

TMK ANTI-CORRUPTION POLICY

TMK's Anti-Corruption Policy establishes the basic anti-corruption principles within TMK Group companies, defines the managerial and organisational framework to prevent and fight corruption within TMK Group companies, to minimise and/or remedy the consequences of any corruption offences.

1. TERMS AND DEFINITIONS

For the purposes of this document, the following basic terms and definitions shall be used:

Corruption:

- an abuse of position, offering or receiving bribes, an abuse of power, commercial bribery or other unlawful use of position by an officer of the Company contrary to the interests of the public and of the state for personal gain in the form of money, objects of value, other property or services of a pecuniary nature or other proprietary interests for such officer's personal benefit or for the benefit of third parties, or unlawful rewards of such nature offered to such person by other individuals;
- any of the acts referred to above done in the name or for the account of a legal entity.

Anti-Corruption Effort means actions carried out by TMK Group officer and companies within the limits of their respective powers:

- to prevent corruption, including to detect and subsequently remove any sources of corruption detected (corruption prevention);
- to detect, prevent, suppress, uncover and investigate corruption offences/corrupt practices (fighting corruption).

2. SCOPE OF APPLICATION

This Policy shall apply to the management and members of the Board of Directors of the Company / TMK Group companies. The general principles and prohibitions shall also apply to any agents, consultants and other third parties engaged by the Company. Neither the Company, nor any of the Company's employees shall be entitled to circumvent the requirements set out in this Policy by engaging such agents, consultants or other third parties.

3. BASIC ANTI-CORRUPTION PRINCIPLES

The Company's anti-corruption effort is based on the following central principles:

- recognising, guaranteeing and protecting the fundamental human rights and freedoms;
- compliance with law;
- openness to the public and transparency of operations;
- a comprehensive approach to implementing managerial, organisational, informational, social, economic, legal, special and other measures;
- prioritised implementation of anti-corruption measures;
- implementation of anti-corruption measures in cooperation with public authorities, and the Company's partners and clients.

4. ANTI-CORRUPTION COOPERATION

The Company uses the principle of reciprocity in its anti-corruption cooperation with public authorities, partners and clients for the purposes of:

- identifying persons suspected (accused) of corruption, ascertaining their current location and the location of other persons involved in corruption;
- identifying assets received in connection with corrupt practices or used for corruption;
- exchanging anti-corruption data;
- coordinating corruption prevention and fighting efforts.

5. ANTI-CORRUPTION EFFORT MANAGEMENT

The Board of Directors approves the Company's anti-corruption policy and exercises, within the limits of its powers, general control over the system of anti-corruption measures as put in place by the executive management.

The Company's executive management:

- define the main lines of anti-corruption effort;
- determine the powers of managers of the Company's divisions and production units with respect to anti-corruption efforts;

- continuously monitor the anti-corruption operations.

6. CORRUPTION PREVENTION MEASURES

The Company uses the following basic measures to prevent corruption:

- ensuring that the Company's employees have zero tolerance to corruption.
- examining all orders, regulations, contracts and agreements, including as early as their drafting and approval stage, to verify that they are corruption-free.
- setting specific qualifying requirements for officers and for nominees for managerial positions within the Company (TMK Group's production units).
- ensuring that HR practices include a rule requiring that any promotion or reward decision should on an obligatory basis be based on the relevant officer's long term, immaculate and efficient service.

7. MAIN LINES OF ANTI-CORRUPTION EFFORT

The Company's main lines of anti-corruption effort are as follows:

- ensuring that the Company uses a consistent anti-corruption policy.
- creating a framework for interaction between TMK Group companies and public authorities, third party organisations, individuals and civil society institutions in matters of fighting corruption.
- putting in place administrative and other measures to ensure that the Company's employees are more actively involved in anti-corruption work, to develop within the Company a generally negative attitude towards corrupt practices.
- further perfecting the system and structure of the Company's internal control and security units, implementing procedures to control their operations.
- introducing anti-corruption standards, including standards applicable to the Corporate Quality Management System, internal audit, economic security, risk management, etc.
- developing, in respect of the Company's relevant area of operations, a common system of prohibitions, restrictions and authorisations to prevent corruption.
- harmonising the rights and restrictions, prohibitions and duties determined for the Company's officers.
- ensuring that the Company's products ordering processes, and works and services performance processes are organised in a good faith and transparent manner, are in compliance with fair competition rules and are unbiased.
- removing any unwarranted prohibitions and restrictions, in particular, as far the Company's business operations are concerned.
- further perfecting the procedures governing the use of the Company's assets and resources, and the procedure for granting rights to use and for disposing of such assets.

8. NOTICE OF INDUCEMENT TO ENGAGE IN CORRUPT PRACTICES

The Company's employees must give notice to their immediate superiors each time that they are approached by any person seeking to induce them to engage in corrupt practices.

9. CONFLICT OF INTERESTS

A conflict of interests as used in this document means any situation where an employee of the Company has a personal interest (whether direct or indirect), which affects or may affect such employee's performance of his/her duties, and where there occurs or may occur a conflict between such employee's personal interest and the rights and lawful interests of any individuals, entities, the general public or the state, which conflict may impair the rights and lawful interests of such individuals, entities, the general public or the state.

A personal interest of an officer / employee of the Company, which affects or may affect such officer's/ employee's performance of his/her duties, means an opportunity for such officer/employee by virtue of his/her position to receive benefits in the form of money, objects of value, other property or services of a pecuniary nature or other proprietary interests for such officer's personal benefit or for the benefit of third parties.

Procedure for preventing and settling conflicts of interests

The Company's employees must:

- take measures to prevent any conflict of interests from arising;
- notify their immediate superior of any conflict of interests arising or which may arise as soon as they become aware thereof.

Measures to prevent or settle a conflict of interests may include appointing the Company's employee involved in such conflict of interests to another position or modifying his/her powers of office, or removing him/her from office following due procedure, and/or such employee's refusing from the benefits in connection with which such conflict of interests arose.

10. LIABILITY FOR CORRUPTION

The Company's employees guilty of corruption shall be subject to criminal prosecution, administrative, civil law and disciplinary penalties as provided by law.