



**TMK**

**APPROVED**

CEO of PAO TMK

\_\_\_\_\_ Igor Korytko

May 17, 2022

**TMK GROUP'S CORPORATE STANDARD**  
**TMK Group's Counterparty Management Policy**

**Version No. 0**

Reg. No. ND-0353/2022/0

dated May 17, 2022

**2022**

<b>DOCUMENT DETAILS</b>	
<b>Developed by</b>	V.A. Andreyev Head of Compliance Management Directorate, PAO TMK
<b>Regulated area</b>	Safety and security
<b>Enacted</b>	For the first time
<b>To be updated by</b>	Compliance Management Directorate, PAO TMK
<b>Scope</b>	PAO TMK, TMK Group enterprises

## Contents

1	GENERAL.....	4
2	SCOPE OF APPLICATION.....	4
3	TERMS AND DEFINITIONS .....	4
4	LEGAL COMPLIANCE .....	5
5	ETHICAL BUSINESS CONDUCT .....	5
6	ANTI-CORRUPTION PRACTICES .....	5
7	CONFLICT OF INTEREST MANAGEMENT .....	6
8	CONFIDENTIAL AND INSIDER INFORMATION.....	6
9	INDUCTION, GIFTS, AND MATERIAL INCENTIVES .....	6
10	RIGHTS AND FREEDOMS.....	7
11	OCCUPATIONAL HEALTH AND SAFETY .....	7
12	ENVIRONMENTAL PROTECTION.....	7
13	WHISTLEBLOWING .....	7
14	LIABILITY.....	8

# 1 GENERAL

1.1. PAO TMK and TMK Group enterprises (the “Company” and/or “TMK Group Enterprises”) hereby declare their commitment to upholding the highest standards of business ethics and moral values and undertake to abide by them in everything they do ([TMK Group Code of Ethics](#)). We expect our Counterparties to likewise adhere to these high ethical standards and refrain from any actions that might breach these norms.

1.2. TMK Group’s Counterparty Management POLICY (the “Policy”) sets out guidelines on compliance with business ethics, occupational health and environmental safety rules and requirements by counterparties of the Company and/or TMK Group Enterprises and other entities engaging in business relations with the Company and/or its Enterprises (individually, the “Counterparty”).

1.3. The Company and TMK Group Enterprises reaffirm their commitment to collaborating with Counterparties based on principles such as business ethics, transparency, openness, competitiveness, justice, effectiveness, and fair competition.

1.4. The Company and TMK Group Enterprises prioritize collaborating with Counterparties who possess an impeccable reputation, comply with legal requirements and commonly accepted business ethics standards, respect human rights, prioritize the safety and health of their employees, and embrace sustainability principles.

1.5. The Company and TMK Group Enterprises maintain open and transparent business relations with all Counterparties and aim to foster them on a win-win basis.

1.6. The Company and/or TMK Group Enterprises undertake to include provisions requiring compliance with this Policy in their contracts with Counterparties. A Counterparty’s objection to such provisions should not lead to refusal to collaborate. Nevertheless, the Company and/or TMK Group Enterprises retain the right to evaluate associated risks when determining whether to enter into a contract with a Counterparty or not.

1.7. Should the Company and/or a TMK Group Enterprise become aware of any indications that a Counterparty’s business conduct deviates from the principles of this Policy, this will serve as a ground for enforcing the corrective actions specified in contracts with Counterparties, potentially leading to the contract termination.

## 2 SCOPE OF APPLICATION

2.1. This Policy applies to all Counterparties of the Company and/or TMK Group Enterprises.

2.2. Counterparties shall review the requirements of this Policy and adhere to them when engaging with the Company and/or TMK Group Enterprises, and their employees.

2.3. This Policy, as amended and supplemented, is published on the official website of PAO TMK at <https://www.tmk-group.com/>.

## 3 TERMS AND DEFINITIONS

**Procurement** – the process of acquiring inventories/services/works on a paid basis through the execution of an independent contractor agreement/contract to meet the needs of the Management Company/Company/Enterprise.

**Insider Information** – specific and precise information that has not been previously disclosed or disseminated (including data constituting commercial, banking, business, communications

TMK Group’s Counterparty Management Policy		Version No. 0
V.A. Andreyev, ext. 12396	Publication date: May 18, 2022	Page 4 of 8

(information on money transfers), and other secrets protected by law), which, if disclosed or disseminated, may significantly impact the value of financial instruments, goods, and/or foreign currency.

**Confidential Information** – information that is of actual or potential commercial value due to its being unknown to third parties and inaccessible by legal means as well as due to protection measures applied by its owner to maintain its confidentiality.

**Conflict of Interest** – a situation in which an employee’s personal interest (whether direct or indirect) influences or has the potential to affect the proper, impartial, and objective performance of their job duties, creating a conflict or potential conflict between personal interests and the rights and interests of the Company (including those related to family members, friends, relatives, business partners, etc.).

**Corruption** – misuse of office, giving or receiving a bribe, abuse of authority, commercial bribery, or any other unlawful exploitation of an individual’s position for personal gain or to benefit others at the expense of societal or state interests, involving money, valuables, other property, monetizable services, or other interests, or other forms of unlawful benefits provided to such individual by other individuals as well as the above offenses committed on behalf or in the interests of the employer.

**Money Laundering** – engaging in financial transactions and other deals involving money or property that were knowingly obtained by other persons through criminal activities to make the possession, utilization, and disposal of such money or property appear lawful.

## 4 LEGAL COMPLIANCE

The Company and TMK Group Enterprises expect Counterparties to adhere to applicable laws and the requirements of international documents (the Universal Declaration of Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, etc.) and other rules in performing their professional activities.

## 5 ETHICAL BUSINESS CONDUCT

5.1. The Company and TMK Group Enterprises are firmly committed to the principles of fair competition, open markets, and providing equal opportunities to all potential bidders and participants in other applicable procurement procedures within generally accepted normal business practices.

5.2. Counterparties, in turn, undertake to follow guidelines on procurement of goods, works, and services and adhere to ethical standards in procurement practices.

In accordance with applicable laws, Counterparties participating in procurement are prohibited from sharing information on the price and other conditions that may influence the winner selection, and from engaging in anti-competitive behaviors such as collusion, price fixing, or industrial espionage.

## 6 ANTI-CORRUPTION PRACTICES

6.1. The Company and TMK Group Enterprises maintain a policy of zero-tolerance for any corrupt practices.

All contracts of the Company and TMK Group Enterprises include an anti-corruption clause, which requires Counterparties to comply with all applicable laws and regulations concerning corruption, money laundering, and terrorist financing when performing under such contracts.

TMK Group’s Counterparty Management Policy		Version No. 0
V.A. Andreyev, ext. 12396	Publication date: May 18, 2022	Page 5 of 8

6.2. Counterparties, in turn, undertake to refrain from actions that, according to applicable laws, may be qualified as giving/receiving a bribe (bribery intermediation), commercial bribery (provocation of a bribe or commercial bribery), or abuse of authority as well as from actions violating applicable legal requirements and international anti-money laundering and anti-terrorist financing acts.

## **7 CONFLICT OF INTEREST MANAGEMENT**

7.1. Counterparties shall avoid any Conflict of Interest in all of their interactions with the Company and/or TMK Group Enterprises.

7.2. If any employee of the Company and/or a TMK Group Enterprise is found to have personal interests that hinder them from acting, whether individually or collectively, in the Company's and/or a TMK Group Enterprise's interests, or from performing their duties toward the Counterparty honestly, in good faith, and without bias, or to have any economic or other ties with the Counterparty that involve pecuniary interest, the Company and TMK Group Enterprises should be promptly notified of such instances (including via the Hotline).

## **8 CONFIDENTIAL AND INSIDER INFORMATION**

8.1. Counterparties shall respect the intellectual property of the Company and/or TMK Group Enterprises, their trade secrets, and any other Confidential Information, Insider Information, or sensitive information. Any data or details regarding the activities of the Company and/or TMK Group Enterprises shall be considered confidential by the Counterparty at all times unless such information is already publicly accessible or subject to disclosure under any contracts between the Company and/or TMK Group Enterprises. Counterparties agree to maintain the confidentiality of information and abstain from sharing, disseminating, utilizing, or disclosing it to parties outside their designated business operations without prior consent of, or instruction from, the Company and/or TMK Group Enterprises.

8.2. Counterparties undertake to adhere to applicable data protection standards. Materials that contain Confidential and Insider Information, or need protection in accordance with data protection standards, are to be kept secure, with no access by third parties, and with access by Counterparty employees only on a need-to-know basis.

## **9 INDUCTION, GIFTS, AND MATERIAL INCENTIVES**

9.1. When engaging in business relations with the Company and/or TMK Group Enterprises, Counterparties refrain from offering any form of incentives to employees of the Company and/or TMK Group Enterprises, including cash payments, gifts, free work (services), or any other methods not listed herein that may create a sense of obligation to reciprocate in some way or induce the employee to act in favor of the offering party.

9.2. Employee's actions in favor of the party offering benefits mean:

- providing undue advantages or assurances over other Counterparties
- unreasonable acceleration of existing procedures
- other actions the employee performs as part of their work duties that conflict with the principles of transparency and openness in dealings with Counterparties.

TMK Group's Counterparty Management Policy		Version No. 0
V.A. Andreyev, ext. 12396	Publication date: May 18, 2022	Page 6 of 8

## **10 RIGHTS AND FREEDOMS**

10.1. When doing business with the Company and/or TMK Group Enterprises, Counterparties shall respect and uphold universally recognized human rights and freedoms, ensuring that they did not, do not, and will not participate in any violations of such rights.

10.2. Counterparties shall not tolerate discrimination in any form.

10.3. Counterparties undertake not to employ persons under 16 years old, except when allowed by the Russian Labor Code.

10.4. Counterparties shall adhere to applicable laws regulating working hours for Employees.

10.5. Counterparties shall not use corporal punishment, threats of violence, or any other forms of psychological or physical coercion against their employees.

10.6. Counterparties shall familiarize themselves with, and follow the principles of, PAO TMK's Declaration of Human Rights.

## **11 OCCUPATIONAL HEALTH AND SAFETY**

11.1. The Company and TMK Group Enterprises expect Contractors to comply with applicable occupational health and safety laws and standards, and to create a healthy working environment and safe working conditions for all their employees. Counterparties shall integrate health and safety management standards and practices into their operations and uphold relevant contractual requirements.

11.2. Counterparties who work or provide services at a facility or on the premises of the Company and/or at TMK Group Enterprises shall familiarize themselves and comply with the occupational health and safety standards set by the Company and/or at TMK Group Enterprises. All injuries, incidents, or accidents that happen on the premises of the Company or at TMK Group Enterprises, including their causes, are to be thoroughly investigated without any exceptions. Any attempt to hide injuries, incidents, or accidents that have taken place on the premises of the Company or at TMK Group Enterprises is strictly prohibited.

## **12 ENVIRONMENTAL PROTECTION**

12.1. The Company and TMK Group Enterprises reaffirm their commitment to environmental protection and environmental safety. Responsibility for compliance with environmental laws is a fundamental principle of our business operations.

12.2. Counterparties working with the Company and TMK Group Enterprises are required to adhere to applicable environmental laws. Systemic non-compliance with environmental laws may result in a refusal to cooperate further or in termination of contracts with such Counterparties.

12.3. All other things being equal, both the Company and TMK Group Enterprises prioritize engaging with Counterparties who share the Company's commitment to minimizing their environmental footprint and contributing toward the development of a safe environmental landscape across their regions of operation.

## **13 WHISTLEBLOWING**

13.1. Should there be a suspected or confirmed breach of this Policy, Counterparties shall notify the Company and/or a TMK Group Enterprise thereof. The Counterparty agrees to assist and collaborate with the Company and/or a TMK Group Enterprise in good faith in case of an actual or

TMK Group's Counterparty Management Policy		Version No. 0
V.A. Andreyev, ext. 12396	Publication date: May 18, 2022	Page 7 of 8

potential breach of this Policy, which includes agreeing to allow an interview of officers, employees, or agents.

13.2. Counterparties may also raise concerns about potential violations of the Policy, financial matters, accounting, audit, corruption, or fraud within the Company and/or TMK Group Enterprises, or any other substantial issues impacting vital interests of the Company and/or a TMK Group Enterprise by contacting the **Hotline** through one of the communication channels below:

- **Whistleblower Hotline 8 800 700 8072 (24/7, free to call from anywhere in the country)**
- **By e-mail to: 8072@tmk-group.com (the report can be sent from any e-mail address)**
- **By mail to: 40/2a, Pokrovka Street, Moscow, 101000, Russia, Compliance Risk Management Committee**

## **14 LIABILITY**

In line with the procedure outlined in the contract between the Counterparty and the Company and/or a TMK Group Enterprise, if there is evidence of a breach of this Policy, the Company and/or such TMK Group Enterprise retains the right to suspend or terminate the contract with the Counterparty immediately at their own discretion until the breaches are rectified by the Counterparty.

TMK Group's Counterparty Management Policy		Version No. 0
V.A. Andreyev, ext. 12396	Publication date: May 18, 2022	Page 8 of 8