

APPROVED
by the Board of Directors of
Polymetal International plc

**Policy on Disciplinary Action against Employees for Violations of
Anti-Bribery and Corruption Policy**

POLYMETAL GROUP

(as amended on 21 March 2018)

1. Intent and scope of Policy

The purpose of this Policy is to prevent corrupt practices performed by the employees of the Polymetal International plc Group of companies (Polymetal or the Group)¹, to conduct a proper investigation of breaches of the Anti-Bribery and Corruption Policy and to impose adequate disciplinary measures against violators.

The principles established by this Policy apply to all employees and all subsidiaries of Polymetal. In order to implement the Policy in all regions of operation, business units of the Group shall adopt internal policies and procedures, which regulate moral and ethical conduct of the employees in accordance with the Policy and applicable laws.

2. Non-Compliance with Anti-Bribery and Corruption Policy

In the case of an employee who is guilty of bribery, commercial bribery or other kinds of corrupt practices (as defined in the Anti-Bribery and Corruption Policy):

- (a) The employee may face criminal penalties which will vary according to the offence with which he or she is charged and the seriousness of that offence.
- (b) The employee will be liable to disciplinary action in accordance with applicable legislation and internal policies and procedures of a business unit of the Group, including Internal Labour Regulations and Regulations on Compensation.
- (c) The employee will be liable to civil legal action for the recovery of any misappropriated sums and/or for any loss or damage suffered. .

An employee who fails to report a reliably known incident of bribery will be liable to disciplinary action for gross misconduct.

3. Guidelines for disciplinary action against employees

- (a) Disciplinary action can only be imposed under the applicable legislation.
- (b) Disciplinary or other action shall not be taken against the employees until the matter had been fully investigated.
- (c) Every step of investigation into violations and imposing disciplinary action will be taken without unreasonable delay .
- (d) Before arriving at a disciplinary decision every employee will be offered an opportunity to explain his or her position, either verbally or in writing, to people in charge of investigation and who make decision on disciplinary action.
- (f) As a general rule dismissal, as a type of disciplinary action, shall not be taken against employees for the first single breach of the Anti-Bribery and Corruption Policy, except for gross misconduct cases, specified in this Policy.

4. Investigation procedure

The investigation of violations is conducted by a Security Department according to the disciplinary procedure in line with the internal policies and procedures of a business unit of the Group through timely, complete, thorough and objective data collection and examination upon receipt of notification of violation of the Anti-Bribery and Corruption Policy. In terms of the scope of investigation and the people involved, it shall stay within Polymetal. If the results of the investigation or of confirmed circumstances of the violation

¹ Polymetal International plc and all of its subsidiaries

fall under the law of the state where the violation had occurred, the Security Department of the related business unit of the Group shall, by the decision of the designated official responsible for security matters, transfer all available information on the incident to the law-enforcement authorities as determined under internal policies and procedures of a business unit. In addition, people who are not members of the staff of Polymetal, can on a voluntary basis act as witnesses (submit written statements) and be involved as experts.

Investigations are carried out objectively and impartially and in compliance with the rights of the individuals against whom they are carried out.

The investigation is carried out by the Security Department of the related business unit of the Group in accordance with the internal policies and procedures of the unit. In the course of investigation some professionals can be involved as experts to give consultations in certain areas of expertise. An audit of financial and economic activity of the involved department may also be conducted with the assistance of the related business unit's Control and Audit Department or Directorate of Internal Control and Risk Assessment.

The person against whom an investigation is initiated shall be notified of the beginning of the investigation and offered to submit a written explanation of the reported violation.

The investigation period is established by the designated official of the related business unit of the Group responsible for security matters. Investigation period can be extended if the employee, against whom an investigation is conducted, is absent from work due to sick leave, holidays or business trip; the investigation period will be extended by the number of days during which the employee is absent from work. This period shall not exceed the period of investigation established by the labour laws of the state where the related business unit of the Group operates and in which the violation had occurred.

The person against whom an investigation is conducted has the right to:

- (a) Know about the nature of the investigation;
- (b) Give written explanations to the questions arising during investigation;
- (c) Present motions in the course of investigation;
- (d) Provide documentation and material evidence for investigation;
- (e) Provide witnesses to be interviewed in the course of investigation.

According to the results of an investigation the following conclusions should be made: (a) was the violation of the Anti-Bribery and Corruption Policy confirmed? (b) the nature of such violation, and c) whether the person(s) under investigation was found guilty (degree of culpability) or innocent. The results of the investigation shall be forwarded to the designated official of the related business unit of the Group responsible for security matters who will make a decision on disciplinary measures in accordance with the internal policies and procedures of the relevant business unit.

If the investigation reveals the fact of imminent or committed crimes, the person in charge of the investigation shall immediately notify the designated official of the related business unit of the Group responsible for security matters. If the behaviour of the person under investigation constitutes a crime, all data shall be forwarded to the law enforcement authorities as evidence for a decision on the criminal case. In this case, a disciplinary action may be taken against an employee or a civil legal action may be brought for the recovery of any misappropriated sums and/or for any loss or damage suffered irrespective of the outcome of the criminal case.

Investigation materials can be presented in court during a labour dispute.

5. Disciplinary measures. Incentives.

Employee who inform Polymetal Management of a violation of the Code of Conduct, which is confirmed during an investigation, shall receive a financial incentive in accordance with internal policies and procedures of a business unit of the Group.

Violations of the Anti-Bribery and Corruption Policy, which according to investigation cannot be classified as a gross misconduct, will lead to an admonition or other disciplinary measure in accordance with the relevant business unit's Internal Labour Regulations or to monetary measures in accordance with the relevant Regulations on Compensation. For repeated violations of the Anti-Bribery and Corruption Policy an employee may be dismissed or other sanctions may be imposed in accordance with the labour legislation or other applicable legislation of the state where the relevant business units of the Group operates and where the violation had occurred.

A decision to dismiss is taken by the management of the relevant business units of the Group upon a report by the immediate supervisor of the employee with written confirmation of the violation of the Code of Conduct. Decision on dismissal shall be in writing. The reasons why such sanctions were applied and the right to appeal will be necessarily explained to the employee.

6. Gross misconduct

Below are listed examples of violations that may be considered as a gross misconduct:

- (a) giving or acceptance of bribery (as defined in Anti-Bribery and Corruption Policy);
- (b) facilitating payments (as defined in Anti-Bribery and Corruption Policy);
- (c) providing misleading information in accordance with Whistleblower Policy;
- (d) commercial bribery (acceptance from a business partner of a compensation (in any form) for action or inaction for the benefit of that business partner);
- (e) other material violation of the Anti-Bribery and Corruption Policy and other anti-corruption policies aimed at preventing corruption, as well as applicable internal policies and procedures of the Group's business units.

The Polymetal employees accused of gross breaches of the Code of Conduct may be suspended from work for the investigation period. Based on the results of the investigation a disciplinary action may be taken against an employee according to the applicable laws and internal policies and procedures of the Group's company regulating ethical conduct of the employees.

7. Appeal

An employee who wants to appeal against any disciplinary sanction shall do so within five working days after the delivery of disciplinary decision. Appeals must be sent to the designated official of the relevant business unit of the Group in accordance with the internal policies and procedures. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.