

to the Minutes of the Supervisory Board Meeting of

ZAPORIZHZHIA ABRASIVE PLANT PJSC

No. __ 5 __ February 2024

ANTI-CORRUPTION PROGRAMME

ZAPORIZHZHIA ABRASIVE PLANT PRIVATE JOINT STOCK COMPANY

According to this Anti-Corruption Programme (hereinafter referred to as the Programme), ZAPORIZHZHIA ABRASIVE PLANT PRIVATE JOINT STOCK COMPANY (hereinafter referred to as the Company), in attempting to achieve its sustainable development, protect its own business reputation, encourage the use of good business practices, and in the best interests, in particular, but not exclusively, of its founders, employees, business partners, customers, declares that its founders, management bodies, officials and employees in their activities and in legal relations with business partners, public and local authorities, other legal entities and individuals, deploy a zero tolerance approach to corruption and use their best efforts to prevent, detect and combat corruption as provided for by law and the present Programme.

The Company declares its committed position and condemns corruption as an illegal and unethical way of running business, commends strict compliance with the provisions of the present Programme by contractors and other persons, and contributes to an increase in the level of anti-corruption culture among the Company employees.

1. General Terms

1.1. The present Programme lays down a set of rules, standards and procedures for preventing, detecting and combating corruption in the activities of Zaporizhzhia Abrasive Plant Private Joint Stock Company (hereinafter referred to as the Company).

1.2. The Programme shall be approved by the Chairman of the Executive Board after its approval by the resolution of the Executive Board of the Company.

1.3. The Programme shall define the management and organisational principles of prevention, detection and counteraction of corruption in the Company, including anti-corruption measures, participants of such measures, their tasks, functions, powers and responsibilities.

1.4. The present Programme shall be binding on officials of all levels, employees, representatives of the Company, contractors, partners, persons performing a specific type of work under the civil law contracts concluded with the Company, etc.

1.5. The present Programme shall be applied in all areas of the Company activities, including in relations with business partners, officials, public and local authorities, other legal entities and individuals.

1.6. Compliance with and implementation of the present Programme shall be included in the Company internal code of labour conduct, regulations on business units, all employment contracts and job descriptions.

2. Purpose and Objectives of the Programme

2.1. The purpose of the Programme is to ensure that the Company conducts its activities in accordance with the anti-corruption laws of Ukraine, in particular, the Law of Ukraine on Prevention of Corruption and the Standard Anti-Corruption Programme of a legal entity approved by the order of the National Agency on Corruption Prevention.

2.2. The objectives of the Programme shall be as follows:

- to develop and implement effective mechanisms and procedures, and use best efforts aimed at preventing, detecting and combating corruption;
- to develop high anti-corruption legal awareness among employees and improve the level of anti-corruption culture;
- to minimise (eliminate) risks of involvement of the Company, employees, authorised representatives and contractors in a common understanding of the provisions of the Programme;
- to properly inform the Supervisory Board, the Executive Board, and the Company bodies of the status of the Programme.

3. Terms and Definitions

Charitable Activity shall mean voluntary personal and/or pecuniary assistance aimed at promoting the legitimate interests of the recipients of charitable contributions in the fields of charity determined by law, which does not involve the Company profit and payment of any remuneration or compensation to the Company for or on behalf of the recipient of charitable contribution.

Business Hospitality shall mean business breakfasts, lunches, dinners, standing receptions, conferences, cultural and sporting events in order to establish or build business relations.

Business Relations shall mean relations between the Company and business partners related to professional or economic activities of the Company.

Business Partners shall mean legal entities or individuals with which/whom the Company maintains, enters into or intends to enter into business relations.

Agreement shall mean an agreement as defined in the Civil Code of Ukraine.

Counterparty shall mean an individual or a legal entity that is a party to an agreement entered into by the Company.

Notice shall mean information on:

- existence of good grounds to assume that a corrupt act may be committed;
- suspicion of corrupt act;
- cases of incitement to commit a corrupt act;
- other cases related to corruption in the Company activities.

Potential Conflict of Interest shall mean the presence of a person's private interest in the area in which they exercise their official or representative powers that may affect the objectivity or impartiality of their decision-making, or the performance or failure to perform actions in the exercise of these powers.

Gift shall mean cash or other property, advantages, benefits, services, intangible assets provided/received free of charge or at a price below the minimum market price.

Direct Subordination shall mean relations of direct organisational or legal dependence of a subordinate on their supervisor, in particular, by addressing the issues (participation in solving the issues) on hiring, dismissal, application of incentives, disciplinary sanctions, giving instructions, orders, etc., and control over their implementation.

Real Conflict of Interest shall mean a conflict between private interest and official duties of an employee (authorised representative, person acting on behalf of the Company under the contract), which affects the objectivity or impartiality of their decision-making, or the performance or failure to perform actions in the exercise of these powers.

Sponsorship Activity shall mean voluntary material, financial, organisational and other support of the Company for any event or activity in order to promote the name of the Company, trademarks for goods and services of the Company.

Other terms in the present Programme shall have the meanings given in the Law of Ukraine on Prevention of Corruption.

4. Responsibilities to Implement the Programme

Employees of the Company at all levels and authorised representatives shall:

4.1. comply with the Law of Ukraine on Prevention of Corruption, the present Programme and internal documents adopted for its implementation and ensure the implementation of the present Programme;

4.2. perform their official duties to reflect the legitimate interests of the Company;

4.3. shall not commit or participate in corrupt practices;

4.4. promptly inform the head of the business unit in the manner prescribed by the present Programme of:

- eruption of real and potential conflict of interests;

- cases of incitement to commit a corrupt act;

- suspicion of committing a corrupt act;

- detection of signs of other violations of the Programme requirements.

4.5. inform the heads of business units, and they in turn the Chairman of the Executive Board of the implementation and acceptance of business hospitality, giving and receiving gifts in accordance with the procedure established by the Company;

4.6. take measures to prevent and resolve real or potential conflicts of interest;

4.7. perform other duties stipulated by the Programme.

5. Corrupt Act

Corrupt acts are considered to be committed directly (personally) or indirectly (with the involvement or assistance of third parties), regardless of the purpose and in any form:

- offer (promise);

- acceptance of an offer (promise);

- receipt by an employee of an unlawful benefit for themselves or a third party and a request to provide such a benefit for themselves or a third party;

- providing an employee with an unlawful benefit for performing or failing to perform any actions using the rights and duties within the employment relations with the Company, in the best interests of the person providing the benefit or in the best interests of a third party;

- abuse of power or authority, i.e., intentional use by an employee of their power or authority in the Company within the employment relations with the Company in order to obtain an unlawful benefit for themselves or other persons, if this caused significant damage to the legally protected interests of the Company, rights or interests of contractors;

- offer, promise or provision of an unlawful benefit to a person authorised to perform state functions or, upon their request, to another person by an employee directly or through other persons in connection with the performance of their official duties in the Company;

- other acts committed by an employee, contractor and prohibited for them in accordance with the laws of Ukraine in the field of prevention and combating corruption.

6. Anti-Corruption Measures

6.1. The following anti-corruption measures (related to the prevention, detection and counteraction of corruption) shall be taken to effectively identify, regularly assess and minimise (eliminate) corruption risks:

- monitor hospitality expenditures, giving and receiving gifts when performing official duties;
- determine and implement procedure for resolving conflicts of interest;
- include requirements for mandatory compliance with the relevant provisions of the Anti-Corruption Programme to the employment contracts; internal code of labour conduct of the Company; regulations on the Company business units; contracts to which the Company is a party, except for contracts, the standard form of which is approved in accordance with the established procedure; draft contracts to which the Company plans to be a party, except for contracts, the standard form of which is approved in accordance with the established procedure;
- improve standards and procedures to prevent, detect and combat corruption on a regular basis;
- develop and implement new standards and procedures to prevent, detect and combat corruption from time to time;
- implement mechanism for submitting notifications subject to confidentiality of information;
- monitor activities of employees, functions and business processes in the Company directly related to corruption risks;
- implement procedures for identifying, analysing, assessing, minimising (eliminating) corruption risks associated with the activities of counterparties (potential counterparties);
- analyse drafts of the Company internal documents and contracts to which the Company plans to be a party (except for contracts, the standard form of which is approved in accordance with the established procedure), in order to identify, analyse, assess, minimise (eliminate) corruption risks;
- raise the level of anti-corruption culture and formation of high anti-corruption awareness among employees.
- conduct regular assessment of corruption risks in the Company activities to identify functions, positions, and activities directly related to corruption risks;

- monitor compliance with the Programme and the requirements stipulated in the Company internal documents on combating corruption;
- implement incentive measures for anti-corruption initiative of the employees;
- respond to facts related to corruption;
- study a potential counterparty. The Company shall study potential counterparties prior to entering into any contracts/agreements with them. The Company business unit initiating the entering into a contract/agreement with a potential counterparty shall make reasonable efforts to minimise (eliminate) the risk of establishing business relations with a potential counterparty that may be involved in corrupt practices.

6.2. The authorised employee shall assess corruption risks on a regular basis. Based on the results of the corruption risk assessment, corruption risk management measures shall be developed. The authorised employee shall monitor the implementation of measures to manage corruption risks and inform the Chairman of the Executive Board of the results.

6.3. The Company shall be entitled (except for cases provided for by law) to:

- impose penalties for failure of the counterparty to fulfil its contractual obligations to comply with the requirements of the Programme, if such penalties are provided for by the terms and conditions of the agreement;
- refuse to maintain business relations (including by terminating the relevant agreement) in case of failure to provide or provision of false information.

6.4. The Company shall promote the level of anti-corruption culture and the formation of high anti-corruption legal awareness among employees by training and informing employees about the requirements of the Programme and other aspects in the field of detection, prevention and counteraction to corruption. The information shall include publications of the Programme on the Company official website, regular explanatory work among employees through education, training, workshops and testing, and distributing changes in legislation on the prevention of corruption via corporate e-mail.

7. Notices, their Verification and Responsibility

7.1. The Company shall provide employees and other persons (hereinafter referred to as whistleblowers) with the terms and conditions for reporting possible facts of corruption or corruption-related offences, other violations of the Law of Ukraine on Prevention of Corruption (hereinafter referred to as the Notice) by:

- mandatory creation and maintenance of channels through which a person can make a notice, while guaranteeing their anonymity;

- determining, in accordance with the Law of Ukraine on Prevention of Corruption, the mechanism for accepting and reviewing Notices, verifying and responding to them;

- implementing an incentive system and formation of a culture of reporting;
- observing the rights and guarantees of whistleblower protection.

7.2. A notice may be submitted verbally, in writing, or through appropriate communication channels.

7.3. Information on communication channels shall be brought to the attention of all employees, in particular, when hiring, and posted on the Company information boards and on the Company website (if any).

7.4. Whistleblowers shall be guaranteed confidentiality of the content of their notices submitted to the Authorised Officer, head of business unit, Chairman and members of the Executive Board.

7.5. A notice may be submitted anonymously (without indication of authorship). Such a notice shall be subject to consideration if the information contained therein relates to a particular employee, authorised officer, counterparty (potential counterparty), and contains actual data that can be verified.

7.6. The authorised officer, heads of business subdivisions, the Chairman of the Executive Board, members of the Executive Board of the Company shall not disclose (except in cases provided for by law) any information that can identify the person who submitted the notice.

This obligation also applies to other persons (who have become aware of the said information), in particular:

- other employees;
- contractors;
- potential counterparties.

7.7. Submission of knowingly false report shall be strictly prohibited.

7.8. The Company shall implement the Notice incentives through moral and material reward of employees and other persons;

7.9. If the received (discovered) information on the commission of a corruption or corruption-related offence or other violation of the Law of Ukraine on Prevention of Corruption refers to the actions or inaction of the Company executive, the Authorised Officer shall send such information without preliminary verification to the entity authorised to review or investigate it within three (3) days subject to jurisdiction determined by Article 216 of the Criminal Procedure Code of Ukraine and the provisions provided for in Article 255 of the Code of Ukraine on Administrative Offences and a copy of the relevant letter shall be sent to the National Agency for on Corruption Prevention, if it is not an entity authorised to review the information.

The received (discovered) information shall also be sent to the entity authorised to appoint (elect) and dismiss the Executive of the Company.

7.10. In case of receipt of a Notice or detection of signs of a corruption or corruption-related offence committed by the Authorised Officer, or other violation of the Law of Ukraine on Prevention of Corruption or the present Programme, a preliminary verification of such information shall be carried out in accordance with the Company internal documents.

7.11. If the notice concerns a specific employee (except for the Chairman or other members of the Executive Board, the Authorised Officer), a counterparty or several of these persons at the same time, the notice shall be verified, if there are grounds for its verification, within the internal audit (internal investigation) initiated by the Authorised Officer.

In this case, the restrictions provided for in clause 6 of Section 7 of the Programme shall not apply to the transfer of information to the Chairman of the Executive Board of the Company, the Authorised Officer, which may identify the person who submitted the notice.

An internal audit (internal investigation) shall be conducted only in cases where the notice concerns specific individuals and contains verifiable actual data.

The Authorised Officer shall be appointed as the head of the working group for conducting an internal audit (chairman of the commission for conducting internal investigation).

Persons involved in conducting such an internal audit (internal investigation) shall be obliged not to disclose any information that may identify the person who submitted the notice and the content thereof.

The authorised officer shall inform the Executive Board of the Company about the results of the notice verification.

7.12. The Authorised Officer shall keep a systematic record of notices, incidents related to corruption, and response measures taken.

7.13. If an employee or counterparty has submitted a notice in advance or deliberately refused to participate in a corrupt act, such person may not be subject to appropriate penalties (sanctions).

7.14. No penalties (sanctions) may be imposed on an employee or counterparty if their notice was not the basis for an audit.

8. Gifts and Business Hospitality

8.1. Subject to applicable law, the Company shall determine the general policy and procedures for providing and accepting business hospitality and gifts.

8.2. Employees of the Company at all levels shall refrain from offering business hospitality, gifts to officials, their close relatives, business partners, if such

business hospitality, gifts may be regarded as an inducement or readiness to commit a corruption offence related to the Company activities.

8.3. Giving and receiving gifts, as well as providing and accepting business hospitality shall be allowed if it meets the following criteria:

- meets the generally accepted concept of hospitality (for example, a gift is a souvenir);
- is not prohibited by the laws of the country in which it is provided and/or accepted;
- value of the gift or business hospitality does not exceed the limit set by the Company Code of Corporate Ethics;

8.4. The restriction on the value of the gift shall not apply to gifts received as public discounts on goods, services, winnings, prizes, bonuses and bonuses.

8.5. Giving and receiving gifts in the form of money (cash or non-cash), cash equivalent (gift cards or gift vouchers) shall not be allowed.

8.6. In case of doubts about the acceptability of a gift or business hospitality, employees shall contact the Authorised Officer, as defined by the present Programme, for advice and/or clarification.

9. Legal Status of the Authorised Officer

9.1. In order to implement the Programme, the Executive of the Company shall appoint the Authorised Officer in accordance with the law. He/she may be an individual who is capable of performing the relevant duties by virtue of his/her business and moral qualities, professional level and health condition.

9.2. The legal statute of the Authorised Officer shall be determined by the Law of Ukraine on Prevention of Corruption and the present Programme.

The Authorised Officer shall be an employee of the Company and report to the Chairman of the Executive Board.

9.3. The Authorised Officer may be dismissed from their office earlier in cases stipulated by the Law of Ukraine on Prevention of Corruption. In case of incompatibility, the Authorised Officer shall notify the Chairman of the Executive Board within two (2) days from the date of occurrence of such circumstances and simultaneously submit an application for termination of the employment contract. The Chairman of the Executive Board shall notify the National Agency on Corruption Prevention in writing within two (2) business days of dismissal of the person from the position of the authorised officer and ensure immediate nomination of a new candidate for the said position.

9.4. The main tasks of the Authorised Officer shall be to prepare, ensure implementation and control over the implementation of measures to prevent, detect and counteract corruption in the Company.

9.5. The Authorised Officer shall be independent in their activities.

9.6. The Authorised Officer may engage other employees to perform their duties.

9.7. The duties of the Authorised Officer shall include:

- organise preparation, develop and submit for approval to the Chairman of the Executive Board the Company internal documents on the formation and implementation of the present Programme;
- organise periodic assessment of corruption risks in the Company activities;
- ensure interaction between the Company business units to monitor the implementation of the measures provided for in the present Programme;
- provide explanations and individual consultations related to the implementation of the present Programme to the members of the Executive Board, the Chairman of the Executive Board, heads of business units of all levels, and employees of the Company;
- check for corruption risks and approve payments and expenses related to charitable and sponsorship activities;
- organise training activities for the Company employees on preventing and combating corruption;
- regularly, at least once every two (2) years, improve their qualifications, initiate issues related to professional development before the Chairman of the Board;
- take measures to identify conflicts of interest and facilitate their settlement, inform the Chairman of the Board of the identification of conflicts of interest and measures taken to resolve them;
- participate in the Company personnel selection procedures;
- check for corruption risks in relation to charitable and sponsorship activities;
- receive and organise consideration and verification of notices of possible facts of corruption or corruption-related offences;
- participate in internal investigations conducted in accordance with the present Programme;
- notify the Chairman of the Executive Board or members of the Executive Board of facts that may indicate the commission of corruption or corruption-related offences;
- in case of detection of a corruption or corruption-related offence or receipt of a notice of such an offence, take measures to suppress such an offence;
- cooperate with whistleblowers, ensure observance of their rights and guarantees of protection provided by the Law of Ukraine on Prevention of Corruption;
- inform the whistleblowers about their rights and obligations under the Law of Ukraine on Prevention of Corruption, as well as about the status and results of consideration, verification and/or investigation of the information reported by them;

- conduct internal investigations in accordance with this Internal Investigation Programme;
- ensure control over compliance with the present Programme and anti-corruption laws;
- evaluate the results of the measures provided for in the present Programme;
- prepare a report on the status of implementation of the present Programme;
- perform other official duties stipulated by the Law of Ukraine on Prevention of Corruption, the present Programme, internal documents of the Company;

9.8. It is strictly prohibited to impose on the Authorised Officer's duties that do not belong to or go beyond their powers, limit the exercise of their powers;

9.9. In order to perform the tasks assigned to them, the Authorised Officer shall have the right to:

- receive verbal and written explanations from the Chairman of the Executive Board and members of the Executive Board, heads of business divisions of all levels, employees on issues related to their powers;
- have access to documents and information managed by the Company, which are necessary for the performance of their duties, make or receive copies thereof;
- have access to personal data, in compliance with the laws on access to personal data;
- have access to any premises (warehouse, production) of the Company in case of necessity to carry out anti-corruption measures;
- have access to the Company electronic means of storing and processing data necessary for the performance of their duties;
- sign and send information requests to public and local authorities, enterprises, institutions, organisations of any type, public or private, to obtain information and materials directly related to the performance of the authorised officers' duties;
- exercise other powers defined by the Law of Ukraine on Prevention of Corruption aimed at comprehensive consideration of notices of corruption offences;
- initiate audits on the grounds provided for by the Law of Ukraine on Prevention of Corruption and the present Programme;
- initiate internal investigations in connection with possible violations of the Law of Ukraine on Prevention of Corruption and the present Programme;
- submit to the Chairman of the Executive Board a proposal to bring to disciplinary responsibility persons guilty of violating the Law of Ukraine on Prevention of Corruption and the present Programme;
- participate in meetings of the Company commissions on issues within the competence of the Authorised Officer;
- engage employees of the Company to perform their duties with the consent of the Chairman of the Executive Board;

- address the Chairman of the Executive Board, members of the Executive Board of the Company regarding the exercise of their powers and performance of their duties;

9.10. The Chairman of the Executive Board shall be obliged to:

- provide the Authorised Officer with appropriate material and organisational working conditions;
- assist the Authorised Officer in performing the functions stipulated by the present Programme and the Law of Ukraine on Prevention of Corruption;
- promptly respond to written and verbal requests, proposals and recommendations of the Authorised Officer provided by him within the framework of the Programme;
- upon the authorised officer's initiative, send inquiries to public and local authorities, enterprises, institutions and organisations of any type, public or private, to obtain from them relevant information and materials necessary for the performance of the tasks assigned to the Authorised Officer.

10. Procedure for Reporting by the Authorised Officer to the Executive of the Company

10.1. The Authorised Officer shall draw up a report on the results of the Programme implementation (hereinafter referred to as the Report) at least once a year, as well as upon the request of the Chairman of the Executive Board, within the period of one year.

10.2. The report shall include information on:

- status of implementation of the measures defined by the Programme;
- results of implementation of measures defined by the Programme;
- violations of the Law of Ukraine on Prevention of Corruption, the Programme, measures taken to eliminate such violations, and the results of these measures;
- facts of obstruction of the proper performance of the authorised officer's functions, imposition of unreasonable restrictions on them, cases of interference with their activities by third parties;
- any suggestions and recommendations.

If necessary, the content of the Report shall be further discussed by the Authorised Officer with the Chairman of the Executive Board.

11. Procedures to Protect the Whistleblowers

11.1. The Chairman of the Executive Board and/or the Authorised Officer, within their powers and authority, shall provide conditions for the protection of a person who assists in preventing, detecting and combating corruption in the Company (hereinafter referred to as the Whistleblower).

11.2. A whistleblower may not be dismissed or forced to resign, disciplined or subjected to other negative measures of influence (transfer, change of working conditions, refusal to be appointed to a higher position, reduction of salary, etc.) or threat of such measures of influence by the Company management in connection with the submission of a notice.

11.3. In the event of leak of confidential information about a whistleblower, the Chairman of the Executive Board, the Authorised Officer, upon the request of such an employee or on their own initiative, shall immediately take measures sufficient to avoid negative consequences for the whistleblower related to such a leak.

11.4. Measures to protect the whistleblower shall be determined by the Chairman of the Executive Board jointly with the Authorised Officer and implemented subject to the employee's written consent.

12. Control and Monitoring of Compliance with the Programme

12.1. Control and monitoring of compliance with the Programme shall include:

- control over the employees' compliance with the Programme, which is carried out on a regular basis by the heads of the Company business units;
- measures to control processes and procedures for the presence of corruption risks carried out on an ongoing basis by the heads of the Company business units;
- monitoring the implementation of the Programme at the Company level by the Authorised Officer;
- regular review of the Programme and related internal documents of the Company;
- taking anti-corruption measures initiated by the Supervisory Board or the Executive Board of the Company.

13. Final Provisions

13.1 The Programme shall constitute an integral part of the Company internal code of labour conduct.

13.2. The Programme shall be unlimited and shall be regularly reviewed to bring it in line with the requirements of anti-corruption laws.

13.3 The provisions of the Programme that contradict the requirements of the law shall not be applied.

13.4. If the provisions of the Programme contradict the provisions of other internal documents on compliance, the provisions of the Programme shall apply.

13.5. Amendments to the Programme may be initiated by the owners, shareholders, Supervisory Board, Chairman of the Executive Board, members of the Executive Board, Authorised Officer, Compliance Officer of the Company.

