

ANTI-CORRUPTION POLICY			
Company:	ENERGOPROM group	Scope of responsibility:	Law enforcement activities
Management:		General Director:	I.V.Kosarev
Operation:		Manager:	
Last review date:	08.07.2016		

ACCEPTED TERMS AND DEFINITIONS

Company	Joint-Stock Company ENERGOPROM MANAGEMENT.
Managed companies	Public Joint-Stock Company "ENERGOPROM - Novochoerkassk Electrode Plant", Public Joint Stock Company "ENERGOPROM - Chelyabinsk Electrode Plant", Closed Joint Stock Company "ENERGOPROM - Novosibirsk Electrode Plant", Limited Liability Company Doncarb Graphite and other companies within the Company's management framework.
Company management	General Director, Area Directors, Managing Directors.
Contractor	A person recognized as such in accordance with the applicable Regulations for contract work.
Conflict of interests	A situation when a personal interest of employee of the Company or the Managed Company may influence decision making procedure in the Company and/or the Managed Company.
Corrupt practice	Unlawful use by an employee of the Company or the Managed Company of his/her official position contrary to the legitimate interests of the Company and/or the Managed Company for the purpose of obtaining benefits for himself/herself or a third party in the form of money, valuables, other property or property-related services, other property rights, or unlawful provision of such benefits to the Company's or the Managed Companies' employees.
Corrupt practices	Illegal actions of the Company's employees, which result or may result in Corruption.
Corruption offence	Corrupt practices of employees of the Company and/or Managed Companies, for which criminal, administrative or disciplinary liability is established.
List of state and municipal service posts	Federal public service posts included in sections I and II of the List of Federal public service posts in the appointment and replacement of which citizens and federal public servants are obliged to provide information concerning personal income, property or material liabilities, as well as information concerning personal income, property or material liabilities of their spouse and underage children approved by the Decree of the President of Russian Federation No. 557 dated 18 May 2009, as well as other Federal public service posts, defined by the Federal state body in accordance with section III of the specified list, or posts defined by the state authorities of the subjects of the Russian Federation.
SD	Security Department of the Company and the Managed Company.
Corporate network	The whole complex of local electronic networks of the Company and the Managed companies.

1. GENERAL PROVISIONS

1.1. This Anti-Corruption Policy is a set of interrelated principles and measures aimed at preventing and combating corrupt practices by employees of the Company and the Managed Companies.

1.2. Anti-corruption policy reflects the commitment of the Company and the Managed Companies to the government policy, which strives to improve the work of the state administration, including in relations with economic entities, as well as economic entities among themselves, based on the principles of transparency, predictability and mutual trust.

1.3. When employed by the Company and the Managed Companies, the persons hired should familiarize themselves with this Anti-Corruption Policy against signature in the manner determined by the respective Personnel Service.

2. GOALS AND OBJECTIVES OF ANTI-CORRUPTION POLICY AND RESULTS OF ITS IMPLEMENTATION

The purpose of this Anti-Corruption Policy is to develop and implement a system of measures aimed at countering corruption and ensuring that employees of the Company and the Managed Companies do not engage in corrupt practices.

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

- defining the list of Corrupt practices;
- establishment of a list of disclosed information provided by an employee at the commencement of employment in the Company or the Managed Company and in the course of such work;
- introduction of special standards for behavior of the employees of the Company and the Managed Companies in their relations with the Contractors and other persons with whom the employees enter into relations on behalf and in the interests of the Company and/or the Managed Companies.

The use of the Anti-Corruption Policy shall ensure:

- elimination of risks in connection with the Corruption practices by the Company, the Managed companies and their employees;
- formation of anti-corruption corporate consciousness among employees of the Company and the Managed companies, as well as a uniform understanding of the position against Corruption in any forms and manifestations;
- setting of obligations of employees of the Company and the Managed Companies to know and comply with the applicable anti-corruption legislation and the requirements of this Anti-Corruption Policy.

3. BASIC PRINCIPLES OF IMPLEMENTING THE ANTI-CORRUPTION POLICY

3.1. Basic principles of preventing Corrupt practices.

3.1.1. The principle of prohibiting Corrupt practices is that any Corrupt practices by employees of the Company and the Managed Companies shall not be allowed.

3.1.2. The principle of the personal example of the Company's Management is that the management should foster intolerance towards Corruption among the subordinated employees, including by holding methodological sessions and meetings with them in order to find out which of the actions performed (or being prepared) by the employees are Corrupt practices, what risks they entail and to adjust the behavior of employees in order to exclude the Corruption offences.

3.1.3. The principle of employees' awareness that the Company's Management or persons appointed for such purpose should periodically send whenever required electronic messages to all employees of the Company and/or the Managed Companies using the Corporate Network containing information about the adopted laws and regulations (as well as changes and additions to them) that introduce rules for preventing Corruption, including the identification and subsequent elimination of the causes of Corruption; for identifying, preventing, suppressing, disclosing and investigating Corruption offenses; to minimize and (or) eliminate Corruption offenses.

3.1.4. The principle of employees' engagement is that the Company's Management periodically whenever required should organize and hold company-wide meetings with the participation of all employees of the Company and/or the

Managed companies to discuss the standards of conduct of employees of the Company and the Managed companies in relations with persons with whom employees enter into business relations.

3.2. Basic principles for establishment of a list of disclosed information provided by an employee at the commencement of employment in the Company or the Managed Company and in the course of such work.

3.2.1. The principle of completeness of disclosed information about a possible Conflict of interest, which consists in the fact that upon entry into employment with the Company or the Managed Company, the persons hired shall provide the maximum amount of reliable information

- regarding ownership of shares and interests in business companies, as well as participation in business partnerships;
- regarding appointment as the sole executive body (Director, General Director, General Director of the Managing Organization) and the collective executive body (Directorate, Management Board) of the Contractor, and election to its Board of Directors;
- about legal entities with employees of which the persons employed are in kin, family, friendly, intimate and other personal relationships;
- about individual entrepreneurs with whom the persons employed are in kin, family, friendly, intimate and other personal relationships.

The procedure for disclosure of information provided for in this sub-clause is defined in clause 5.1. of this Anti-Corruption Policy.

3.2.2. The principle of disclosure of a real Conflict of Interest is that when choosing or interacting with the Contractor, employees of the Company and the Managed Companies participating in the choice of the Contractor or interacting with this Contractor are required immediately to disclose information as follows:

- regarding ownership of the shares and interests of such Contractor and participation in it if the Contractor is a business partnership;
- regarding appointment as the sole executive body (Director, General Director, General Director of the Managing Organization) and the collective executive body (Directorate, Management Board) of the Contractor, and election to its Board of Directors;
- about the Contractor's employees with whom they have kin, family, friendly, intimate and other personal relationships;
- if the Contractor is an individual entrepreneur or does not have such status (is a citizen) - about kin, family, friendly, intimate and other personal relationships with him.

The procedure for disclosure of information provided for in this sub-clause is defined in clause 5.2. of this Anti-Corruption Policy.

3.2.3. The principle of disclosure of information about the state and municipal service, which is that when employed by the Company or the Managed Company, persons who have been employed by the state and municipal service shall report the date of their discharge from the service.

The procedure for disclosure of information provided for in this sub-clause is defined in clause 5.3. of this Anti-Corruption Policy.

3.3. Basic principles for introduction of standards of conduct for employees of the Company and Managed companies in relations with persons with whom employees enter into business relations.

3.3.1. The principle of openness is that when inducing employees of the Company and the Managed Companies to engage in Corrupt practices, employees shall inform persons with whom they enter into business relations about this Anti-Corruption Policy and its Rules.

3.3.2. The principle of proportionality of standards to the risk of corruption, which consists in the development and implementation of a set of measures to reduce the probability of involvement of employees of the Company and Managed Companies in the commission of Corrupt practices.

3.3.3. The principle of effectiveness of the standards of conduct is to introduce such standards of conduct for employees of the Company and the Managed Companies that are low in cost but easy to implement and have results.

3.3.4. The principle of responsibility, which consists in the possibility of bringing to disciplinary responsibility if the commission of Corrupt practices by the employees of the Company and Managed companies, as well as failure to comply with the requirements of this Anti-Corruption Policy, caused damage to the Company and/or the Managed companies, including damage to their business reputation, or became the ground for bringing to responsibility for committing Corruption offenses.

4. LIST OF CORRUPT PRACTICES AND PREVENTION OF THEIR COMMISSION

4.1. Possible Corrupt Practices by Employees of the Company and the Managed Companies, which constitute Corrupt offences and entail criminal liability of employees who have committed them.

4.1.1. Bribery in the form of money, securities, other property or illegal property-related services (*for example, provision of free travel package tours, flat renovation, construction of cottages, etc.*), provision of other property rights (*in particular, transfer by gift of someone else's debt with the possibility to reclaim*) by the employee personally, or by his/her order or request, by other employees or other parties to the person holding positions in state and municipal bodies (institutions, corporations), including foreign (including international organizations), who has regulatory powers to use them to commit or facilitate any actions (inaction) in favor of the employees of the Company and/or the Managed companies, or to condone (*for example, giving bribe to ensure that an official of the state control body would not react to detected violations during the audit - would not issue instructions, would not draw up reports on administrative offenses, etc.*) (Article 291 of the Criminal code of the Russian Federation).

4.1.2. Bribery facilitation that means the direct transfer of bribes from other employees or other persons to the above-mentioned persons (Article 291.1 of the Criminal Code of the Russian Federation).

4.1.3. Abuse of General Director, member of the Board of Directors of the Company and other employees of the Company or the Managed companies, having regulatory authorities, his/her powers contrary to the legitimate interests of the Company and/or the Managed companies, for the purposes of obtaining benefits and advantages for himself/herself or other persons or harm to other persons if such actions caused substantial harm to rights and legitimate interests of the Company and/or the Managed companies, their Contractors and other persons with whom employees enter into business relations (*for example, ordering the sale of low-quality goods at the price of high-quality goods, including for the purpose of fulfilling the delivery plan and receiving bonuses, promotions, etc.*) (Article 201 of the Criminal code of the Russian Federation).

4.1.4. Commercial bribery that means the transfer by the employee of the Company or the Managed company to employees and other organizations with whom he/she enters into business relations, as well as transfer by such

employees to the employee of the Company or the Managed companies and collection of money, securities, other property, property-related services, granting of other property rights, in order to enable them to use their powers for intervention in the activities of such organizations, Companies and/or Managed companies, and to perform any actions in interests of an individual or another person, on whose behalf he/she acts *{for example, the employee of the Contractor receives cash from the employee of the Company to use his/her powers to intervene in the activities of the Company and lobby for buying products from the Companies beyond the stipulated procurement procedures; the employee of the Company receives cash from the employee of the Contractor to use his/her powers to intervene in the activities of the Company and lobby for purchasing of products from the Companies beyond the stipulated procurement procedures}* (Article 204 of the Criminal code of the Russian Federation).

4.1.5 Provocation of a bribe or commercial bribe that means attempt to give a bribe or to commit commercial bribery without the consent of the persons who gives the bribe or the object of commercial bribe for the purpose of providing concocted evidence of bribery or corrupt payment or blackmail *{for example, giving gifts to a third-Party entity employed by the Contractor for no special reason, and sending message to him/her that the gift was given to enable him/her to use his/her powers, interfere with the Contractor's activities and lobby the Contractor to purchase goods from the Company beyond the procedures provided for their purchase}* (Article 304 of the Criminal code of the Russian Federation).

4.2. Possible Corrupt Practices that constitute Corrupt Offences and entail administrative liability of the Company or the Managed Company.

4.2.1. A bribe or commercial bribe committed on behalf of or in the interests of the Company or the Managed Company (whether committed by an employee of the Company or the Managed Company, or by another person entitled or not to act on behalf of the Company or the Managed Company, but actually acting in such capacity if the Company or the Managed Company is aware of it but does not prevent it) (Article 19.28 of the Code of Administrative Offences of the Russian Federation);

4.2.2. Failure to notify or violation of the period of notice (ten days from the date of the employment contract) of the last representative of the hirer (employer) by the former state (municipal) employee regarding conclusion of an employment contract with him/her, if less than two years have passed since his/her discharge from such service and such employee held positions in state or municipal service, established in accordance with the List of Positions of State and Municipal Service (Article 19.29 of the Code of Administrative Offences of the Russian Federation).

4.3. Possible Corrupt practices by Employees of the Company and the Managed Companies, which entail disciplinary action against employees in accordance with the Labor Code of the Russian Federation.

4.3.1. It is a Corruption offense which entails disciplinary liability for an employee of a Company or a Managed company to engage a Contractor without the consent of the Company's General Director, if the employee

- owns shares and interests of such Contractor, as well as participates in it, if the Contractor is a business partnership, or
- acts as the sole executive body (Director, General Director, General Director of the Managing Organization) and the collective executive body (Directorate, Management Board) of such Contractor, or elected to its Board of Directors, or
- is in kin, family, friendly, intimate and other personal relationships with the employees of such Contractor, as well as

- is in kin, family, friendly, intimate and other personal relationships with the Contractor, if the Contractor is an individual entrepreneur or does not have such status (is a citizen).

4.4. Committing Corruption offences Abroad.

4.4.1. The act of a bribe or commercial bribe committed on behalf of or in the interests of the Company or the Managed Company, if committed abroad, shall not give rise to administrative liability, respectively, of the Company or the Managed Company, unless otherwise provided for in an international agreement of the Russian Federation (at present there are no such international agreements) (*in particular, the transfer of funds as a bribe or commercial bribe to a Bank account opened in the territory of the Russian Federation, but carried out outside its territory, testifies that the offense was committed abroad*).

4.4.2. Employees of the Company and Managed companies who are citizens of the Russian Federation, who give a bribe abroad or commit commercial bribery may be held criminally liable for committing the crimes specified in sub-clauses 4.1.1. and 4.1.4. of this Anti-Corruption Policy, even though the Company or Managed company will not be held liable.

4.4.3. Employees of the Company and the Managed companies who are citizens of the Russian Federation, who facilitate a bribe, abuse their authority and commit a bribe provocation, may be held criminally liable for committing the crimes specified in sub-clauses 4.1.2., 4.1.3. and 4.1.5. of this Anti-Corruption Policy.

4.5. Prevention of Corrupt practices by the Company's Management.

4.5.1. General Director of the Company in preventing corrupt practices shall:

- arrange the process of receiving and reviewing reports of cases of inducement of employees of the Company and the Managed Companies to commit Corrupt practices;
- take measures to protect an employee who has reported a case of Corrupt practices by other employees of the Company and the Managed Companies in terms of providing the employee with guarantees preventing wrongful dismissal, transfer to a subordinate position, loss or reduction of bonuses, postponement of vacation time, and disciplinary action;
- ensure the confidentiality of the review of reported cases of inducement to commit or commission of Corrupt practices;
- assist authorized representatives of law enforcement agencies in taking measures to suppress or investigate corruption offences, including investigative proceedings;
- arrange for the assessment of the results of implementation of this Anti-Corruption Policy and preparation of the relevant reporting materials.

4.5.2. When implementing the requirements of this Anti-Corruption Policy, the Company's Management shall hold methodological sessions, meetings and general corporate meetings in accordance with the general principles of prevention of committing Corrupt practices specified in sub-clause 3.1.2. and

3.1.4. of this Anti-Corruption Policy.

4.6. Preventing employees of the Company and the Managed Companies from committing Corrupt practices.

4.6.1. Employees of the Company and the Managed Companies, acting on their behalf and in their interests, shall refrain from committing and/or participating in the commission of Corrupt practices, whether they are located in Russia or abroad. At the same time, they shall:

- refrain from conduct that may be construed by others to be a willingness to commit or participate in the commission of Corrupt practices or Corruption offences;
- immediately inform the Company's Management of any cases of inducement to engage in Corrupt practices;
- immediately inform the Company's Management of any information that becomes known to the employee about cases of committing Corrupt practices and Corrupt offenses by other employees of the Company and the Managed Companies and employees of their Contractors.

5. INFORMATION TO BE DISCLOSED WHEN ENTERING EMPLOYMENT AND IN THE COURSE OF WORK

5.1. Disclosure of information about possible Conflicts of interest.

5.1.1. When entering employment at the Company or the Managed Company, the persons employed shall provide the maximum amount of reliable information:

- regarding ownership of shares and interests in business companies, as well as participation in business partnerships;
- regarding appointment as the sole executive body (Director, General Director, General Director of the Managing Organization) and the collective executive body (Directorate, Management Board) of the Contractor, and election to its Board of Directors;
- about legal entities with employees of which the persons employed are in kin, family, friendly, intimate and other personal relationships;
- about individual entrepreneurs with whom the persons employed are in kin, family, friendly, intimate and other personal relationships.

The said information shall be provided in the manner determined by the respective Personnel Service and after its receipt shall be transmitted to the SD.

Submitted information should be reviewed by the SD for its reliability before concluding an employment contract with such persons. In this case, the identified unreliability of such information results in a refusal to conclude an employment contract.

5.1.2. Employees of the Company and the Managed companies who have provided the information specified in sub-clause 5.1.1. of this Anti-Corruption Policy are required to immediately notify the Security Department of their changes by sending an electronic message using the Corporate network.

5.2. Disclosure of information about a real Conflict of interest.

5.2.1. When selecting or interacting with the Contractor, employees of the Company and the Managed Companies participating in the selection of the Contractor or interacting with this Contractor shall immediately disclose information as follows:

- regarding ownership of the shares and interests of such Contractor and participation in it if the Contractor is a business partnership;

- regarding appointment as the sole executive body (Director, General Director, General Director of the Managing Organization) and the collective executive body (Directorate, Management Board) of the Contractor, and election to its Board of Directors;
- about the Contractor's employees with whom they have kin, family, friendly, intimate and other personal relationships;
- if the Contractor is an individual entrepreneur or does not have such status (is a citizen) - about kin, family, friendly, intimate and other personal relationships with him.

Such information shall be provided to the General Director or the corresponding director in charge of this matter, the Managing Director (for employees of Managed Companies), the immediate superior, as well as to the SD immediately from the moment of discovery of such facts by sending an electronic message using the Corporate Network.

5.3. Disclosure of information about the record of state and municipal service.

5.3.1. When entering employment with the Company or the Managed Company, persons employed by the Company shall provide information on whether they have held state or municipal service positions, as well as the date on which they were discharged from their service and the last time they were dismissed from such service. The said information shall be provided in the manner determined by the respective Personnel Service.

In the event that a person fails to provide this information and an employment contract is concluded with him/her, but subsequently it is discovered that he/she held positions in state and municipal service, and at the time of conclusion of the employment contract less than two years have passed since the discharge from such service, the employment contract with such an employee shall be terminated immediately (from the moment of discovery) pursuant to part 5, Article 84 of the Labor Code of the Russian Federation

5.3.2. In the event that the person employed reports that he/she has held positions set out in the List of Positions of State and Municipal Service, with a period of less than two years since his/her last discharge from such service, he/she shall also provide information on whether he/she interacted in such a capacity as per his/her last job status with the Company (if employed by the Company) or with the Managed Company (if employed by the Managed Company). The said information shall be provided in the manner determined by the respective Personnel Service.

In the event that such a person has interacted with them, he/she shall additionally provide notification to the commission for compliance with the requirements for the official conduct of state and municipal employees and settlement of conflicts of interest as per the last job status of consent to the person replacing the position for which he/she is applying.

Failure to submit the said notice or to submit a notice containing a refusal of consent shall result in a refusal to conclude an employment contract and, if an employment contract was concluded, immediate (from the moment of discovery) termination pursuant to part 5, Article 84 of the Labor Code of the Russian Federation.

6. STANDARDS OF CONDUCT FOR EMPLOYEES OF THE COMPANY AND THE MANAGED COMPANIES IN THEIR RELATIONS WITH PERSONS WITH WHOM EMPLOYEES ENTER INTO BUSINESS RELATIONS

6.1. All employees are required to know the list of Corrupt practices given in the below mentioned clauses 4.1.-4.3. of this Anti-Corruption Policy and do not commit them.

6.2. If employees participate in the selection of the Contractor or interact with the Contractor in the context of a real conflict of interest (sub-clause 3.2.2. and clause 5.2. of this Anti-Corruption Policy), they shall:

- when making decisions on business issues and fulfilling their job duties, be guided by the interests of the Company and the Managed Companies without taking into account their personal interests;
- facilitate to clearing of conflict of interest.

6.3. In the event that an employee is induced to commit Corrupt practices, as well as in the event of receiving information on the inducement of other employees of the Company and the Managed Companies to commit Corrupt practices, he/she shall immediately notify the General Director or the corresponding director in charge of this matter, the Managing Director (for employees of Managed Companies), the immediate superior, as well as the SD immediately upon discovery of such facts by sending an electronic message using the Corporate Network.

At the same time, the employee shall provide detailed information about the Corrupt practices that he/she or another employee was supposed to perform at the request of the persons requesting to assist them and shall also provide all known information about the person who incited the Corrupt practices, including the manner and circumstances of inciting, information about refusal (consent) to accept the person's proposal to perform the Corrupt practices.

If an employee provides information on the fact of inducement to commit Corrupt practices for which criminal liability of such employee is provided or administrative liability of the Company or the Managed Company is provided, information on the fact of inducement shall be sent to the law enforcement authorities not later than ten days from the moment of its receipt. Further actions should be carried out jointly with law enforcement agencies in accordance with the procedure stipulated by the relevant law.

7. FINAL PROVISIONS

7.1. Non-compliance by the employees of the Company and the Managed Companies with the requirements of this Anti-Corruption Policy shall result in their disciplinary liability.

8. PERSON RESPONSIBLE FOR COMPLIANCE WITH THIS ANTI-CORRUPTION POLICY

The person responsible for monitoring compliance with the requirements of this Anti-Corruption Policy shall be the General Director of the Company.

9. DOCUMENT APPROVED

Order of the General Director No. 23 dated 12.05.2016.