

APPROVED

By the Minutes of Extraordinary General
Meeting of participants of the limited liability company
Thyssen Schachtbau EuroChem Drilling
of 07.04.2017

POLICY
of the limited liability company
Thyssen Schachtbau EuroChem Drilling
in the area of
ANTIMONOPOLY LAW

Kotelnikovo

2017

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I. INTRODUCTION

This Policy in the area of antimonopoly law (hereinafter – the **Policy**) contains requirements of the limited liability company **Thyssen Schachtbau EuroChem Drilling (hereinafter – the Company) in the area of compliance** of the Company and its Employees (as this term is defined below) with current mandatory rules of antimonopoly law of the Russian Federation, European Union (EU) and other countries in the course of purchase activities, as well as when selling any products/services produced or rendered by the Company (hereinafter – the **Products**) in Russia, EU, and other countries.

The Policy also defines procedure of actions for prevention of Violations (as this term is defined below), in particular, when conducting negotiations with Competitors or Clients (as this term is defined below), and for regular monitoring and training of the Employees as regards norms, requirements and rules of current antimonopoly law.

This Policy also describes limitations and prohibitions, which should be persistently observed by each Employee.

Volume and content of this Policy may be changed in future. This Policy contains general analysis of current norms and laws, and with this, special consultations or explanations may be needed in respect of each particular transaction. Definite business relations or transactions described in this Policy are admitted only upon consultation with the Compliance Specialist and given his signature.

1. DEFINITIONS

- 1.1 «**Agreement**» – is contract or agreement between the parties, which contract or agreement is concluded in any form in writing or orally, in electronic format or by means of electronic correspondence, by means of exchange of letters or oral promises, «gentleman's agreements» or other agreements, which reflect intentions of parties thereto.
- 1.2 «**Working Day**» – is day (apart from Saturday or Sunday), whereon the banks are open for conducting of routine bank operations in the Russian Federation.
- 1.3 «**Cartel**» – is written or oral Agreement or concerted actions (actions, which meet the interests of the Cartel's participants and are not connected with influence of objective economic circumstances) between the Competitors, which Agreement or actions are aimed at limitation of Competition, including Agreement on fixation of price, price formation, distribution of trade or production quotas, spheres of influence, fraudulent tender rates, regulation of the production volume, coordination of conditions of the production sales, or similar matters.
- 1.4 «**Client**» – is any legal person, company (or its affiliated person), Representatives of any organizations, unions or companies (either already existing or to be registered in future), which represent vendors, buyers, consumers, distributors or customers of the Company.
- 1.5 «**Competitor**» – is any legal person, company (or its affiliated person), Representatives of any organizations, unions or companies (either already existing or to be registered in future), which compete with the Company on the same market.
- 1.6 «**Competition**» – is rivalry between the enterprises, which prevents or limits possibility of any third party to unilaterally affect general conditions of the commodities turnover on relevant goods market.
- 1.7 «**Dominating Position**» – is position of enterprise, group of persons, or several enterprises or groups of persons on the market of particular goods, which position allows that (a) such enterprises or groups of persons exert significant effect on general conditions of commodities turnover on relevant goods market, and/or dismiss other enterprises from this goods market, and/or prevent access of other enterprises to this goods market. Dominating Position is deemed to be position of the enterprise (excluding financial organization):
 - a. Whose share on the market of definite commodity items exceeds fifty per cent;
 - b. Whose share on the market of definite commodity items is less than fifty per cent, if dominating position has been established by relevant antimonopoly organ on the basis of stable or insignificantly altering share of this enterprise on goods market, relevant goods market share owned by competitors, possibility for new competitors to gain access to goods market, or on the basis of other criterions describing the goods market;
 - c. According to provisions of current law in the territory where Products are sold.
- 1.8 «**Employees**» – are the Company's officers, directors or personnel, being in charge, within the period of their employment, of (i) Purchase of definite materials or equipment, or (ii) Sales of Products; and participating in negotiations with customers and distributors, who compete with the Company on the same markets.
- 1.9 «**Horizontal Agreement**» – is contract or Agreement (in any form) between the enterprises, which compete on the same goods market.
- 1.10 «**Compliance Specialist**» – is the Company's Employee responsible for assurance of strict observance of the compliance assurance policy (including this Policy).
- 1.11 «**Monopoly**» – is state of goods market, when demand is attained by absence of competition, and which originates as the result of misapplication by any enterprise of its dominating position, agreement or concerted actions, which are prohibited by current antimonopoly law, as well as the result of other actions or inactivity, which are recognized as monopoly activities by the current law.
- 1.12 «**Representative**» – is director, officers, employees, agents, or any other representatives of the Company.

- 1.13 «**Training**» – is regular training (which may be carried out either by own lawyers of the Company, or by specialists of internationally recognized legal company with wide experience in the area of antimonopoly law) of or study by Employee of the norms, requirements and rules of compliance with current antimonopoly law.
- 1.14 «**Vertical Agreement**» – is contract or Agreement (in any form) between the enterprises, which do not compete with each other, whereof one purchases the goods or is their potential buyer, while the other supplies the goods or is their potential seller.
- 1.15 «**Violation**» – is violation or non-observance of mandatory rules of the current antimonopoly law, including actions aimed at (1) Conclusion of Agreement between the competitors, sellers or buyers in order to coordinate condition, which prevent the Competition (in the form of Horizontal or Vertical Agreements), in particular, pertaining to fixation of price, distribution of sales markets, clients, etc; (2) Misapplication of the Dominating Position on any goods market; (3) Creation of Monopolies or Cartels, which may entail significant decrease of Competition on definite market; or (4) Other violation of mandatory norms of current antimonopoly law.

2. PURPOSE

- 2.1 The Policy defines minimum expectations of the Company in the area of management of risks and compliance with antimonopoly law, as well as describes approach to:
- Manual for compliance with current antimonopoly law;
 - Principles and measures for mitigation of risks connected with possible violation of antimonopoly law in the jurisdictions, in which the Company's activity is carried out;
 - Consequence of incompliance with antimonopoly law;
 - Regular reporting on violations (or risks of violation) of current antimonopoly law;
 - Regular training of Employees in the area of current antimonopoly law.
- 2.2 The Company is obliged to observe current antimonopoly law of the Russian Federation, by means of application of this Policy in its business practices, and consulting with it.

3. APPLICABILITY

- 3.1 The Company shall apply the Policy and shall include it in its business practices.
- 3.2 The Company shall include in its business practices the standards or rules similar to the Policy.
- 3.3 Employees shall observe the Policy and shall be governed by it in their business intercourse.

II. COMPLIANCE WITH ANTIMONOPOLY LAW

4. GENERAL PRINCIPLES

- 4.1 The Company shall observe the policy in the area of antimonopoly law with purpose of compliance with its contractual obligations or law of the Russian Federation.
- 4.2 The Company shall exert necessary efforts in order its activities and operations not to entail violation of current antimonopoly law.
- 4.3 The Company and Employees shall regularly familiarize themselves with any alterations in current antimonopoly law.
- 4.4 The Company's Employees shall inform about any violations or suspicions of possibility of violation of any current antimonopoly law immediately upon their becoming aware of actual or possible violation.
- 4.5 In case of contradiction between the aforesaid principles and any requirements of the business, these principles shall prevail.

5. RELATIONS WITH COMPETITORS

- 5.1 Employees are prohibited to discuss and/or exchange information on prices, volumes of sales, productivity, customers or sales territories with any Competitor or its Representatives competing with the Company on the same market, if it may result in Violation.
- 5.2 In relations with Competitors, Employees shall observe, in all material respects, any current antimonopoly law, and shall adhere to basic rules as follows:
- a. Employees shall confine their business meetings and discussions (as well as telephone conversations or teleconferences) with Competitors only to what is strictly necessary in the context of business relations and disclosure of information.
 - b. Immediate superiors of the Employees shall instruct their subordinates on fulfillment of basic norms and rules of Competition, as such norms and rules are adopted in relevant jurisdiction, before their meeting with Competitor.
 - c. Employees participating in meeting with Competitor shall keep records of contents of each meeting with Competitor, and, if necessary (or on request of their immediate superiors) provide these records to their immediate superiors or to the Compliance Specialist.
 - d. Employees shall avoid discussing with Competitor the prices, volumes of sales, productivity, customers or territories of sales, if this may result in Violation.
 - e. Employee shall quit the meeting or discussion (close the telephone conversation or conference), if Competitor commences to discuss prices, volumes of sales, productivity, and/or plans of Competitor, developed in respect of particular customers or particular territories, or other questions intended to result in Violation.
 - f. Employees shall avoid expressions, which may be understood as business offer to fix prices, to distribute sales volumes, to divide market or customers, and also as Violation.
 - g. Immediate superiors of Employees shall encourage their Employees in order the Employees to immediately inform their superiors about any relations with Competitors, which relations may be deemed by them to be improper, as well as to ensure simple methods of transfer of such messages.

6. RELATIONS WITH CLIENTS

- 6.1 Employees are prohibited to discuss and/or exchange information on prices, volumes of sales, productivity, customers or sales territories with any Client or its Representatives, if it results or may result in Violation.
- 6.2 In relations with Clients, Employees shall observe, in all material respects, any current antimonopoly law, and shall fulfill basic rules and prohibitions as follows:
- a. Control of prices established by Clients is prohibited.
 - b. Discrimination of Clients (cancellation of preferences for separate Clients) without legal grounds is prohibited.
 - c. Delay of sales to Clients on request of Clients located outside the sales territory is prohibited.
 - d. Use of authority on the market in order to compel Clients to quit relations with Competitors is prohibited.
 - e. Long-term exclusive Agreements, discounts on volume and package transactions should be previously analyzed (and approved) by an immediate superior of Employee, and by the Compliance Specialist.
 - f. It is prohibited to establish sacrifice prices without previous consultation with Compliance Specialist about presence of (or risk of) Violation.

- g. In the course of correspondence, or oral or written discussion with Clients, it is prohibited to use expressions, which may imply coercion on prices established by the Clients, or prevention of fulfillment by the Clients of requests from their customers outside their territory of sales.
- h. Use of impressions, which imply Dominating Position on the market, is prohibited. Some set phrases, such as «dominating position» or «authority on the market» may be misconstrued.

7. **UPDATING ON REGULAR BASIS**

- 7.1 Compliance Specialist shall ensure that Employees are regularly provided with updated information on status, alterations and development in any antimonopoly laws.
- 7.2 Updated information shall be placed by the Company on internal (or corporate) web site, or shall be distributed through by mail with enclosed necessary updates, materials or documents, or shall be supplied in brief form by telephone, as well as inform of personal discussions or presentations.

8. **NON-OBSERVANCE**

- 8.1 Employees shall without delay inform the Compliance Specialist through any communication means, should they:
 - Suspect possible violation by an Employee of obligations under this Policy;
 - Have violated, or are in position violating any current antimonopoly law.
- 8.2 Compliance Specialist upon reception from an Employee of information as per item 8.1 above, shall without delay upon his becoming aware of any Violation, inform about such actual or possible violation the Company's Management.
- 8.3 In case of conscious or intended violation by an Employee of current antimonopoly law, what will result in Violation, the Company's Management, upon consultation with the Compliance Specialist, shall immediately terminate labor relations with such Employee according to current labor law and corporate norms.
- 8.4 In case of intended violation by an Employee of any provision of this Policy, the Company's Management, upon consultation with the Compliance Specialist, shall be entitled, on its own discretion, either (i) terminate labor relations with such Employee, or (ii) apply to such Employee the disciplinary responsibility measures according to current labor law and corporate norms.
- 8.5 In case the Company is a party to Agreement, and, as the result of (i) alteration of antimonopoly law applicable thereto, or (ii) alteration of the control of a counteragent of such contract, existence of such contract contradicts current antimonopoly law, the Company's Management shall without delay inform the Compliance Specialist about this.
- 8.6 Upon issuance of instructions of the Compliance Specialist, the Company's Management shall exert all efforts for elimination of such violation, including measures for suspension, freezing, termination and/or cancellation of the relevant Agreement, in order to ensure absence of incompliance with current antimonopoly law.
- 8.7 Management of the Company, which has violated the antimonopoly law indicated in item 8.5, shall confirm to the Compliance Specialist within fifteen (15) working days upon detection of such incompliance, that this incompliance has been eliminated.
- 8.8 According to corporate rules, all Employees should be familiarized with this Policy. All future Employees shall be informed about the Policy when signing labor contract. When signing labor contract (or amendments thereto), Employees should confirm that they are familiar with the Policy and undertake to observe it.

9. **REPORTING ON COMPLIANCE**

- 9.1 The Company shall appoint in its organization a qualified person (hereinafter – the **Compliance Specialist**), who will carry out supervision in the area of observance of the Policy. In case of absence

of such Compliance Specialist, relevant responsibility shall be born by the Company's senior officer in charge of sales (in case of Competitors) and the Company's senior officer in charge of purchases (in case of Clients). They shall regularly issue a certificate of compliance (hereinafter – the **Certificate of Compliance**) as per the form attached to this Policy in Annex 1, which certificate should be addressed to the Company's Financial Director or Compliance Specialist, who are to verify compliance with the Policy and absence of any violations of current antimonopoly law.

9.2 The compliance certificate shall be issued on the regular basis, but not less than once a year.

10. TRAINING

10.1 The Company shall regularly, not less than once in twelve months, conduct training for application of Policy by Employees.

10.2 Compliance Specialist shall determine content of the training and relevant Employees, for whom the training is to be conducted.

10.3 Compliance Specialist shall ensure that relevant Employees to pass the training as per item 10.1 of this Policy.

III. POLICY MANAGEMENT

11. REVIEW OF POLICY

11.1 The Policy is subject to regular reviewing by the Compliance Specialist, not less than once a semester, in order to ensure relevance of the Policy and response to all alterations in the Company's Obligations with respect to Sanctions, or in current antimonopoly law.

11.2 Suggested alterations may be drawn up in the form of Certificates of Compliance.

12. IMPLEMENTATION OF POLICY

12.1 The Company's Management shall be responsible for implementation and introduction of this Policy into the program of training of employees, and relevant personnel policy and standards.

* * *

Annex 1

Form of the Certificate of Compliance

(The addressee's subdivision)

Attention of:

(Position of the addressee)

Certificate of Compliance

FULL NAME:	
Company:	
Subdivision:	
Position:	
Date of violation (if any):	
Antimonopoly law of which country has been violated:	
Detailed description of the violation of antimonopoly law:	
<u>Recommendations (comments):</u>	

(Position of the draftsman)

(Surname, initials)

(Personal signature)

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