



---

**CONSTITUTION**

**KN.12-100.3**

---

APPROVED

by OMK Joint-Stock Company Directive No. 1200-P-307/21/1

dated December 27, 2021

**CORPORATE CONSTITUTION  
UNITED METALLURGICAL COMPANY**

Revision 1

Effective Date: December 27, 2021

Developed by:

Human Resource Management Directorate (12407)

Enacted to replace Constitution KN.12-100.3, United Metallurgical Company Corporate Constitution approved by Minutes of Governance Board Meeting No. 12008-Pr-79/17/1 dated December 11, 2017

Moscow  
2021

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

## Contents

1	General Provisions.....	3
2	Business Philosophy.....	3
3	Corporate Values.....	4
4	Business Ethics Principles.....	5
5	Sustainable Development.....	7
6	Employee Rights and Guarantees.....	8
7	Employee Opportunities.....	9
8	Employee Responsibility and Duties.....	9
9	Compliance with Constitution.....	10
	Change Log.....	12

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

## 1 General Provisions

1.1 The United Metallurgical Company Corporate Constitution (hereinafter, the Constitution) is a requirements containing a set of corporate ethical standards that are accepted and shared by each and every shareholder and employee of the United Metallurgical Joint-Stock Company (hereinafter, AO OMK) and other companies that belong to the same group of entities pursuant to Federal Statute No. 135-FZ dated July 26. 2006 on Fair Competition Practices (hereinafter, the Company/OMK) that are parties to the OMK Group Common System of Standards and Requirements Agreement No. 12-20-0442 dated June 15, 2020.

1.2 The objectives of this Constitution:

- define corporate ethical standards, including corporate values, organizational principles, and rules of conduct;
- document employee rights, opportunities, and responsibility;
- integrate social responsibility principles into the Company's corporate culture and assure a high degree of business transparency and responsibility.

1.3 This Constitution has been developed based on the requirements of Russian statutes and those of the AO OMK Articles of Association.

1.4 In the event that individual provisions of this Constitution come into conflict with current legislation, the relevant provisions of current legislation shall prevail.

1.5 Any terms used but not defined in this Constitution shall have the meanings they are assigned in the Russian statutes, the AO OMK Articles of Association, and other internal AO OMK policies and procedures.

1.6 The corporate constitution is approved by the person holding the office of AO OMK sole executive. Changes to this document and its revocation shall be made in the same manner and by the same authority that approves this document.

## 2 Business Philosophy

2.1 OMK is striving to become a recognized paragon of effective partnership. It creates perfect and mature solutions in the most important sectors of the economy and offers its domestic and international customers standard as well as hi-tech innovative product.

2.2 The Company has chosen to follow the path of greater efficiency. The Company manufactures products and offers services with a high added value and social significance. The Company achieves market leadership by following high standards of business ethics, manufacturing unique product, providing quality customer service, and using innovative technologies.

2.3 It is of fundamental importance to the Company to achieve new heights exclusively through honest and open methods.

2.4 The Company is responsible for complying with the principles of the Universal Declaration of Human Rights and the United Nations Global Compact.

2.5 The Company agrees with the UN sustainable development cycle. Social, environmental, and economic aspects of manufacturing have their proper place on the Company executive management's agendas.

2.6 Engaged employees are the foundation of the Company's success.

2.7 The Company strives to maintain business relationships with those counterparties and partners that comply with the law as well as subscribe to the provisions of this

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

Constitution having to do with employer/employee relations, industrial safety, social responsibility, environmental protection, safeguarding of exclusive rights to intellectual work product and visual identity, fair competition, and combating corruption.

2.8 Executive management and the shareholders are continuously developing the corporate governance system striving for transparency and maximum efficiency.

2.9 OMK conducts business based on the following guiding principles: healthy perfectionism, predictive ability, primacy of reason, advancement, all in the interests of the individual.

### 3 Corporate Values

3.1 The Company's development is defined by its corporate values that are at the core of corporate standards and policies, decisions being made, and employee behaviors.

#### 3.2 Professional Values

Entrepreneurial Spirit	We are always looking for new development opportunities for the company and turn new ideas into profitable functional business models.
Vision of the Future	We predict what the world will be like in the future and have an understanding of our place in it. We use this vision to define strategic objectives.
Clear Goal Setting	We set clear, understandable, and measurable goals and objectives. Everyone may clarify them for him or herself.
Systemic Approach	We evaluate and consider factors that affect the outcome as well as possible consequences of our decisions.
Customer Focus	We know who is going to be using the fruits of our labors and understand the requirements levied on us.
Monitoring	We have to use monitoring tools to assure the reliability of our processes, meeting stated objectives and undertakings.
Professionalism	I have the necessary and sufficient experience and skills to operate efficiently. I am developing and studying best practices continuously to meet ever updating requirements.
Transparency	Information about my work and its outcomes is available to co-workers.
Effectiveness	We finish everything we start and accomplish stated objectives.
Exacting Standards	I am demanding of myself and my co-workers in accomplishing objectives.
Team Spirit	We work towards a common team goal, we harmonize shared and individual objectives. We have shared successes and failures.

#### 3.3 Personal Values

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

Safety	I comply with safety policies and am intolerant of violations.
Responsibility	I am aware of the consequences of my decisions and actions and am responsible for them.
Openness	I honestly express my opinions, speak of problems openly and responsibly.
Initiative, Leadership	I show initiative, get engaged with implementing new ideas, do not ignore problems.
Personal Development	I am developing continuously as an individual and am helping my co-workers develop as well.
Common Decency	I follow ethical standards of behavior, I do not manipulate or blackmail, shift responsibility to co-workers, management, or outside circumstances.
Trust	I trust my co-workers and value their trust in me.
<b>3.4 Community Values</b>	
Respect	I respect my co-workers and their opinion, I express my views properly and in a substantiated manner. My respectful attitude towards people is not affected by my relationship with them.
Fairness	Company rules are the same for everyone. Double standards and discrimination of any type are unacceptable.
Gratitude	I express my gratitude for a job well done and am entitled to being treated in the same manner.
Labor Tradition	We respect labor traditions, the accomplishments of previous generations, and are building a new history together.
Desire for Continuous Improvement	We are continually improving production processes and the manufacturing environment.

## **4 Business Ethics Principles**

4.1 The corporate ethical standards defined in this constitution are fundamental to all the corporate instruments, including other internal policies and procedures (regulations and directives). All such documents must align with this Constitution.

4.2 In all contacts on behalf of the company, employees adhere to high business ethics standards, to fair competition in business affairs and comply with the anti-trust laws of the countries where the Company does business.

4.3 Company employees comply with those legal provisions that prohibit money laundering and require evidence that transactions are legal.

4.4 The Company maintains an environment that does not tolerate bribery or any other types of improper payments to any third parties, including counterparties and/or partners, federal or municipal public servants. In its operations, the Company follows Russian and international anti-corruption statutes. The company shall assure the implementation of anti-corruption measures and use integrated management, information, social, economic, legal, specialized, and other steps to combat corruption.

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

4.5 The company respects and protects confidential information, including personally identifiable information. Every company employee must protect confidential information and prevent confidential information disclosure to competitors, other unauthorized disclosure or use, even after quitting the company.

4.6 Company executives undertake to assure timely disclosure of complete and accurate information about the Company as required by statute and Company policy. Financial statements and reports compiled for and on behalf of the Company (including any business unit) accurately reflect its existing financial position, operating performance, and/or other financial data for certain periods of time or as of certain dates.

4.7 The Company unflinchingly follows the provisions of Russian and international law regarding non-interference in private life, personal and family affairs, the protection of honor and good name. The Company shall assure the safekeeping of any information that is to be protected pursuant to personal data protection statutes.

4.8 The Company respects third-party rights protected by patents and trademarks and is respectful of any copyright-protected material as well as any third-party intellectual property work product.

4.9 The Company builds its business relationships with its customers and partners based on achieving objectives in a climate of mutual trust and an assured outcome both today and going forward.

4.10 The Company defines for itself the following client-centric principles: maintain integrity, save customer resources, build relationships with full awareness that every customer is important.

4.11 Company employees should treat their co-workers and business partners with respect and courtesy, their position, ethnicity, religion, gender, race, age, health status (including pregnancy, disability), etc. notwithstanding. The Company favorably regards cultural diversity both among its own employees and among counterparties and partners.

4.12 The Company guarantees the proper meeting of the needs of counterparties and/or partners, statutory compliance, assurance of industrial safety, investment into the human potential, care of the environment, contribution to the development of the Company's areas of operation, in particular by establishing mutually beneficial social partnerships.

4.13 Company employees in management positions serve as an example for the other employees in following the corporate ethics standards and, consequently, carry a greater responsibility for compliance. At the same time, actions or statements detracting from the managers' standing before subordinates are prohibited.

4.14 It is customary within the Company to provide feedback on plans or operational outcomes, negative if required. Criticisms (negative feedback) must contain proposed constructive action to return the situation back to normal and may not be directed at the person of an employee or a counterparty.

4.15 Disputes or differences of opinion regarding production matters must be resolved by the participants in a constructive manner based on the corporate ethics standards. In the event agreement cannot be reached, such disputes and differences of opinion must be escalated to higher management.

4.16 The Company must make full and timely disclosure of all the required information to the general public and/or in a selective manner, including disclosure to Russian and foreign government regulators, stock exchanges, shareholders, investors, and other stakeholders.

4.17 To prevent conflicts of interest as well as illegal personal gain or advantage at the Company's expense on the part of employees, OMK takes into consideration and does not allow relationships by blood or marriage between organization managers and their

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

subordinates, between employees of the same organization or different organizations, whenever the decisions of one employee affect co-workers as well as whenever decisions are made in third-party relationships (natural persons or corporations that have relationships with the Company).

## **5 Sustainable Development**

5.1 The Company shall assume responsibility for the effect of its actions on society and the environment. The Company strives to have a positive effect through ethical behavior that takes into consideration stakeholder expectations, is compliant with relevant legislation, and integrated into the Company's business.

5.2 By its actions, the Company contributes to accomplishing the objectives of sustainable development in its areas of operations which is defined as a balanced state of the environmental, the economic, and the social systems in which while meeting the needs of contemporary society, we stay within environmental constraints and do not prejudice the ability of future generations to meet their needs.

5.3 The Company manages its sustainable development by defining priorities, setting objectives, and appointing responsible personnel at all levels of management. Sustainable development priorities and objectives are set based on dialog with stakeholders. The scope of the undertakings made by the Company to create better conditions for all the stakeholders as well as future generations are defined in the OMK Sustainable Development Policy.

5.4 To address social issues in areas of operations in a systematic way, the Company undertakes long-term systematic social investment and monitors returns on such investments. Funds are disbursed based on transparency and openness.

5.5 In situations where individual acts of charity are required, the Company provides free financial aid or resources for socially significant, cultural, educational, and other volunteer initiatives in areas where it operates.

5.6 The Company partners up with Government agencies, local authorities, and representatives of social populations and communities in the areas where it operates with the understanding that the well-being of towns and the living circumstances of its employees' families have a direct impact on building a healthy creative environment within the Company. The Company takes on the required degree of responsibility for maintaining a healthy social environment in these areas, but the Company does supplant the Government or the local authorities and does not take on any of their responsibility for assuring a respectable quality of life for people in those areas.

5.7 The Company encourages employee engagement in useful social activity and allocates the resources required to improve the effectiveness of corporate volunteer programs. The Company encourages employees' personal charity and social initiatives.

5.8 The Company supports the development of local communities by hiring local and buying local and is involved in programs to stimulate economic growth in the areas of operation, including initiatives to develop local and social businesses.

5.9 The Company prosecutes its business in full compliance with current industrial safety statutes and is guided by global best practices in this area. The Company attempts to apply improved approaches to assuring industrial safety.

5.10 The Company undertakes its production-related activities while minimizing environmental impacts, namely, climate change. This includes reducing the resource intensity of the manufacturing processes, using best available technologies, preventing accidents resulting in damage to the environment, and taking steps to safeguard biodiversity. The Company takes measures to handle hazardous substances carefully to prevent

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

emergencies and their negative consequences.

5.11 The Company keeps its sustainable development policies and procedures up to date.

5.12 The Company annually discloses its performance metrics to stakeholders and the general public, including performance in environmental protection, social factors, and corporate governance (ESG).

5.13 The Company values diversity and inclusion. It believes that balanced decisions can only be made when objectives are analyzed from different points of view and social and cultural positions and strives to give every employee equal opportunities to apply his or her unique knowledge and skill to advance the common cause. The Company identifies its diversity and inclusion challenges in a sustainable development policy.

## **6 Employee Rights and Guarantees**

6.1 The Company shall guarantee respect for human rights and shall take all steps to prevent such rights from being violated in the workplace.

6.2 The Company guarantees labor statute compliance for its employees, including the right to create trade unions and become union members to protect rights, liberties, and legitimate interests.

6.3 The Company respects personal freedoms, guarantees equal employment opportunities, and respectful treatment of all categories of employees irrespective of race, ethnicity, religion, gender, sexual preference, age, health status (including pregnancy, disability), etc. The Company is intolerant of behaviors, including gestures, expressions, and physical contact that are offensive or compelling of sexual relations in the workplace.

6.4 The Company guarantees its employees transparent payment conditions and a fair wage based on work performance.

6.5 The Company assures continuous improvement of production safety at all its facilities, implementation of rehabilitation programs, and social support for employees.

6.6 The Company refrains from political activism and does not involve itself in any way in the affairs of religious confessions. The Company does not influence the political preferences and the outlooks of its employees and guarantees non-interference in their private lives. At the same time, the Company requires that its employees' business, promotional, political, and public activity not proceed on behalf of or be paid for by the Company.

In view of the foregoing, the Company reserves the right to support employees of the Company and others proactively voicing their civic social position, implementing their social programs and measures designed to improve the economic, environmental, and social situation in areas where the Company operates through involvement in local representative government, legislative assemblies, and other electoral institutions. Funding to the above persons is provided in strict compliance with current statutes.

6.7 The Company does not use or support the use of verbal abuse, corporeal punishment, psychological, physical, or other violence.

6.8 The Company does not hire candidates that have not reached legal working age. The Company does not take advantage of child or forced labor.

6.9 To prevent conflicts of interest, an employee may refuse to make a decision (recuse him or herself) without explaining his or her reasons. In this case, the decision must be made by the employee's manager.

6.10 An employee may refuse a job if a safe procedure for performing the job is



AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

unknown.

## **7 Employee Opportunities**

7.1 The company creates a corporate culture and an environment that promotes the joint development of the employees and the Company.

7.2 The Company strives to provide every employee with an opportunity to appreciate that his or her development is intertwined with the Company's success.

7.3 The Company creates an environment for employees to realize their creative potential and to utilize their knowledge and experience. The Company provides its employees with opportunities to demonstrate their leadership and professional qualities utilizing monetary and non-monetary incentives, including awards and bonuses. The Company attempts widely to publicize employee accomplishments and initiatives that are worthy of public acclaim and dissemination.

7.4 The Company provides its employees with opportunities to train and improve their professional knowledge which helps their professional growth and career advancement. The Company attempts to meet employees' expectations and improve their job satisfaction.

7.5 The Company uses civilized methods to resolve work-related conflicts between employees. The immediate superior helps co-workers settle any disputes between them. At the same time, the Company stays away from personal household conflict between employees that are not directly related to work (production) processes.

7.6 Company employees may contact a manager of any rank to request clarification with respect to decisions being made and receive a response within a reasonable amount of time.

7.7 The Company acknowledges a reasonable degree of risk as employees seek new solutions to improve efficiency but does not recognize employee action as justified if it is incompetent, improper, or negligent.

7.8 The Company provides its employees with the equipment, materials, technologies, space, and furniture they require in their jobs and requires that its employees exercise due care with respect to same, assure their safekeeping, and refrain from their use for personal ends.

7.9 The Company provides its employees with the information they require to discharge their job duties. Employees, in turn, should exercise due care with respect to such information, use it efficiently, and protect it from disclosure except as may be required by law.

## **8 Employee Responsibility and Duties**

8.1 An employee is expected to discharge his or her duties as completely and responsibly as possible making a personal contribution to accomplishing the Company's objectives, and to utilize his or her knowledge to discharge his or her job duties in the most efficient manner. Each Company employee undertakes to take constant care to improve his or her professional skills, competencies, and qualifications.

8.2 On-the-job hours are defined by internal policies and procedures as well as the employee's employment contract.

8.3 The Company requires its employee to be personally responsible for discharging their job duties and finds shirking such duty and finger pointing unacceptable.

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

8.4 The activities of every employee is subject to supervision from his or her immediate superior (an officer and/or governing body).

8.5 Each employee must act exclusively in the Company's interests.

8.6 No employee or family member may accept gifts of value, favors, remuneration, or derive other personal gain designed to motivate him or her to make decisions contrary to Company interests.

8.7 When communicating with competitors, each employee must be guided by the principles of open and fair competition. Employees may not enter into negotiations with competitors, either directly or via third parties (except as may be permitted) or arrive at verbal or written agreements with same regarding pricing, relationships with counterparties (suppliers), allocation of markets based on geographic location, buyers, product, and other parameters as well as exchange any material business information, discuss or reach agreements as to same.

8.8 All business contacts, correspondence, and documents created and/or received on the job are Company property. They may not be used for personal ends.

8.9 The Company favors several generations of the same family being employed with the Company. The Company regards any form of cronyism as unacceptable and unethical.

8.10 Every employee must advise the Company of any instances of damage to the Company he or she becomes aware of, its interests, or its business reputation, violations of corporate ethical standards, or work-related accidents, and other incidents. At the same time, the Company guarantees an impartial investigation to any employee that has become the object of such a notification and immunity from disciplinary action to the whistle blower.

8.11 The Company does not tolerate the use of psychotropic substances by employees either in the workplace or at the Company premises as a whole. To expand the employees' knowledge regarding the use of psychotropic substances, to help build a healthy lifestyle, the Company holds information sessions, educational and training programs. Alcohol may be consumed at corporate celebrations and other special events only and is limited to whatever is allowed by the standards of business etiquette.

8.12 To maintain the Company's image and business reputation, all employees shall follow the approved dress code.

8.13 Employees should use Company resources, including time both their own and that of other employees, in the most efficient and frugal manner .

8.14 Company resources and systems and employee authority must be used for their intended purposes only as set forth in Company policies. They may not be misused as leverage to resolve labor disputes.

8.15 Company employees may not use their position for personal gain, any confidential or other legally protected information obtained in the course of their professional duties, the Company's tangible and intangibles resources and assets. All Company employees must avoid having a personal interest that has a negative impact on the Company's efficiency, effectiveness, and interests.

8.16 Any employee finding him or herself in a conflict of interest situation must give appropriate notification per the established procedure and refrain from making a decision regarding the object of such conflict until an answer is received from the Company.

## **9 Compliance with Constitution**

9.1 In the event that employees have questions, regarding their behavior as they

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

comply with this Constitution as well as when they develop reasonable suspicions that an action or inaction may result in a violation of the corporate ethical standards or in a conflict of interest, the employee may (and in circumstances prescribed by other corporate internal policies and procedures, the employee must) contact:

- his or her immediate superior;
- a higher manager;
- an HR department;
- the OMK Ethics Committee, including through the OMK Hotline,
- the Security Directorate;

9.2 Employees shall be liable for failing to comply with the provisions of this Constitution. Action for failure to comply with the principles and the provisions of this Constitution shall be applied as prescribed by labor legislation, the Company Articles of Association, employee contracts, local Company policies, procedures, and directives.

AO OMK	United Metallurgical Company Corporate Constitution	<b>KH.12-100.3</b>	
		Revision	1

### Change Log

Revision Number	Sections and Annexes Affected	Enacting Directive Number and Date	Enactment Date
0	Replaces United Metallurgical Company Corporate Constitution as approved by ZAO OMK Corporate Directive No. 248 of December 30, 2013. Sections Modified: 2, 3, 4, 5, 8	No. 12008-Pr-79/17/1 dated December 11, 2017	12/11/2017
1	Sections Modified: 1, 2, 4, 5, 6.7, 8, 9	No. 1200-P-307/21/1 dated December 27, 2021	12/27/2021