

Gifts and Entertainment Policy

Introduction

The Gifts and Entertainment Policy (hereinafter referred to as “the Policy”) of Polymetal International plc (“Polymetal”) and its subsidiaries (together “the Group”, and each individually a “Group Company”) introduces standardised principles to prevent corrupt business practices. The Policy seeks to ensure that any conflict between an employee’s self-interest and his/her responsibilities at a Group Company is avoided or, at the very least, appropriately managed. The Policy aligns with Group’s ethical business procedures and its Code of Conduct.

The Group must act with integrity and transparency in all of its business dealings to avoid the appearance of it seeking to obtain any improper business advantage. Accordingly, in all circumstances the Group does not permit the giving or receiving of gifts, benefits or entertainment that are not reasonably justifiable.

Terms and Definitions

Gift – any good or right, whether monetary or non-monetary, that provides a benefit to the recipient. It may include favours, loans and loan guarantees, the use of property, job offers or the payment of expenses or debts.

Benefits – gifts and other supplementary benefits such as transport or promotional items associated with entertainment.

Entertainment – any social or hospitality event, a meal, a celebration, a conference, a marketing event etc.

Group entertainment – entertainment organised by the Group Company for employees and/or their families, business partners and/or other third parties.

Third-party entertainment – entertainment organised by a third party in which any employee of the Group Company participates.

Gifts register – detailed information on all gifts, benefits or entertainment (including refused ones), offer or acceptance of which is subject to approval in accordance with the procedures established by this Policy.

Business partner - an existing or prospective client, consultant, intermediary or goods/services provider.

Public or government official – anyone working in a legislative, administrative or judicial position or working for or on behalf of government-owned or controlled entities or agencies, political parties, party officials and political candidates or for a public international organisation whose members are either (1) countries or territories; (2) governments of countries or territories; or (3) other public international organisations. For the purposes of this Policy, this term will also cover immediate family members (parents, spouses, children, in-laws, siblings), consultants who hold government positions, employees of companies owned or controlled by governments, political party officials, or employees retained by government agencies, and anyone else to whom the public official or government provides material support.

Management – executive managers of Group Companies, who have the authority to make or materially influence major commercial, financial and personnel decisions within their Group Company. Management is responsible for overall compliance of Group Companies with this Policy, and the relevant internal policies and procedures of Group Companies regulating employee conduct, consistent with this Policy.

Scope of the Policy

This Policy applies to:

- Polymetal International plc;
- All other Group Companies; and
- All permanent and temporary employees, contractors, managers, officers, directors, business partners and third parties employed or engaged by, or providing services on behalf of, the Group.

Commitments and provisions

The key principle of the Policy is that employees must not accept or provide gifts, benefits, or entertainment that create or appear to create an obligation, affect either party's impartiality or constitute an undue influence on a business decision.

Receiving Gifts and Entertainment

As a general rule, employees do not accept gifts and entertainment in the circumstances where they:

- Are inappropriate in light of the underlying business relationship;
- Are offered in cash equivalent;
- Are so frequent, excessive in value or of such a nature that it might give rise to a perception of impropriety;
- Might cause embarrassment to Polymetal and Group Companies and bring their reputation into disrepute;
- Might cause the recipient to improperly perform his or her duties;
- Might be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe;
- Might improperly influence the recipient's judgement and/or potentially impact or alter the provision or receipt of a service or goods; or
- Violate any applicable laws and regulations or internal documents of the Group Companies.

Additional requirements apply to the following:

Gifts and Benefits

- Must comply with any applicable laws;
- Cannot be in any way regarded as a bribe;
- If valued 200 USD or above (even if promotional in nature), must be approved by the management and registered;
- Must not exceed any specific limits established by local management.

Entertainment

- Participation of employees in events organised by Public Officials is acceptable provided that it was pre-agreed with the designated official in accordance with the internal policies and procedures of a Group Company, and should not go beyond established business practices, social partnership relations and business courtesies.
- Entertainment by business partners may neither be so frequent nor so excessive as to raise any question of impropriety and must always be consistent with the underlying relationship and be within the limits of business courtesies and established practices.
- Entertainment events that do not comply with the rules listed above must be approved by the designated official in accordance with the internal policies and procedures.
- Entertainment organised by a Group Company for its employees does not require approval.
- Attendance of sports, cultural or other social events does not require approval. However, employees should not solicit entertainment from business partners.
- Normal business courtesies such as paying for a meal are acceptable and do not require approval provided they are reasonable.

Providing Gifts and Group Entertainment

We recognise that it is customary for some business associates to occasionally extend hospitality to people they do business with. However, it is important to use one's professional judgment and maintain business integrity.

Gifts and benefits to public officials should be avoided wherever possible. Before offering a gift or a benefit to a public official, a prior approval must be obtained from the relevant designated official in accordance with the internal policies and procedures.

Additional requirements apply to the following:

Gifts and Benefits

The following gifts and benefits are allowed:

- Promotional items – items of minimal value such as stationery, t-shirts, key rings and other promotional items may be offered provided they clearly display Group's name and logo.
- Purely personal gifts to mark occasions such as anniversaries, weddings, birth of a child or retirement are not subject to this Policy provided there is no expectation that a relevant function or activity will be performed improperly, or that business will be obtained or retained as a result.
- Gifts from the management to the employees of the Group's business units presented to mark operational results, professional holidays and other similar occasions.

Entertainment

- The participation of Public officials in the Group's entertainment events should be avoided whenever possible and, if being considered, should be pre-agreed with designated official in accordance with the internal policies and procedures.

- Entertainment of business partners may neither be so frequent nor so excessive as to raise any question of impropriety and must always be consistent with the underlying relationship with the counterpart and be within the limits of business courtesies and established practices.
- Entertainment events organised by the Group Companies that do not comply with the rules listed above must be approved by the designated official in accordance with the internal policies and procedures of the business units of the Group.
- Group entertainment for the employees, as well entertainment as part of the social partnership programme, such as New Year's parties for employees' children, local public and business partners, sports events and other similar events do not require approval.
- Providing accommodation or transport to business partners attending entertainment events and paying for their guests or family members should be avoided.
- Normal business courtesies such as paying for a meal are acceptable and do not require approval provided they are reasonable.

Keeping Records

All gifts, including the permitted by the current policy, of value exceeding the threshold of 200 USD established must be recorded in the corporate Gifts register, including their description, approximate value, and information on both the giver and the recipient, once they are agreed with the relevant official of the Group Company according to the internal policies and procedures. Entertainments and their cost are monitored in accordance with the internal policies and procedures of the Group Companies.

Policy Implementation

The Policy should be considered as inseparable from, and viewed in the context of, the principles and approaches described in the Group's other business ethics policies. These documents are available on Polymetal's website.

Group Companies shall retain sole responsibility for implementing and complying with the principles of this Policy. All Group Companies shall implement internal policies and procedures regulating moral and ethical conduct consistent with this Policy so far as they do not contradict the applicable laws and/or other regulatory requirements of the jurisdictions in which they operate.

The internal ethical conduct policies and procedures of Group Companies can be found on the internal networks of the respective companies. All employees should be made aware of these policies and know where to find them. The policies can be also obtained by contacting the Security Department of each Group Company.

Severe disciplinary action will be taken towards violations of this Policy, including, among other actions, dismissal, in accordance with applicable legislation, and the internal policies and procedures of the Group Companies. Equivalent penalties will also apply to contractors, managers, officers, directors, business partners and third parties engaged by or providing services on behalf of the Group. In many jurisdictions, such breaches may also leave individuals liable to prosecution by law enforcement or regulatory bodies. These authorities may impose significant penalties for the misconduct of third parties acting on behalf of the Group. The Group will not hesitate to terminate its relationship with third parties who have been found to be in breach of this Policy or other anti-corruption policies and procedures.

The Group provide induction and ongoing training on the policies and procedures regulating ethical conduct for employees of the Group's business entities in accordance with internal regulations.

Review and monitoring

The Policy shall be approved by the Polymetal Board of Directors. The Audit and Risk Committee (hereinafter – the Committee) oversees the Group’s compliance with the principles of this Policy and monitors Management’s reporting.

This policy is subject to the annual review by the Committee to consider if it remains appropriate and consistent with the applicable standards and practices, and recommend any changes it considers desirable to the Board for approval.

Internal Audit and Control department is responsible for periodical review (at least annually) of the frequency of gifts, benefits and entertainment being received or given and recorded. In cases when a cumulative monetary value appears excessive or inappropriate, they follow up based on the relevant internal policies and procedures of a Group Company.

The Management of Group Companies shall conduct regular performance reviews against the principles of the Policy, as well as internal policies and procedures, to ensure that we are fulfilling our commitments. The Security Department of each Group Companies is responsible for monitoring the Policy’s implementation.

Contacts

We welcome any queries from our stakeholders. Questions regarding the content and application of this Policy can be forwarded to our specialists in any convenient form, including by phone or via e-mail. Our contact details can be found in the Contacts section on Polymetal’s official website.