

APPROVED BY
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ANTI-CORRUPTION POLICY

Law Office

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1. GENERAL

1.1. This Anti-Corruption Policy of Joint Stock Company “Zagorsk Pipe Plant” (hereinafter, the Company’s AC Policy) is a fundamental document that sets out key anti-corruption objectives, principles and lines of action in order to arrange for, and coordinate the actions of employees in Joint Stock Company “Zagorsk Pipe Plant” (hereinafter, the Company), which are aimed at preventing, detecting, combating and mitigating the effects of corruption in the Company.

1.2. The following instruments constitute a legal framework for the development and implementation of the Company's AC Policy:

- the Constitution of the Russian Federation;
- the United Nations Convention against Corruption (adopted on October 31, 2003 in New York during the 51st UN General Assembly (58th sess.) by Resolution 58/4 and ratified by Federal Law of the Russian Federation No. 40-Φ3 of March 8, 2006);
- the Criminal Law Convention on Corruption (adopted on January 27, 1999 in Strasbourg, ETS 173, and ratified by Federal Law of the Russian Federation No. 125-Φ3 of July 25, 2006);
- the Federal Law On Combating Corruption.

1.3. The Company’s AC Policy expresses the commitment of the Company and its employees to the highest ethical standards of doing business in an open and fair manner, the improvement in corporate culture, the adherence to the best practices of corporate governance, and the maintenance of the Company’s good business reputation.

1.4. The Company publishes this document to be publicly available on the Company's website on the Internet, openly expresses its discontent with corruption, welcomes and encourages the compliance with the provisions hereof by all counterparties and employees of the Company and others, and promotes a stronger anti-corruption culture in the Company’s employees through awareness raising efforts.

1.5. The Company uses its reasonable endeavors within its competence to ensure that the Company's AC Policy is respected by its joint companies, associations, and counterparties.

2. TERMS AND DEFINITIONS

The following terms and definitions apply to this document:

TERM	DEFINITION
Anti-Corruption Undertaking	– A section in the Company’s agreements, arrangements and contracts, which states that the Company adheres to an anti-corruption policy and promotes an anti-corruption culture.
Code of Ethics	– A set of fundamental ethical principles and standards of official conduct for the Company's employees.
Counterparty	– Any Russian or foreign legal entity or natural person involved in contractual relationships with the Company other than employment relations.
Conflict of Interests	– A situation in which a vested interest (either direct or indirect) of an employee of the Company affects, or may affect, the proper performance of his/her work role or job duties and which involves, or may involve, a conflict between the employee’s vested interests and rights and legitimate interests of the Company that could lead to prejudice in respect of any right or legitimate interest, or cause a damage to any asset and/or business reputation of the Company.
Corruption	– An abuse of office, bribery, bribe-taking, abuse of authority, commercial bribery or other illegal use of office by an individual in defiance of the legitimate interests of the Company and the government in order to obtain an advantage

Act of Corruption Corruption Offence	<p>in the form of money, anything of value, other asset or property-related service, or any other proprietary interest for oneself or for any third party, or an illegal granting of such advantage to this person by other individuals; Committing the above acts for, or on behalf of, the Company.</p> <ul style="list-style-type: none"> – An action or omission of an employee of the Company, which has signs of corruption or which promotes corruption. – A willful or reckless act (i.e., an action or omission) with signs of corruption committed by a competent person in respect of which there is a civil, disciplinary, administrative, or criminal liability provided for by the laws of the Russian Federation.
Counteraction against Corruption	<ul style="list-style-type: none"> – Actions of the Company’s employees and management bodies, which are taken within their competence in order to: <ul style="list-style-type: none"> - prevent corruption, including the identification and further elimination of corruption causes (the prevention of corruption); - identify, prevent, combat, detect and investigate corruption offenses (the fight against corruption); and - mitigate and/or eliminate consequences of corruption offenses.
Company’s Employees	<ul style="list-style-type: none"> – Director General and other employees of the Company who perform their role responsibilities under respective employment agreements.

3. GOALS AND OBJECTIVES

3.1. The Company’s AC Policy aims at eliminating any causes and conditions that may give rise and/or giving rise to corruption in the Company.

3.2. The objectives of the Company’s AC Policy are to develop and implement measures aimed at preventing and combating any act of corruption and at mitigating or eliminating any related effect in the Company, including as follows:

- build an anti-corruption culture in the Company’s counterparties, partners, and employees to have zero tolerance for corruption in all its forms and manifestations;
- mitigate risk of involvement of the Company’s employees in acts of corruption;
- prevent corruption offenses and bring perpetrators of corruption offenses to justice;
- ensure indemnification for damages caused by corruption offenses of the Company or its employees;
- create a legal modality to combat corrupt practices in the Company;
- provide incentives for the employment in the Company of those who are not prone to corruption and corruption practices and who have not committed any corruption offense.

4. ACTS OF CORRUPTION

4.1. The Company considers an act of corruption any corruption offense, i.e. any act with signs of corruption in respect of which there is a civil, disciplinary, administrative, or criminal liability provided for by the laws of the Russian Federation, or any act encouraging corruption offenses, which are committed:

- against the Company, or those committed for, or on behalf of, the Company against any public authority or local government, or officials of any public authority or local government, any legal entity or its employees;
- directly or indirectly, in person or through the mediation of any third party;
- regardless of the purpose, including the simplification of any administrative or other procedure and gaining of any competitive or other advantage;

- in any manner, including receiving/granting of any money, anything of value, other asset or property-related service, or any other proprietary interest.

4.2. Corruption offenses committed for the purposes, or in the manner or way as mentioned in Clause 4.1 of the Company's AC Policy shall include an abuse of authority (Art. 201 of the Criminal Code of the Russian Federation) (hereinafter, the Criminal Code), bribe-taking (Art. 290 of the Criminal Code), bribery (Art. 291 of the Criminal Code), commercial bribery (Art. 204 of the Criminal Code), intermediation in bribery (Art. 291.1 of the Criminal Code), provocation of a bribe or commercial bribery (Art. 304 of the Criminal Code), illegal remuneration on behalf of the Company (Art. 19.28 of the Code of Administrative Offences of the Russian Federation) (hereinafter, the Code of Administrative Offenses), illegal employment or engagement of a civil servant or a municipal official, or a former civil servant, or a municipal official (Art.19.29 of the Code of Administrative Offenses), and other corruption offenses as provided for by the laws of the Russian Federation.

5. KEY ANTI-CORRUPTION PRINCIPLES

5.1. The Company takes actions to combat corruption based on the following principles:

- an uncompromising attitude towards and disapproval of corruption in any manner and manifestation (the "zero tolerance" principle) in carrying out both its charter and operating activities, including in interactions with counterparties, representatives of government authorities, local governments, or political parties, employees of the Company, etc.;
- the commitment of the Company's management as role models in building a culture of intolerance towards corruption and creating a corporate system of prevention and combating corruption;
- the involvement of the Company's employees in anti-corruption actions;
- the continuous efficiency control and monitoring with regard to the Company's anti-corruption standards and procedures and respective follow-up actions;
- the adequacy of anti-corruption procedures to corruption risk;
- the openness in business (awareness raising among counterparties, partners and the public about the Company's anti-corruption standards of doing business and its cooperation with the government, partners and counterparties on anti-corruption issues);
- the recognition, promotion and protection of fundamental rights and freedoms of a person and citizen;
- the lawfulness;
- the inevitability of prosecution for any corruption offense; and
- the prioritized application of measures to prevent corruption.

6. SCOPE OF THE AC POLICY

6.1. The Company's AC Policy shall apply to:

- all employees of the Company who are engaged within employment relations with the Company;
- individuals who are members of its management bodies;
- Director General of the Company;
- counterparties and representatives of the Company, and other persons to the extent that their respective responsibilities are formalized in related contracts/agreements or their internal documents, or directly arise from law.

6.2. All employees of the Company, including those who are members of its governing bodies, shall

follow this AC Policy of the Company and abide scrupulously by the provisions hereof.

6.3. All employees of the Company shall be prohibited from a direct or indirect involvement, either in person or through the mediation of any third party, in acts that may give rise to corruption offenses in order to secure any tangible benefit or personal gain for themselves or for any third party or to ensure illegal granting of such benefit or gain to the above persons by other individuals.

7. EMPLOYEE CONTRIBUTION TO THE ACTIONS AGAINST CORRUPTION

- 7.1. The Company's employees shall contribute to implementing the Company's AC Policy.
- 7.2. Employees of the Company shall notify their immediate supervisors in writing of all instances of being induced to commit any corruption offense or act of corruption.
- 7.3. The Company shall make all of its employees read the Company's AC Policy and regularly raise their awareness about main provisions of the anti-corruption laws of the Russian Federation, including any amendments thereto.
- 7.4. No employee of the Company shall be subject to disciplinary action, dismissal, demotion, transfer to another job, denial of promotion, reduction of wages, or reduction or deprivation of bonuses, if he or she has reported on alleged corruption in the Company or abandoned involvement in a corruption offense.

8. INTERACTIONS WITH COUNTERPARTIES

- 8.1. The Company strives to do business with those counterparties who declare their disapproval of corruption and endorse the Company's AC Policy.
- 8.2. The Company exerts reasonable efforts to mitigate risk of having business relationships with those counterparties who may be involved in corrupt practices and for this end evaluates bribery tolerance in its counterparties, including checking whether they apply any own anti-corruption procedures or adopt anti-corruption policies, whether they are willing to comply with the Company's AC Policy, insert anti-corruption undertakings into their contracts/agreements and contribute to mutual support to ethical business practices and the prevention of corruption.
- 8.3. In order to implement the provisions of the Company's AC Policy, the Company ensures the insertion of anti-corruption terms and conditions (anti-corruption undertakings) into contracts/agreements with counterparties (Appendix No.1 to the Company's AC Policy).
- 8.4. The Company declares its commitments to conduct transparent financial activities with its counterparties.
- 8.5. The Company takes steps to collect and analyze data from its counterparties in respect of their entire chain of ownership, including their beneficiaries (including ultimate beneficiaries), and information about the membership in their respective executive bodies.

9. COMPANY'S ACTIONS AGAINST CORRUPTION

- 9.1. The core actions taken by the Company to counteract corruption are as follows:
- 9.1.1. Implement a uniform anti-corruption policy of the Company and develop a negative attitude towards corrupt behavior within the Company.
- 9.1.2. Identify units or officers of the Company responsible for the prevention of corruption and other offenses.
- 9.1.3. Develop, adopt, and monitor the compliance with the Code of Ethics with regard to the counteraction against corruption.
- 9.1.4. Insert an anti-corruption undertaking into its contracts/agreements with counterparties.
- 9.1.5. Develop and adopt special anti-corruption procedures aimed at implementing the Company's actions against corruption (procedures for the Company's employees to annually file their declarations of conflicting interests, awareness-raising among its employees about situations involving acts of corruption and corruption offenses, and conflicting interests that may arise in the Company, procedures to protect those employees who report on acts of corruption and corruption offenses in the Company's activities against both official and non-official sanctions).
- 9.1.6. Regularly evaluate corruption risks to identify areas of the Company's activities, which are mostly exposed to such risks, and develop appropriate anti-corruption measures.

- 9.1.7. Identify and resolve a conflict of interest in the Company.
- 9.1.8. Provide education, awareness raising and advice to the Company's employees on the prevention and counteraction of corruption (an introduction to regulations governing the prevention and counteraction of corruption, trainings, briefings and individual counseling for the Company's employees on the application of/compliance with anti-corruption standards and procedures).
- 9.1.9. Implement measures to prevent corruption in the course of interaction with its counterparties and partners.
- 9.1.10. Anti-corruption monitoring (review the Company's internal documents, charter and operating activities to check whether there are any conditions that facilitate acts of corruption, implement the Company's AC Policy in the Company's procurement and operating activities, generalize and analyze legal and anti-corruption expertise in draft local regulations of the Company, survey employees' views with respect to the corruption situation in the Company and the effectiveness of the Company's anti-corruption measures, analyze complaints from individuals and legal entities about alleged corrupt practices in the Company and analyze criticisms of the Company's activities published in the media).
- 9.1.11. Conduct internal control and audits (ensure that the Company's internal control and audit comply with the Company's AC Policy, regularly monitor the compliance with internal procedures and standards, check accounting data, the availability and reliability of primary accounting documents and economic substantiations of expenses in areas of high corruption risk, prevent unauthorized reporting and document forgery, and more effectively exploit the Company's assets and resources).
- 9.1.12. Conduct regular external audits in the implementation of the Company's actions against corruption.
- 9.1.13. Regularly evaluate the Company's anti-corruption efforts, prepare and distribute reporting materials regarding the ongoing anti-corruption activities and related successes.
- 9.1.14. Require the Company's officers and those seeking executive positions in the Company to comply with the Company's AC Policy.
- 9.1.15. Cooperate with public authorities, organizations and citizens in its anti-corruption efforts.

10. ACCOUNTABILITY FOR POLICY VIOLATIONS

- 10.1. The Company's employees, regardless of their position, shall be personally accountable for the compliance with the Company's AC Policy.
- 10.2. Given that the Company may be subject to sanctions for the involvement of the Company's employees, counterparties or other persons in corrupt practices, each and every reasonably suspected or found case of corruption shall be officially investigated as appropriate.
- 10.3. The Company takes steps in order to ensure that perpetrators of corruption offenses are brought to justice as established by the anti-corruption laws of the Russian Federation.
- 10.4. Violators of the Company's AC Policy may be subject to corporate sanctions in accordance with the Company's Code of Ethics.

11. HOTLINE

- 11.1. There is a Hotline available in the Company for the employees to report on cases of corruption by calling 8 (963) 990-10-07 or, alternatively, they can send an email at nocorruption@z-t-z.ru. When calling the Hotline, an employee may stay anonymous. Any information will be verified, subject to confidentiality requirements.
- 11.2. Any report that contains information the reporting person knows to be false shall be a violation of this Policy and relevant rules of the applicable law. In this case, the reporting person

may be held liable in the manner and on the grounds as provided for by the applicable law and JSC “ZPP”’s internal documents.

ANTI-CORRUPTION UNDERTAKING

1.1. This Undertaking expresses the commitment of the Parties to the Agreement, their affiliates, employees and agents to the principles of open and fair business and aims at mitigating risks of involvement of such parties in corruption practices and at maintaining a good business reputation of the Parties hereto.

1.2. The Parties have arrived at a consensus on the need to sign the Anti-Corruption Undertaking. The Parties acknowledge that the decision to sign the same is voluntary and are aware of the meaning and consequences of violating the terms and conditions hereof.

1.3. The Parties to the Agreement acknowledge that they are engaged in legitimate business activities and have only legitimate sources of funding.

1.4. The Parties to the Agreement undertake to respect, and ensure that their affiliates, employees and agents acting under the Agreement respect this Undertaking, and also to support each other in the event of a real or threatening violation of the requirements hereof.

1.5. The Parties to the Agreement undertake not to be involved in, and ensure that their affiliates, employees and agents are not involved, directly or indirectly, in the below actions in the performance of the Agreement:

1.5.1. Pay, or offer to pay, any money or give anything of value or perform work/render services, etc. at no charge to any public authority or public official or person who is a family member of any public authority or public official, or any person otherwise related to the government in order to secure any improper advantage for the Parties to the Agreement, their affiliates, employees or agents acting under the Agreement.

1.5.2. Pay, or offer to pay, any money or give anything of value or perform work/render services, etc. at no charge to employees of the other Party or its affiliates in order to ensure that they commit any action in favor of the encouraging Party (grant any undue advantage, or any guarantee, speed up any existing procedure, etc.).

1.5.3. Commit any other action that violates the applicable anti-corruption laws, including commercial bribery and other illegal or unlawful business practices.

1.6. If a Party to the Agreement believes that any provision of the Undertaking has been, or might have been, violated, that Party undertakes to notify the other Party in writing. The receiving Party shall confirm in writing that no violation took place or will take place, within three (3) business days upon receipt of the notice. The Parties undertake to hold joint consultations, both written and oral, in order to resolve the contentious situation.

1.7. Where there is any evidence of a violation of this Undertaking committed by a Party, the other Party shall be entitled to terminate the Agreement unilaterally by giving notice of termination in writing. The Party which has initiated termination of this Agreement in accordance with this Article shall be entitled to recover any actual damage resulting from such termination.