

APPROVED
by the Board of Directors of
Polymetal International plc

Gifts and Entertainment Policy

POLYMETAL GROUP

(as amended on 21 March 2018)

1. Background

This Policy is formulated to prevent corrupt practices in business activities of Polymetal International plc Group's of companies (**Polymetal, the Group**)¹. It seeks to ensure honest business practices and that any conflict of interest between the self interest of an employee and his/her responsibilities to Polymetal is avoided or, at the very least, appropriately managed.

Polymetal 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, Polymetal does not permit the giving or receiving of gifts, benefits or entertainment that are not reasonably justifiable in all the circumstances.

This Policy establishes minimum requirements for the offering and receiving of gifts, benefits and entertainment and associated record keeping requirements.

The principles of this Policy apply to all employees of Polymetal as well as its Business partners. In order to ensure the implementation of the principles set out by the Policy in all regions of operation, all business units of the Group adopt internal policies and procedures which regulate moral and ethical conduct of the employees in accordance with the Policy and applicable laws.

2. Definitions

For purposes of this Policy, the following definitions apply:

- 2.1. **Gift** includes any goods 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.
- 2.2. **Benefits** include Gifts and other supplementary benefits such as transport or promotional items associated with entertainment.
- 2.3. **Entertainment** means any social event, hospitality event, meal, celebration, conference, marketing event or any similar event.
- 2.4. **Company entertainment** means and Entertainment organised by the Company for employees, employees' families, Business partners or/and other third parties.
- 2.5. **Third party entertainment** means any Entertainment organised by a third party in which any employee of the Company participates.
- 2.6. **Gifts register** means detailed information on all Gifts, Benefits or Entertainment (including refused Gifts), offer or acceptance of which is subject to approval in accordance with the procedures established by this Policy.
- 2.7. **Business partner** is an existing or prospective client, consultant, intermediary or goods/services provider.

¹ Polymetal International plc and all of its subsidiaries

- 2.8. **Public official** is 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. This definition may include consultants who hold government positions, employees of companies owned or controlled by governments, political party officials and others, or employees retained by government agencies. For the purposes of this policy, this term will also cover immediate family members (parent, spouse, child, in-law, sibling) and anyone else to whom the Public official provides material support.

3. Polymetal's Gifts and Entertainment Policy

3.1. General

- (a) Polymetal employees must not accept Gifts, Benefits, or entertainment from, or offer or provide them to, a person they know through their employment with the business unit of the Group, except in accordance with this Policy.
- (b) In addition to the specific requirements set out below, no Gifts, Benefits or Entertainment may be offered to, or accepted from, Business partners in circumstances where it:
- (i) is inappropriate in light of the underlying business relationship;
 - (ii) is so frequent, excessive in value or of such a nature that it might give rise to a perception of impropriety;
 - (iii) might cause embarrassment to Polymetal and bring its reputation into disrepute;
 - (iv) might cause the recipient to improperly perform his or her duties;
 - (v) might be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe;
 - (vi) might improperly influence the recipient's judgement and/or potentially impact or alter the provision or receipt of a service or goods; or
 - (vii) violate any applicable laws and regulations or internal documents of the business units of the Group.

3.2. Requirements – Gifts and Benefits

The giving or receiving of cash Gifts is strictly prohibited. In addition, employees must not solicit or receive gifts or Benefits for their own benefit in return for a relevant function or activity being improperly performed, either by them or others.

Subject to the exceptions provided in clause 3.4, the offer of Gifts or Benefits should be agreed in advance with the designated official in accordance with the internal policies and procedures of the business units of the Group.

Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

3.3. Gifts to Public Officials

Gifts and Benefits to Public Officials should be avoided wherever possible, except for Promotional items, listed in clause 3.4 (a) of this Policy. Before offering such a Gift or a Benefit to the Public Official a prior approval must be obtained from the relevant designated official in accordance with the internal policies and procedures of the business units of the Group.. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

Exceptions

- (a) Promotional items – items of de minimis value such as stationery (pens, calendars or diaries), T-shirts, key rings and other items may be offered provided they clearly display Polymetal’s name and logo.
- (b) Gifts of a purely personal nature to mark occasions such as an anniversary, wedding, 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 of the Gift.
- (c) Gifts from the management to the employees of the business units of the Group presented to mark operational results, professional holidays and other similar occasions.
- (d) Seasonal or traditional Gifts may be given to mark public holidays, of the countries in which Polymetal operates, local festivals, if it is local business practice to exchange such gifts, legally established professional holidays, if it is local business practice to exchange such Gifts and the Gifts do not appear to be excessive.

3.4. Requirements – Entertainment

The following guidelines apply:

- (a) Entertainment of or 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 with the counterpart and be within the limits of business courtesies and established practices.
- (b) Entertainment events organised by the business units of the Group and Polymetal employees’ participation in any Third party entertainment event, which do not comply with the above listed rules, must be approved by the designated official in accordance with the internal policies and procedures of the business units of the Group. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.
- (c) Polymetal entertainment for the employees, as well Entertainment as part of the social partnership programme, such as New Year parties for employees’ children, local public and Business partners, sports events and other similar events do not require approval.

- (d) Providing accommodation or transport to Business Partners attending entertainment events, and paying for their guests or family members, should be avoided.
- (e) Attendance at a sporting, cultural or other social event does not require approval. However, employees should not solicit entertainment from Business partners.
- (f) Normal business courtesies such as paying for a meal are acceptable and do not require approval provided they are proportionate.

3.5. Entertainment of Public Officials

The participation of Public officials in Polymetal entertainment events should be avoided whenever possible (except for events listed in clause 3.5 (c)) and, if being considered, a prior approval of the designated official in accordance with the internal policies and procedures of the business units of the Group should be received. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

3.6. Participation of Polymetal's employees in events organised by Public Officials

Participation of Polymetal's 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 the business units of the Group, and should not go beyond established business practices, social partnership relations and business courtesies. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

4. Record retention

- 4.1. Gifts register which contains description of all gifts, approximate value, information on both the giver and the recipient should be maintained in the designated departments of the business units of Group's according to the relevant internal policies and procedures. Gifts listed in clause 3.4 do not need to be listed in the Gifts register.
- 4.2. Once an offer or acceptance of a gift has been agreed with the relevant Group's official according to the internal policies and procedures of the business unit of the Group, employees shall submit the details of the giver and the recipient and reasons for offering a Gift to the relevant department of the business unit of the Group according to the internal policies and procedures. Receipt of communications associated with or related to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

- 4.3. Directorate of Internal Control and Risk Assessment is responsible for periodical review (at least annually) of the frequency of Gifts, Benefits and entertainment being received or given and recorded as per clause 4.1 above and, and, in case the cumulative monetary value of Gifts, Benefits and Entertainment given or received by any individual appears excessive or inappropriate, follow the relevant internal policies and procedures of a business unit of the Group. .

5. Breaches of Policy

- 5.1. Breaches of the principles of the Policy are a serious matter and may render employees liable to disciplinary action, up to and including termination of employment, in accordance with applicable legislation and internal policies and procedures of the business units of the Group.
- 5.2. In some jurisdictions, such breaches might also render an employee liable to prosecution by a law enforcement or regulatory body which might impose significant penalties for the giving or receiving of payments or Gifts, Benefits or Entertainment which are deemed to be improper inducements for investment or other business.
- 5.3. In the case of Business partners or other third parties to whom this policy also applies, Polymetal will not hesitate to terminate its relationship with a Business partner or third party who has been found to breach this policy.