics and anti-corruption.

6.7. Monitoring and control

6.7.1. NLMK Group monitors the efficiency of implemented anti-corruption measures and procedures, and assesses their sufficiency and relevance in order to improve them.

NLMK Group implements the following monitoring and control procedures in order to assess the efficiency of its anti-corruption system:

- Monitoring of changes in the prevailing anti-corruption legislation and law enforcement practices in order to identify any elements of the anti-corruption system that need to be improved and/or amended in order to ensure the relevance and compliance of the system with the prevailing legislation.
- Analysis of changes to NLMK Group's activities, including changes in organizational structure, lines of activities or interaction mechanisms with counterparties in order to determine the impact of these changes on NLMK Group's anti-corruption procedures and any need for them to be amended.
- Analysis of NLMK Group's internal control environment in order to identify any flaws or inefficient control procedures so as to correct them and ensure the reliability and efficiency of the anti-corruption system.
- Control of NLMK Group employees' compliance with the anti-corruption requirements and procedures, including:
 - Identification of signs of corrupt behaviour as part of the annual internal audit of NLMK Group's financial and business activities.
 - Control over the compliance with anti-corruption procedures as part of NLMK Group's security service periodic reporting on the highest risk areas and operations.

6.7.2. In accordance with the results of anti-corruption system control and monitoring and based on the Matrix of responsibility of its functional area units for implementation of anti-

corruption activities (Appendix A to this Policy), NLMK Group draws up respective reports. "Risk Management" functional area submits a summary report for review to NLMK Group's President (Chairman of the Management Board) and the Audit Committee of the Board of Directors on a regular basis (at least once per year).

Key findings of said work shall be published by NLMK on its official website or otherwise disclosed.

6.8. Internal investigation of violations identified and the liability of offenders

6.8.1. In order to promote a conducive environment for counteracting corruption and abuses and identifying risk factors which threaten NLMK's interests, NLMK Group has established a procedure for psychophysiological examination (hereinafter – PPE) that shall be applied to employees and applicants for vacant positions.

The PPE shall be conducted by certified experts, solely with consent of the interviewed person, and in strict compliance with the current legislation of the Russian Federation. The information obtained through the PPE may not be used as evidence.

In case PPE reveals any risk factors falling under the 'critical' category for NLMK Group, an internal investigation shall be carried out and measures shall be taken to minimize the possible negative consequences.

6.8.2. NLMK Group employees who violate any provisions of the prevailing anti-corruption legislation and/or anti-corruption requirements and procedures of NLMK Group, irrespective of their position, length of service or other factors, shall be held accountable under the procedure and on the grounds stipulated by the prevailing legislation and internal corporate documents of NLMK Group enterprises.

6.8.3. If needed and in cases stipulated by the prevailing legislation, NLMK Group shall cooperate with law enforcement and other regulatory authorities in order to identify and investigate corruption violations and to impose sanctions on the offenders.

ARTICLE 7. FUNDAMENTAL REQUIREMENTS FOR CERTAIN RISK AREAS

7.1. Business gifts, business entertainment and hospitality expenses

7.1.1. Business gifts, business entertainment and hospitality expenses constitute a part of generally accepted business practices of establishing sustainable business relationships. At the same time, NLMK Group perceives this as an area of high corruption risk and, consequently, deems it necessary to establish guidelines to define acceptable business gifts, business entertainment and hospitality expenses as formalized in this Policy and other internal corporate documents of NLMK Group companies.

Giving and receiving business gifts, business entertainment and hospitality expenses on behalf of and/or for the benefit of NLMK Group and its employees must simultaneously comply with the following requirements:

- It must comply with the provisions of prevailing legislation, this Policy, NLMK Group's Corporate Ethics Code, provisions of the internal corporate document that regulates the exchange of business gifts and business entertainment in NLMK Group, and other internal corporate documents of NLMK Group enterprises.
- Gift giving, business entertainment or hospitality expenses should include a clear business purpose but without any direct or indirect intent to influence the person receiving them to make decisions that would impact the current activities or business expansion of NLMK Group.

- It should not create any obligations for the giver and/or constitute a reward (nor a disguised reward) for a provided service or completed work.
- Such business gifts/business entertainment/hospitality expenses should not create reputational or other risks for NLMK Group, its employees or other persons in case they are disclosed.
- Business gifts should not constitute cash or non-cash funds, securities, precious metals or other types or monetary funds and/or luxury goods equivalents.
- Business gifts/business entertainment/hospitality expenses should be justified, reasonable and proportionate to a particular occasion/event.

7.1.2. Additional requirements, permissible limits on business gifts, business entertainment and hospitality expenses provided to and received from or on behalf of NLMK Group employees, as well as the procedure for agreeing and approving them shall be set out in the internal corporate document that regulates the exchange of business gifts and business entertainment in NLMK Group.

7.1.3. Upon receipt or provision of business gifts, business entertainment and hospitality expenses during the discharge of official duties and/or representation of interests of NLMK Group companies, the employees of these companies must make sure that they are in compliance with the anti-corruption principles and requirements applicable in NLMK Group, and whenever they accept a business gift or are provided with business entertainment the value of which exceeds the limit set in the said document, they must notify the company of the fact at ethics@nlmk.com. NLMK Group employees are personally responsible under the circumstances.

7.2. Charity work and sponsorship

7.2.1. As a socially responsible business, NLMK Group does charity and sponsorship work aimed at creating a business-friendly social environment, within the established charity and sponsorship guidelines and in compliance with the requirements of the prevailing legislation.

7.2.2. Charitable assistance and sponsorship rendered by NLMK Group is not intended to influence the authorities, public officials or other persons to make decisions related to the current activities or business expansion of NLMK Group companies or the receipt of any commercial and/or competitive advantage, and does not constitute a reward (nor a disguised reward) to such persons.

Sponsor support shall be carried out by NLMK Group companies directly, without the involvement of any companies or persons as intermediate parties, and must be compensated (sponsorship of any events shall be carried out on a quid pro quo basis and may be compensated by advertising services for the benefit of NLMK Group).

NLMK Group companies may provide charitable assistance as part of joint programmes with NLMK Group's social partners (NPOs).

7.2.3. NLMK Group makes all reasonable efforts to exercise control over the use of the charitable assistance and sponsorship it provides.

7.2.4. General information on NLMK Group's charitable assistance and sponsorship activities is available to all and shall be posted on its official website, included in the annual report or otherwise disclosed.

7.3. Conflict of interest

7.3.1. When performing their duties and/or acting on behalf of NLMK Group its employees must adhere to the principles and requirements set out in this Policy and NLMK Group's Corporate Ethics Code, the provisions of the internal corporate document that regulates the procedure for preventing, disclosing and settling conflicts of interests in NLMK Group, must avoid and preclude any situations that may directly lead to a conflict of interests including the following:

- Acting in the interests of NLMK Group when making decisions on any business matters and discharging their duties.
- Not using their official position (nor the insider and confidential information or trade secrets they receive), property and/or assets of NLMK Group to serve their private interests.
- Disclosing information about their private interests which could lead to a real and/or potential conflict of interests in the Conflict of Interest/Absence of Conflict of Interest Statement. These are collected and registered at NLMK Group via an automated "Declaration of conflict of interest" corporate service.

7.3.2. The procedure for settling a conflict of interests is set out in the internal corporate document that regulates the procedure for preventing, disclosing and settling conflicts of interest at NLMK Group.

7.4. Interaction with business partners and counterparties

7.4.1. NLMK Group companies do not engage any agents, dealers or other representatives and intermediate parties for any payments and/or actions contrary to the principles and requirements of this Policy or creating risks for their goodwill and/or the goodwill of their employees when they perform their official duties.

7.4.2. NLMK Group guarantees an honest, open and transparent selection of its suppliers, contractors and other counterparties based on the use of objective selection criteria as well as a transparent procedure for calculating the cost of the products it buys and sells, as regulated by the prevailing legislation and internal corporate documents of NLMK Group companies, including the internal corporate document that regulates the procedure for counterparty qualification at NLMK Group and the internal corporate document that regulates the procedure for the Tender Committee-assisted selection of counterparties at NLMK Group.

7.4.3. When making a decision on the interaction/cooperation with an intermediate party, agent, partner, supplier or other counterparty of any NLMK Group company, NLMK Group:

- Shall review information pertaining to the potential counterparty or partner, including their reliability, business standing, corruption tolerance, and check that there is no conflict of interests.
- Shall inform the potential counterparty or partner about the company's anti-corruption principles and requirements by incorporating special anti-corruption clauses in the text of the agreement concluded with them.

7.5. Interaction with public authorities and public officials

7.5.1. NLMK Group does not make "facilitation payments" (regarding administrative, bureaucratic or any other formalities) in favour of any public authorities, public officials or other persons, i.e. does not give any monetary funds, property, property rights, services or other material or non-material advantages in order to facilitate or accelerate standard

procedures of statutory formalities or activities, that are not stipulated by laws and regulations of a particular country.

NLMK Group does not engage intermediate parties to interact with public authorities and public officials. In exceptional cases, if there is an objective need for the involvement of an intermediate party, NLMK Group companies guarantee an honest and transparent selection process and payment for these services.

7.5.2. NLMK Group refrains from paying any expenses for public officials and their immediate family members (or for their benefit) in order to receive commercial advantages in specific NLMK Group projects, including transportation, accommodation, entertainment, PR costs and other expenses or other benefits at the expense of NLMK Group companies.

7.5.3. Labour contracts and civil agreements with former public and municipal employees shall be carried out in strict compliance with the requirements of the Russian legislation, including requirements of Article 64.1 of the Labour Code of the Russian Federation.

7.6. Interaction with political parties and movements, their members and representatives

7.6.1. NLMK Group does not give preference to any political party or movement, does not take part in political activity with a view to directly or indirectly influence the decisions that impact the maintenance or expansion of NLMK Group's business or where such participation may be regarded as an attempt to gain such influence.

7.6.2. NLMK Group does not finance any political party or movement, their members or representatives. However, NLMK Group recognizes the right of its employees to take part in political activity after hours, provided that it is not related to the discharge of their duties. In no way whatsoever a political or social stance of the employees may be regarded as a political or social stance of NLMK Group.

7.7. Accounting and reporting

7.7.1. All of NLMK Group's financial and business operations and transactions shall be timely, accurately, and correctly registered and contain sufficient detail in primary accounting documents, reflected in accounting, management and other records and shall be made available for audit.

NLMK Group has appointed the persons who bear responsibility under the current legislation of the Russian Federation to prepare and provide complete and accurate accounting statements within the periods established by the prevailing legislation.

7.7.2. Tampering with or falsification of the accounting data, tax and management records and reports is strictly forbidden; it is a violation of the prevailing legislation and shall be investigated under the procedure established by NLMK Group enterprises.

ARTICLE 8. TRAINING AND CONSULTATIONS ON MATTERS THAT ARISE

8.1. NLMK Group makes awareness-raising materials freely accessible and publishes information in the corporate media to sensitize its employees to the principles and rules of the prevailing legislation, the Corporate Ethics Code, this Policy and other internal corporate documents on anti-corruption, offers in-house and/or external training and tests aimed at ensuring that they comply with regulatory requirements and actively involving them in implementing anti-corruption measures; and incorporates online corporate training courses on anti-corruption into employee competency development and assessment programmes. NLMK Group offers all interested employees the opportunity to freely access these corporate courses.

8.2. In the event that an NLMK Group employee has any question about the provisions of this Policy or other anti-corruption measures and procedures, they may seek a consultation from the head

of their business unit and/or persons responsible for anti-corruption work at NLMK Group companies and/or use NLMK Group's hotline.

ARTICLE 9. REPORTING CORRUPTION OFFENCES ("HOTLINE")

- 9.1. NLMK Group encourages its employees and counterparties to report their doubts concerning the legitimacy and/or ethics of actions of other employees of NLMK Group or its counterparties, or concerning reasonable suspicion of alleged or proven instances of corruption as well as other violations within the activities of NLMK Group.

NLMK Group employees are obliged to inform their line manager and the Security Management FA in writing of all instances of being approached by or induced to commit an act of corruption or otherwise damage the interests of NLMK Group.

- 9.2. NLMK Group employees, its counterparties or other third parties may report any such violation by writing to anticorruption@nlmk.com or using any of the channels of communication specified on NLMK Group's official website at <http://nlmk.com/ru/responsibility/social-responsibility/anticorruption/>.

The hotline is a corporate tool of the Anti-Corruption Policy. It is a safe, confidential and accessible means of reporting to NLMK Group's Security Management FA and Risk Management FA.

- 9.3. NLMK Group offers the right of anonymous reporting through indicated notification channels ("hotline"). However, in this case, the person reporting an issue should be aware of difficulty of further reviewing their message, undertaking an internal investigation (if needed) and necessary measures, since it may not be possible to clarify the information received and carry out further interaction with the reporting person.
- 9.4. All reports of possible corruption offences received shall be reviewed in an unbiased and timely manner.
- 9.5. NLMK Group, within its powers and existing capacity, ensures the confidentiality of data on the identity of the person who provided material and reliable information on a violation through the hotline (except where stipulated by the prevailing legislation), safeguards them against any form of pressure, ill treatment or discrimination, and guarantees that no sanctions will be imposed on employees, counterparties or other third parties that conscientiously report other NLMK Group employees or other parties for corruption (or report that they suspect those other employees/parties of engaging in corrupt practices).

If an NLMK Group employee provides misleading information or fails to report on instances of being approached or induced to commit an act of corruption, or fails to provide any other information that has to be disclosed under this Policy, this shall be regarded as a violation of this Policy and corresponding provisions of the prevailing legislation, and such person may be held liable according to the procedure and on grounds stipulated by the prevailing legislation and internal corporate documents of NLMK Group companies.

- 9.6. Further information on the operation of the 'hotline' and the procedure for processing/considering the reports that arrive is given in relevant internal corporate documents according to the procedure established by the Company.

ARTICLE 10. LIABILITY AND SANCTIONS FOR NON-COMPLIANCE

- 10.1. Every employee must follow this Policy and meet the anti-corruption requirements of NLMK Group while discharging their official duties. NLMK Group employees are held personally liable for violation of the requirements and procedures established by the local regulations which were communicated to them, subject to written and signed acknowledgement.

In addition, NLMK Group companies regard the compliance with anti-corruption principles and requirements as an important professional competency.

- 10.2. NLMK Group employees who violate the established anti-corruption principles and requirements may face disciplinary or administrative action, civil or criminal liability at the instigation of NLMK Group enterprises, law enforcement agencies or other parties according to relevant procedure and on grounds stipulated by the prevailing legislation, charters and internal corporate documents of NLMK Group companies.
- 10.3. The responsibility for supervising the compliance with the principles and requirements of this Policy lies with the Vice President for Risk Management.

Appendix: Responsibility matrix for business units of NLMK Group's functional areas responsible for the implementation of anti-corruption measures

AC – Audit Committee of the Board of Directors
P – President (Chairman of the Management Board)

RMC – Risk Management Committee

PRA – Person responsible for anti-corruption work coordination

CCE – Commission on Charity Expenses

VPR – Service of the Vice President for Risk Management

AD – Audit Division

SS – Security Service

VPHR – Service of the Vice President for HR and Management System

DLA – Legal Affairs Department

DPR – Public Relations Department

H – Heads of business units of the Group's companies

SVP – Service of the Vice President for Procurement

SVS – Service of the Vice President for Sales

DSD – Strategic Development Department

VPF – Service of the Vice President for Finance

Anti-Corruption measures	AC	P	RMC	PRA	CCE	VPR	AD	SS	VPHR	DLA	DPR	H	SVP	SVS	DSD	VPF
1. General organizational activities, assurance of “tone at the top”																
1.1. General organization of activities aimed at implementation of the Policy principles and requirements, appointment of persons responsible for coordination and implementation of anti-corruption activities		X														
1.2. Management example, “tone at the top”	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X
1.3. Development and introduction of the anti-corruption system		X		X												
1.4. Monitoring of the efficiency of anti-corruption measures, review of policies and procedures for counteracting corruption				X												
1.5. Control over the compliance of structural units' employees with the requirements of anti-corruption internal corporate documents												X				
1.6. Control over the introduction of anti-corruption policies and procedures in NLMK Group's affiliates				X												
2. Internal and external communications in counteracting corruption																
2.1. Consulting employees on matters of counteracting corruption				X								X				
2.2. Creation and ensuring operation of a specialized section on the internal portal dedicated to anti-corruption matters											X					
2.3. Inclusion of anti-corruption provisions in the corporate programme of education, development and assessment of competencies of employees									X							
2.4. Organization of the “anti-corruption hotline”								X	X ¹		X					
2.5. Registration and review of anonymous report received through the “anti-corruption hotline”				X				X								
2.6. Interaction with regulation and law enforcement authorities on the anti-corruption matters and anti-corruption compliance				X				X		X						
3. Assessment and monitoring of corruption risks																
3.1. Identification and assessment / re-assessment of corruption risks			X			X										

¹ - except for the registration and review of anonymous reports processed under Clause 2.5

Anti-Corruption measures	AC	P	RMC	PRA	CCE	VPR	AD	SS	VPHR	DLA	DPR	H	SVP	SVS	DSD	VPF
3.2. Forming the plan of activities for the corruption risk monitoring, coordination and control of its implementation			X	X		X		X								
3.3. Regular control of efficiency of the anti-corruption measures, compliance with the established procedures			X			X	X									
3.4. Monitoring of the prevailing anti-corruption legislation and law enforcement practices										X						
3.5. Elimination of identified flaws in the anti-corruption system						X		X	X	X	X	X	X	X	X	X
3.6. Periodic reports on risk areas / operations to the person responsible for coordinating anti-corruption activities					X	X		X	X	X	X				X	X
3.7. Regular reports on corruption risk management to the Risk management committee				X		X										
3.8. Reporting on the anti-corruption system performance to the Audit Committee and President (Chairman of the Management Board) of NLMK				X												
4. Introduction and ensuring the use of anti-corruption tools																
4.1. Organization of the check of nominees for management positions regarding corruption risks, including the use of psychophysiological examination tools								X								
4.2. Check of counterparties regarding corruptions risks before entering into contractual relations								X								
4.3. Analysis of information supplied to the “anti-corruption hotline”, internal investigations upon identifying any sign of corruption				X				X								
4.4. Development of the format for declaration on absence / presence of a conflict of interests, determination of the circle of positions which are the most vulnerable to corruption risks for questionnaire				X						X						
4.5. Organization of collection and archive storage of declarations on absence / presence of a conflict of interests						X										
4.6. Analysis of information on potential or actual conflicts of interests declared by the employees who occupy positions which are the most vulnerable to corruption risks, recommendation on corrective measures								X		X		X				
4.7. Control over giving and receiving by employees of business gifts and business entertainment												X				
4.8. Corruption risk control over charitable assistance provided by NLMK Group					X											
4.9. Use of psychophysiological examination tools to look for corruption risk indicators								X								
4.10. Development of the anti-corruption clause text and control over its inclusion in the contracts with counterparties										X						
4.11. Corruption risk control of purchases made from a sole supplier, emergency or other non-competitive procedures						X							X			

Anti-Corruption measures	AC	P	RMC	PRA	CCE	VPR	AD	SS	VPHR	DLA	DPR	H	SVP	SVS	DSD	VPF
4.12. Corruption risk control of sales made with a significant deviation in price from established and / or market prices								X						X		
4.13. Control over M&A operations with regard to inherited corruption risks															X	
4.14. Corruption risk control over payments to counterparties which are residents of the countries included in FATF lists, and the offshore jurisdictions, as well as payments to state authorities																X
4.15. Control of elements of intermediary services on interaction with authorities and public officers upon conclusion of agreements with counterparties										X						