

**POLICY**  
**on Combating Corruption and Fraud**

VSMPO-AVISMA Corporation

2022

## **Foreword**

### **Data on the Policy**

DEVELOPED BY VSMPO Security Department

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**APPROVED BY:**

Order of CEO of

VSMPO-AVISMA Corporation

dd. April 28, 2022 No. 117

**POLICY**

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On Corruption and Fraud Combating

Supersedes P UEB-001-2020

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**Put into effect: upon approval**

**1 Scope**

1.1 This Policy is developed in order to regulate the key principles and requirements aimed at prevention of corruption and observance of the requirements of the applicable Anti-Corruption Law of the Russian Federation (RF) by the employees of VSMPO-AVISMA Corporation (hereinafter - Corporation) and other persons who might act on behalf of the Corporation, as well as to take actions addressed at prevention and avoidance of fraud both by the persons linked with the Corporation and bad-faith market players.

1.2 The requirements of this Policy cover all employees of VSMPO-AVISMA Corporation and its subsidiary companies (SC).

1.3 The Corporation also aims to extend applicability of the requirements of this Policy to dealers, agents, business partners, suppliers, contractors and other third parties having right to act on behalf of and in the interests of the Corporation and involved in performance of specific activities on its behalf (hereinafter – third parties), and expects that these parties adhere to the requirements of this Policy and appropriate responsibilities in combating corruption and fraud which are dictated by their internal documentation or come directly from the law of the Russian Federation and/or international law. Thus, during relationship with the third parties the Corporation expects respective actions from the other party, based on virtuousness and honesty.

1.4 The requirements of this Policy become mandatory for adherence by the third parties at commencement of contract obligations (signing of contract) between the Corporation and third parties in cases when such obligation is directly stipulated in the contract.

1.5 This Policy is developed in accordance with the normative documentation listed in section 2.

1.6 This Policy shall be posted on the official web-site of VSMPO-AVISMA Corporation on the Internet: [http://www.vsm-po.ru/ru/pages/Korporativnie\\_dokumenti](http://www.vsm-po.ru/ru/pages/Korporativnie_dokumenti) .

## **2 Normative Documents**

The following documents are referenced to in this Policy:

Constitution of the Russian Federation

Russian Federation Federal Law on Combating Corruption dated 25.12.2008 No. 273-FZ

The Labor Code of the Russian Federation

Decree of the President of the Russian Federation “On measures for implementation of individual provisions of Federal Law “On Combating Corruption” dated 02.04.2013 No. 309

Methodological Recommendations on Development and Implementation of Corruption Prevention and Combating Measures (approved by the Ministry of Labour and Social Protection of RF 08.11.2013)

Corporate Ethics Code (approved by the resolution of the board of directors of the Corporation 02.08.2016);

P 12-020-004 Regulations on Representational Expenses

P UB-001-2022 Regulations on Corruption and Fraud Combating Committee

## **3 Terms and Definitions**

The following terms with their appropriate definitions are used in this Policy:

**3.1 anti-corruption norms:** Norms of Russian anti-corruption law stipulated including, but not limited to in Criminal Code of the Russian Federation, Code of the Russian Federation on Administrative Offences, Federal Law “On Combating Corruption” and other normative documents which prohibit giving bribe, taking

bribe, commercial subornation, and acting as an intermediary in bribery and commercial subornation, as well as fraud.

**3.2 *bribe*:** Money, securities, other property, profits and/or monetized services transferred or rendered free of charge or at a lower property or service price, transferred/rendered or offered to a public official/received by an public official in person or via an intermediary against act (omit to act) in favour of the bribe giver or persons represented by him/her, if such act (omitting to act) are part of the public official's authority, or if such public official, due to the official capacity, can influence such acts (omitting to act), as well as for general favour or blase attitude. There is no minimum limit of money for the term "bribe", any subject matter of bribe given or received can be interpreted as bribe giving/taking.

**3.3 *state authorities and municipal authorities*:** State authorities of the Russian Federation, public authorities of the constituent entity of the Russian Federation, municipal authorities. In the context of this Policy the "state authorities" category includes also controlling authorities and supervisory authorities.

**3.4 *public official*:** Person performing functions of a sole executive body, member of a board of directors, or other collective executive body, as well as person who performs organizational/management functions or administrative functions temporarily or against special powers.

**3.5 *commercial subornation*:** Illegal transfer of money, securities, other property to a person performing managerial functions in a commercial or other organization, as well as illegal provision of monetized services to such person, provision of other property rights (including when, at the direction of such a person, property is transferred, or monetized services are rendered, or property rights are granted to another individual or legal entity) for performing acts (omitting to act) in the interests of the giver or other persons, if the acts (omitting to act) are part of the official duties, or if, due to his/her official status, he/she can contribute to the acts (omitting to act).

**3.6 *conflict of interest*:** A situation in which the personal interest (direct or indirect) of an employee (representative of an organization) affects or may affect the proper, objective and impartial performance of his official (labor) duties and in which a conflict arises or may arise between the personal interest of an employee (representative of an organization) and the rights and legitimate interests of the organization, which can lead to harm to the rights and legitimate interests, property

and (or) business reputation of the organization, of which he is an employee (representative of an organization).

**3.7 corruption:** Abuse of official position, bribe-giving, bribe-taking, abuse of power, commercial subornation or other illegal use by an individual of his official position contrary to the legitimate interests of society, the state, the Corporation in order to obtain benefits in the form of money, items of value, other property or services of a monetary nature, other property rights for oneself or for third parties, or illegal provision of such benefits to the person by other individuals, as well as the performance of the above acts on behalf of or in the interests of a legal entity.

**3.8 corruption offense:** A committed unlawful act with signs of corruption, for which the legislation of the Russian Federation establishes civil, disciplinary, administrative or criminal liability.

**3.9 corruption risk:** The probability of unlawful acts of corruption by the employees of the Corporation or third parties.

**3.10 personal interest:** The possibility of receiving income in the form of money, other property, including property rights, monetary services, the results of work performed or any benefits (advantages) by an employee and (or) his relatives.

**3.11 fraud of fraudulent activities:** actions of the Corporation's employees, related parties or any third parties committed by deception (providing deliberately false information, omission of true facts, deliberate actions aimed at misleading a person) or breach of trust (use, for mercenary motives, of trustful relationship due to official position or personal, friendly, family ties; acceptance of obligations in the absence of intention to fulfill them), and aimed at stealing someone else's property or acquiring the right to someone else's property (things, including money and securities, other property, as well as property rights; results of works and services; protected results of intellectual activity and equivalent means of individualization).

**3.12 facilitation payments:** Payment for “facilitation” and “promptness”, which are amounts of money transferred in order to ensure or shorten the timeframe for the completion of specified procedures or necessary actions for which the payer has a right without any reward.

**3.13 gift:** A thing given / received without any reward.

**3.14 representation expenses:** Expenses of an organization for conducting entertainment events.

**3.15 *entertainment events:*** Official reception and (or) service to representatives of invited organizations, as well as participants, members of the board of directors (management board) or other managerial body of the organization, regardless of the location of these events.

**3.16 *corruption combating:*** Activities of employees of the Corporation, management bodies within their powers to prevent corruption, including the identification and subsequent elimination of the causes of corruption (prevention of corruption); to identify, prevent, suppress corruption offenses; to minimize and / or eliminate the consequences of corruption offenses.

**3.17 *relatives:*** Parents (including carers and adoptive parents), spouses (including persons living together and maintaining a common household as common-law spouses), children (including adopted), brothers, sisters, as well as brothers, sisters, parents and children of spouses, spouses of children, grandparents, grandchildren.

**3.18 *considerable financial interest:*** Owning more than 25% of the shares of any organization, and / or investing in an organization, if there is a contractual relationship between the organization and the Corporation.

**3.19 *items of value:*** Anything that may be of value to an official / person performing management functions, including cash, movable and immovable property, gifts, invitations, attending entertainment events, provision of preferential terms in relation to goods, services that do not have commercially reasonable justifications, as well as offers of employment and other similar benefits.

**3.20 *legal entities:*** All types of legal entities provided for by the civil legislation of the Russian Federation, as well as individual entrepreneurs.

#### **4 Designations and Abbreviations**

ASRD (ДБнР АВИСМА) - AVISMA Safety and Regime Department

LR (ЛНА) – local regulation

SC (ДХО) – subsidiary companies of VSMPO-AVISMA Corporation

VSMPO ESD (ОЭБ ВСМПО) – VSMPO Economic Security Department.

AVISMA ESD (ОЭБ АВИСМА) – AVISMA Economic Security Department.



## **5 General Provisions**

5.1 Giving or receiving bribes, mediation in giving or receiving bribes, abuse of official position or authority, commercial subornation, payments for facilitation of formalities, illegal use by an official of his position to obtain benefits in the form of money, items of value, other property, services, any rights for himself or for other persons, or illegal provision of benefits or rights to a person by other persons will be considered as “corruption”, “acts of corruption”, “corrupt activities”.

5.2 This Policy reflects the Corporation's adherence to high ethical standards and principles of open and honest business conduct, as well as the Corporation's aspiration to improve the corporate culture, adhere to the best corporate management practices and maintain the Corporation's business reputation at the proper level.

5.2.1 This Policy is aimed at forming among all employees and managers of the Corporation a uniform understanding of the essence of corruption and fraudulent activities in any form and manifestation, in order to prevent and suppress situations and actions that could potentially breach applicable corruption and fraud law.

5.3 The basic objectives this Policy are:

5.3.1 Minimizing the risks of involving employees of the Corporation, regardless of their position, in corrupt and fraudulent activities;

5.3.2 Generating among employees of the Corporation and other third parties of a uniform understanding of the Corporation's policy on rejection of corruption in any form and manifestation;

5.3.3 Generalization and clarification of the main requirements of the anti-corruption law of the Russian Federation that may be applied to the employees of the Corporation;

5.3.4 The obligation for the employees of the Corporation to know and comply with the requirements of this Policy, the key norms of the anti-corruption law of the Russian Federation, and also, to take adequate measures to prevent corruption and fraud.

5.4 The Corporation strictly adheres to the following requirements of anti-corruption law of the Russian Federation:

- rejection of corruption in all forms and manifestations in the performance of daily activities and strategic projects, including in interaction with representatives of state authorities, municipal authorities, political parties, employees and other third parties;

- minimization of the risk of business relations with third parties who may be involved in corrupt and fraudulent activities or are tolerant to corrupt practices. (The implementation of this principle is carried out by checking whether third parties interacting with the Corporation in various areas have their own anti-corruption procedures or policies, their readiness to comply with the requirements of this Policy and include anti-corruption clauses in contracts, as well as provide mutual assistance for ethical business conduct and prevention of corruption and fraud);

- formation by the Corporation management of an ethical standard of irreconcilable attitude towards any forms and manifestations of corruption and fraud at all levels, setting an example by their behavior;

- the priority of anti-corruption measures and moral principles of combating corruption and fraud, the inadmissibility of establishing privileges and immunities that limit liability or complicate the procedure for bringing to justice the Corporation employees who have committed corruption and/or fraud offenses.

## **6 General Principles of Combating Corruption and Fraud**

6.1 The corporation has established the following principles of combating corruption and fraud:

- the principle of adequacy of the applied procedures to existing corruption and fraud risks;

- the principle of proper periodic assessment of corruption and fraud risks;

- the principle of due care of the Corporation's employees in order to detect and prevent corruption and fraud;

- the principle of communication and training of the Corporation's employees with regard to the measures to combat corruption and fraud;

- the principle of continuous control and monitoring of manifestations of corruption and fraud.

6.1.1 The Corporation develops and implements the necessary and sufficient procedures to prevent fraud and corruption that meet the level of identified

corruption and fraud risks, to a reasonable extent, and monitors adherence to them. The applied procedures are a set of preventive and suppressive measures aimed at preventing and minimizing the risk of fraud and corruption in the Corporation. All applied procedures are clearly defined, effective, enforceable, and aimed at preventing of fraudulent and corrupt acts, adequate to the existing risks.

6.1.2 The Corporation identifies, assesses and periodically reassesses corruption and fraud risks specific to its potentially vulnerable business processes. The Corporation periodically assesses the nature and extent of its potential internal and external corruption and fraud risks.

6.1.2.1 The Corporation makes every effort to prevent relationships with counterparties that may be involved in corrupt activities; for this purpose, when possible, the Corporation checks the level of counterparties' tolerance for corruption, including checking that counterparties have their own fraud and corruption combating procedures or policies, their willingness to include clauses in contracts to comply with applicable fraud and corruption combating laws, and to provide mutual assistance for ethical business conduct and the prevention of fraud and corruption.

6.1.3 The Corporation, to the extent possible, surveys reliability of all individuals who provide or will provide services for and/or on behalf of the Corporation in order to prevent fraudulent and corrupt practices related to the Corporation. At the same time, the principle of proportionality of the applied procedures to corruption and fraudulent risks is taken into account.

6.1.4 The Corporation takes measures to ensure that the requirements of this Policy are brought to the attention and explained to all employees and third parties. The Corporation contributes to raising the level of a culture of ethical behavior and a negative attitude towards all manifestations of corruption and fraud, maintaining awareness of the requirements of laws related to combating corruption and fraud, acquiring anti-corruption behavior skills through the formation of a corporate culture and ethics of anti-corruption behavior of employees.

6.1.5 Due to the possible change of corruption risks, fraud risks and other factors over time, the Corporation monitors, evaluates, and controls compliance with corruption and fraud combating procedures.

6.1.5.1 Monitoring and control includes: monitoring and control of cases of corruption and fraud; monitoring and control of factors causing corruption risks and fraud risks; monitoring and control of the effectiveness of this Policy implementation.

## **7 Preventive actions for combating corruption and fraud**

7.1 In pursuance of the tasks established by this Policy, and in accordance with the general principles of combating corruption and fraud, the Corporation takes a set of preventive measures against manifestations of corruption and fraud, including: the formation of a corporate culture and ethics, taking into account the principle of zero tolerance to corruption and fraud, regulating personal responsibility of employees for compliance with this Policy, informing and training of employees.

7.1.1 The principle of zero tolerance to corruption and fraud is an important element of the corporate culture and corporate ethics and means the complete rejection of corruption and fraud in the relationship of employees within the Corporation, with contractors, and with third parties.

7.1.2 The Corporation is aware that the social responsibility of business should be manifested, among all, in the internal corporate policy. The Corporation declares a complete rejection of corruption and fraud. The Corporation promotes a culture of honest, responsible and ethical behavior of its employees in all areas of its activities.

7.2 All employees of the Corporation and subsidiary companies are familiarized with the content of this Policy and adhere to it.

## **8 Anti-Corruption Activities and Combating Fraud**

8.1 In accordance with the applicable anti-corruption norms of the Russian Federation, the Corporation considers as corruptive the actions such as bribery and commercial subornation conducted towards Corporation, on behalf or in favor of the Corporation towards public and municipal authorities and their officers, as well as other legal entities and their employees, management bodies, and representatives of such legal entities, other third parties, directly or indirectly, personally or through intermediaries, regardless of the purpose, including facilitation of administrative and other procedures, providing competitive and other advantages in any form, including in the form of receipt / provision of money, valuables, other property or services of a property nature, other property rights.

8.2 The employees of the Corporation shall not commit corrupt and fraud acts, including, directly or indirectly, personally or through intermediaries offering giving, promising, extorting, and receiving bribes, commercial subornation, or making any payments to facilitate administrative and other formalities in any form, including the form of money, valuables, services or other benefits to any persons and on behalf of any entities or organizations, including commercial organizations,

public authorities and municipal authorities, regulatory and supervisory bodies, state and municipal officers, private companies and their representatives, other third parties.

8.2.1 The employees of the Corporation are not entitled to receive any financial personal benefit or services due to their position in the Corporation, except for benefits, compensation, etc. arising from the employment agreement.

8.2.2 Notification shall be required in case of participation of Corporation employees personally or through their relatives in the authorized capital of other legal entity with share of more than 25%, and / or holding a management position in other legal entity, and / or participation in the board of directors (management) of other legal entity shall have notification nature (except for participation in Subsidiary Company management). In this case, the employee shall draw up a Notice of intention to participate in the activities of other legal entity, as well as registration as an individual entrepreneur in accordance with Appendix A; a copy of the notice shall be provided to the VSMPO Economic Security Department or AVISMA Safety and Regime Department.

8.2.2.1 Requirements of para. 8.2.2 apply to the following positions:

- Director General;
- Deputies of Director General;
- field-specific Directors/Deputy Directors;
- advisors to Director General;
- Division/Shop, Directorate/Department Managers;
- employees of all directorates and departments, in accordance with current Corporation's corporate structure.

8.2.3 The employees of the Corporation shall avoid activities outside the Corporation that pose a threat of direct or indirect harm to the Corporation or discredit it. The employees of the Corporation shall not engage in activities that are not related to the performance of their duties under the Employment Agreement in the Corporation with the use of working hours, and also use consumables or equipment of the Corporation for these purposes. The employees of the Corporation are not entitled to use information that has become known to them during performance of their job functions, which creates a threat of damage to the Corporation or discredits it.

8.2.4 Any activity of the Corporation employees, their interests or off-duty relationships shall not impact the activities of the Corporation, directly or indirectly harm the Corporation, or create threat of such impact or damage. That means that when the actual or potential benefit or impact of an external source is contrary to the interests of the Corporation, a conflict of interest ensues. The employees should avoid situations where self-interest conflicts with the interests of the Corporation or threatens to do so.

8.2.4.1 The employee shall notify his/her immediate supervisor of possible conflict of interest, and complete a Notice of Possible Conflict of Interest (Appendix B). The copy of the notice shall be sent to VSMPO Economic Security Department / AVISMA Safety and Regime Department.

8.3 Employees of the Corporation are not allowed to:

- take credits/ loans in organization with which the Corporation has contractual relationship, or ask such organization to act as a guarantor for personal debts, or enter into any other financial agreements with such organization (the exception is credit organizations operating on the basis of a special permit (license) of the RF Central Bank, as well as organizations that are the Corporation's Subsidiary Companies).

- hold a position in board of directors or trustees or in committees of any organization (commercial, non-commercial), which interests conflict with Corporation's interests.

8.4 In the event that the Corporation concludes a transaction, where one of the parties is an organization (except for the subsidiary companies) in which a relative of an employee of the Corporation has an interest/participation, the employee (if he is aware of this) shall:

- inform of the presence of interest / participation of relatives in the organization (in accordance with clause 8.2.4.1)

- not participate in decision making on such a transaction.

8.5 The Corporation allows the subordination of the relatives, at that the official (immediate supervisor) shall:

- report such fact (in accordance with para. 8.2.4.1)

- not participate in making decisions on hiring, dismissal, evaluating of a subordinate employee work.

8.6 Personal relationships between employees of the Corporation or employees of the Corporation's counterparties may threaten independence or result in a conflict of interest, either in fact or from the point of view of their business community. In such situations, employees shall avoid conflict of interest.

8.7 The employees of the Corporation, when performing their job functions or carrying out their activities on behalf of the Corporation in any country, shall comply with the anti-corruption laws of the Russian Federation, the national laws of foreign states and the regulations of International corruption and fraud combating law, as well as the requirements of this Policy.

8.8 The Corporation shall regularly identify, review, and assess corruption and fraud risks typical for its activities in general and of specific fields in particular, and take measures to prevent corruption and fraud that reasonably adequate to the identified risks (according to para. 11.2.3).

8.9 The corruption and fraud risk assessment process includes two main stages:

- identification and assessment of corruption and fraud risks typical for the Corporation, including analysis of the main business processes and transactions, identification of the areas mostly exposed to the risk from the point of view of corruption and their ranking in terms of the degree of exposure to those risks. Risk areas among others, are those related to interaction with the third parties, assets and cash flows, possibility of exerting external and internal pressure on the decision-maker, etc.

- determination of indicators for each of the identified risk areas, which are subsequently used in monitoring and subsequent reassessment of corruption risks, among other uses.

8.10 The Corporation makes reasonable efforts to minimize the risk of business relationships with third parties who may be involved in corrupt or fraud activities by checking their tolerance for bribery, including, but not limited to, checking whether they have their own anti-corruption measures or policies, their readiness to comply with the requirements of this Policy and include anti-corruption conditions (clauses) in contracts, as well as provide mutual assistance for ethical business conduct and prevention of corruption and fraud.

8.11 Corporation declares an open and competitive system for conducting procurement / sales procedures and at the same time establishes the following:

- careful planning of the need for goods, works, and services;

- analysis of potential consumption by the market of products made of titanium alloys;
- transparency of procurement;
- equality, fairness, non-discrimination and absence of unreasonable restrictions on competition in relation to procurement / sales participants;
- fair and reasonable selection of the most preferred offers with comprehensive analysis of benefits and costs;
- targeted and cost-effective spending of funds for purchase of goods, works and services;
- pricing efficiency of concluded transactions;
- no unreasonable restriction of admission to participation in procurement/sales;
- ensuring publicity and transparency of procurement / sales, prevention of corruption, conflicts of interest and other corruption components;
- verification of all persons which provide or will provide services in the interest and/on behalf of the Corporation, considering the principle of adequacy of the procedures used to the corrupt and fraud risks.

8.12 Corporation declares its rejection of corruption and fraud, promotes an increase in the level of anti-corruption culture, by informing and systematic training of its employees on the requirements of this Policy, in order to maintain their awareness of anti-corruption policy and fraud combating issues.

8.13 Due to possible changes in corruption risks and other factors affecting business activities over time, the Corporation monitors the implemented measures to prevent corruption and fraud, controls their observance and, if necessary, revises and improves them (in accordance with para. 11.2.3).

## **9 Methods and Procedures for Combating Corruption and Fraud**

9.1 The Corporation declares an uncompromising attitude towards any forms and manifestations of corrupt and fraudulent activities at all levels of corporate management, investigates all reasonably justified reports of violations of the rules and procedures for the prevention of corruption and fraud, takes actions to prevent corrupt and fraudulent activities, and puts to justice the liable persons regardless of their position and other factors as prescribed by the legislation of the Russian Federation and the Corporation's internal documentation.



9.1.1 The Corporation takes all possible reasonable and legal efforts to prevent corrupt and fraudulent activities and ensures suppression of them inevitably and in a shortest time.

9.2 The Corporation operates a Hotline - an information channel, one of the goals and objectives of which is the receiving and registration of information on the detection of facts of corruption and fraudulent acts or preparations to them.

9.2.1 One of the main principles of corporate conduct is to ensure prevention of corrupt and fraudulent activities both within the Corporation and in relations with the third parties. In elaboration of this principle, reporting by employees about cases of corruption and fraudulent acts known to them is recognized as an example of positive behavior. The Corporation may take measures to encourage employees who provided reliable information about committed corrupt and/or fraudulent acts, as well as information that contributed to their prevention or suppression via the Hotline.

9.2.2 The Corporation guarantees the confidentiality of information received from employees and other persons via the Hotline, including non-disclosure of their personal data and the content of received messages. Besides, the employees have the right to provide information to the Hotline anonymously. The information provided to the Hotline, including the personal data of the person who provided the information, is available only to persons involved in checks and official investigations with regard to the received notices.

9.3 In the course of the internal investigation, the facts are ascertained and circumstances are determined with regard to the subject of the investigation, within the limits established by the current legislation and the internal documentation of the Corporation.

9.3.1 The employees responsible for internal investigations are provided with access to all necessary information and documents of the Corporation. All employees of the Corporation are obliged to contribute to internal investigations within their competence.

9.3.2 In the course of the internal investigation, the content of the notice received via the Hotline, the data of its sender, and the personal data of the persons being checked shall not be disclosed.

9.3.3 The Corporation may decide to inform the persons who provided information about corrupt and/or fraudulent activities, as well as other third parties, about the activities of the Corporation in the field of combating corruption and fraud, including internal investigations, and their results.

9.4 Based on the established facts of corruption and fraud, the Corporation develops measures to improve the internal control system and other forms of prevention of corruption and fraud, as well as the system for informing and training employees on the requirements of the Code of Corporate Ethics, the principles of rejection of corruption and fraud.

## **10 Ant-Corruption Culture of the Corporation**

10.1 All employees whose duties include public affairs and contacts with the third parties on behalf of the Corporation shall strictly follow the standards and rules of corporate conduct established by this Policy, Corporate Ethics Code, and other Corporation's internal normative documents. At that, special attention shall be brought to control of actions in the area of personal responsibility when dealing with officials.

10.1.1 In elaboration of the principles of corporate conduct, the employees of the Corporation adhere to a common standard of conduct in relations with officials. The employees shall prevent themselves from behavior that may be estimated by the officials as the readiness of an employee to commit or facilitate corrupt acts. These requirements apply to all cases of interaction with officials, including oral and written appeals, negotiations.

10.1.2 An employee of the Corporation who has received information from an official that the employee perceives as a request, demand, hint at the transfer, extortion of financial and other benefits in favor of the official or his close relatives (for example, about paying any expenses for these persons or in interests of these persons), is obliged to suspend business contacts with the official and immediately notify his/her immediate supervisor about the situation, provide the information to the Hotline (or notify VSMPO Economic Security Department or AVISMA Safety and Regime Department).

10.2 The gifts that can be granted by the employees on behalf of the Corporation to others persons and entities or that can be received by the employees in connection with their work in the Corporation from other persons and entities as well as official entertainment expenses, including the expenses for business entertainment and promotion of Corporation in the market, that can be incurred by the employees on behalf of the Corporation, shall meet the following criteria:

- the value of a gift cannot exceed 3 000 roubles;
- it shall not represent a covert reward for a service, action, omitting to act, connivance, auspice, granting rights, making a certain decision on transaction, agreement, permit etc., or for attempt to influence on the receiver for the other illegal or unethical purpose;
- do not create a risk for goodwill of Corporation, employees and other persons in case of disclosure of information on gifts and entertainment expenses; do not contradict the principles and requirements of this Policy;
- meet the requirements specified in the Regulations P 12-020-004 – On entertainment expenses.

10.2.1 The gifts in a form of money, either cash or non-cash, regardless of the currency and amount on behalf of the Corporation, its employees and representatives are not allowed to third parties.

10.3 The Corporation implements a common charity policy intended for formation of its image of socially-responsible enterprise.

10.4 The Corporation participates only in those sponsor projects that are lawful both legally and ethically, as well as takes all the necessary actions that such contributions are not made as a reward for illegal preferences or advantages.

10.5 The Corporation straddles the fence in politics and keeps from financing of political parties, organizations, and unions aimed at receiving commercial advantages in particular projects.

10.6 The Corporation does not pay any expenses for public officers or their close relatives (or in their interest) in order to get commercial advantages in particular projects of the Corporation, including the expenses for transportation, accommodation, food, entertainments, PR-campaigning etc., or for obtaining by them other benefit at the Corporation's cost.

10.7 Safe, confidential and easy to access means are arranged in the Corporation for informing the Corporation management on facts of bribetaking and fraud by the third parties, rendering the services in the interest of the Corporation and on its behalf (email: [hotline@rndv.ru](mailto:hotline@rndv.ru), phone +7 (34345) 6-20-00).

10.8 In order to establish an appropriate level of anticorruption culture for the persons to be hired by the Corporation, they are familiarized with the requirements of this Policy.

10.9 Adherence by the Corporation employees to the principles and requirements of this Policy is accounted for while forming the candidate pool for their recommendation for the higher positions as well as for imposing a disciplinary penalty.

10.10 The Corporation prohibits to engage or use the third parties for performing actions that are in conflict with the principles and requirements of this Policy or regulations set by applicable anti-bribery laws of the Russian Federation.

10.11 For the purpose of implementation of the principles and requirements established in this Policy the Corporation includes anticorruption conditions (provisions) in standard forms of the Corporation's contracts: "The (contracting party name) has been familiarized with the Policy on Combating Corruption and Fraud in VSMPO – AVISMA Corporation posted on the official website in the Internet [http://www.vsmmpo.ru/ru/pages/Korporativnie\\_dokumenti](http://www.vsmmpo.ru/ru/pages/Korporativnie_dokumenti), and assumes obligation of strict observance of the Policy principles and requirements for combating corruption and fraud".

## **11 Anti-Corruption Activity Management Structure**

11.1 Effective management of anti-corruption activity of the Corporation shall be achieved through efficient and prompt interaction of the following participants:

- Director General;
- Deputy Director General, Security and Regime;
- manager of the Corporation divisions;
- VSMPO Economic Security Department;
- AVISMA Safety and Regime Department;
- Committee on combating corruption and fraud in the Corporation (hereinafter - Committee).

11.2 The functions shall be distributed between the above participants within the framework of the Corporation's anti-corruption activities as follows:

11.2.1 The General Director shall be responsible for ensuring the Corporation's commitment to high ethical standards and principles of open and fair business, as well as Corporation aiming at improvement of the corporate structure, adherence to the best practices of corporate management, and maintaining of the Corporation's business reputation at the appropriate level.

11.2.2 Deputy Director General, Security and Regime shall be responsible for arranging all activities aimed at implementation of the principles and requirements of this Policy, including the appointment of persons responsible for the development of anti-corruption procedures, their implementation and control, determination of the responsibility of the managers of the Corporation's structural divisions in the field of combating corruption, continuous monitoring of the activities of the Corporation employees in the field of combating corruption and fraud, forming and establishing the responsibilities of Committees.

11.2.3 Managers of structural divisions of the Corporation, within the framework of their authority, shall analyze the possible corruption and fraud risks typical for their activities; carry out updating and assessment of corruption and fraud risks, provide information about possible corruption and fraud risks to a higher-level supervisor.

11.2.4 VSMPO Security Department and AVISMA Safety and Regime Department shall monitor functioning of procedures aimed at minimizing corruption and fraud risks typical for the Corporation's activities; initiate updating of the Corporation's local regulatory documentation upon implementation of changes in the anti-corruption law of the Russian Federation; receive and review reports of the Corporation's employees and other persons about violations of the requirements of this Policy or suspected corruption or fraud offense by employees, based on the results of which, if necessary, shall conduct an internal investigation, raise recommendations for improving the anti-corruption procedures implemented by the Corporation.

11.2.5 Control over the implementation of paragraphs 8.2.2 and 8.2.4 shall be carried out by the employees of VSMPO Security Department and AVISMA Safety and Regime Department by arranging and conducting checks of the Corporation's employees via public data sources.

11.2.5.1 If, in the course of checks, the facts are revealed that an employee of the Corporation has registered as an individual entrepreneur, created a legal entity, acquired a share in a legal entity the amount of which is more than 25%, and / or holds a managerial position in another legal entity, and / or participates in the board of directors (management board) of another legal entity, such information shall be sent to the manager of the structural division of the that employee in the form of an office memo signed by the Manager of VSMPO Economic Security Department or AVISMA Economic Security Department in order to comply with the requirements of clauses 8.2.2 and 8.2.4.

11.2.5.2 Upon receipt of the office memo from the Manager of VSMPO Economic Security Department or AVISMA Economic Security Department, the manager of the structural division shall familiarize the employee listed in the office memo with the requirements of this Policy against his/her personal signature. The employee shall fill in the notifications according to the forms (Appendices A, B) and send them to the Manager of VSMPO Security Department or AVISMA Safety and Regime Department.

11.3 Since the Corporation may be subject to sanctions for participation in corruption, each reasonably justified suspicion or established fact of corruption shall be subject to official investigation arranged by Deputy Director General, Security and Regime within the framework permitted by the law of the Russian Federation.

11.4 The members of the Committee, their duties, responsibility and authority are specified in Regulations P UB – 001-2022.

## **12 Responsibility**

12.1 All employees of the Corporation, regardless of their position, shall be personally responsible for compliance with the requirements of this Policy.

12.1.1 The Corporation employees whose duties include acceptance of finish products shall be personally responsible for safety and prevention of misuse of their authority identifiers (stamps, personal signatures, electronic signatures, passwords, etc.).

12.2 The persons who have violated the corruption and fraud combating law of the Russian Federation may be subject to administrative, civil or criminal liability at the initiative of law-enforcement authorities or other state controlling and supervisory authorities in accordance with and on the grounds established by law. Violation of the requirements of this Policy shall be subject to disciplinary liability in accordance with the local regulatory documents of the Corporation, labor contracts and labor law of the Russian Federation.

12.3 At the same time, the Corporation guarantees that no employee will be brought to disciplinary responsibility if he/she reported the alleged fact of corruption or fraud, or if he/she refused to give a bribe or receive any items of value, commit commercial subornation or provide mediation in bribery, including if the Corporation has lost profits or has not obtained commercial or competitive advantages as a result of such refusal, and shall be responsible for that.

### **13 Control**

13.1 The managers of the structural divisions shall control adherence to the requirements of this Policy by the Corporation's employees .

13.1.1 The managers of structural divisions are obliged to immediately report the revealed or reported facts of violation of this Policy to VSMPO Security Department or AVISMA Safety and Regime Department (e-mail address dbr@vsmpo.ru).

13.2 Manager of VSMPO Security Department/ Director, AVISMA Safety and Regime shall monitor and review the results of the work of the Corporation's structural divisions to ensure that their activities comply with the requirements of this Policy and the corruption and fraud combating law of the Russian Federation, and other applicable anti-corruption standards.

13.3 Deputy Director General, Security and Regime shall be responsible for overall control of adherence to the provisions of this Policy in the Corporation.

**Appendix A (A)**  
**(mandatory)**

\_\_\_\_\_ (position of immediate supervisor)  
\_\_\_\_\_  
from \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Name)  
\_\_\_\_\_ (position)  
\_\_\_\_\_ (division)

**NOTIFICATION**

On intent to participate in the capital of another legal entity

In accordance with paragraph 8.2.2 of Regulations on Combating Corruption in VSMPO-AVISMA Corporation please be informed that I plan to participate in the capital of another legal entity with share over 25%

\_\_\_\_\_  
(Provide data on the legal entity and activities which  
\_\_\_\_\_  
the corporation employee plans to perform  
\_\_\_\_\_  
place of work, position, duties  
\_\_\_\_\_  
expected dates of activity performance, other)

Performance of these activities will not result in conflict of interests.

During performance of the activities specified I commit to adhere to the requirements stipulated in Policy on Combating Corruption and Fraud in VSMPO-AVISMA Corporation, and inform about any case of planned changed (extension) of activities, nature, place and conditions of the activities performed by me.

Familiarized: \_\_\_\_\_ (signature)  
\_\_\_\_\_ (date)  
\_\_\_\_\_ (signature)  
\_\_\_\_\_ (date)

Familiarized: \_\_\_\_\_  
(manager of VSMPO Security Department or AVISMA Safety and Regime Department)



**Appendix B (Б)**  
**(mandatory)**

\_\_\_\_\_ (position of immediate supervisor)  
\_\_\_\_\_  
\_\_\_\_\_ (Name)  
from \_\_\_\_\_  
\_\_\_\_\_ (Name)  
\_\_\_\_\_  
\_\_\_\_\_ (position)  
\_\_\_\_\_  
\_\_\_\_\_ (division)

NOTIFICATION

on possible conflict of interests

In accordance with paragraph 8.2.4.1 of Policy on Combating Corruption and Fraud please, be informed that currently a conflict of interests is possible due to the following circumstances:

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

Please be informed of my continued activities, despite of possible conflict of interests in view of the reasons described above. I also commit to inform in writing in case of new circumstances which might result in conflict of interests and continue adhere to respective rules and procedures described in Policy on Combating Corruption and Fraud.

	_____ (signature)
	_____ (date)
Familiarized: _____ (position of immediate supervisor)	_____ (signature)
	_____ (date)
Familiarized: _____ (manager of VSMPO Security Department of AVISMA Safety and Regime Department)	