



On Charitable Donation and Sponsorship Activity *(in abridged form)*

1. GENERAL PROVISIONS

1.1. Purpose and Objectives

1.1.1. The Charitable Donation and Sponsorship Policy (hereinafter – the “Policy”) regulates the provision of Charitable Donations and Sponsorship by EVRAZ companies.

This Policy is designed to:

- establish the basic Charitable Donation and Sponsorship rules and principles;
- formalize the procedure for review and approval of charitable and sponsorship projects;
- establish the procedure for coordination between business units and officials of EVRAZ companies within the Charitable Donation and Sponsorship process.

1.2. Basic Terms, Definitions and Abbreviations:

Charitable Donations (charitable activity, charity) - voluntary activities aimed to transfer property on a disinterested (gratuitous or preferential) basis, including cash and property rights, as well as perform work, provide services, or render other assistance without any compensation in return.

Applicant - any person who applies to EVRAZ companies for Charitable Donations or Sponsorship.

Initiator - an employee of EVRAZ company who is responsible for execution of all contractual documents related to making Charitable Donations and providing Sponsorship.

Final Beneficiary – a person or group of persons who are beneficiaries of Charitable Donations, i.e. those persons whose demands/ needs are satisfied by means of Charitable Donations.

Company - EvrazHolding.

Corporate Communications Unit – for the purposes of charitable and sponsorship projects of EVRAZ companies as to which the Company acts as a sole executive body, an organizational unit subordinated to the Vice President, Corporate Communications.

Government Authorities - any state authorities and local self-government bodies, including legislative, executive (for example, government ministries, departments and agencies) and judicial agencies.

Compliance Officer - a person appointed in accordance with the procedure adopted by EVRAZ company who is responsible for ensuring compliance with the Anti-Corruption Laws and regulations.

Politician - an individual professionally engaged in political activities, including

any individual being a functionary in a political party.

Beneficiary - a person who receives a donation or sponsorship.

Public Official:

- 1) Any person performing organizational, executive and administrative functions in a temporary capacity, permanent capacity or by special authority within the following bodies and organizations:
 - any Government Authority or armed forces and military units;
 - any political party (other than rank and file members of a political party);
 - any international public organization (for example, International Monetary Fund, United Nations, World Bank, etc.);
- 2) Any person acting as a representative of the above mentioned bodies, entities and organizations;
- 3) Any candidate for a position in the above mentioned bodies, entities and organizations.

Sponsorship support (sponsorship activities, sponsorship) - making contributions (in the form of property, intellectual property items, services, or works) to activities of another person (sponsored person), provided that such sponsored person disseminates advertisements about the sponsor and/or its products when organizing and (or) holding sports, cultural or other events, or using results of creative activity.

EDMS - electronic document management system

2. CHARITABLE DONATION AND SPONSORSHIP PRINCIPLES

2.1. Key Areas of Charitable Donations and Sponsorship

2.1.1. Key areas of Charitable Donations are:

2.1.1.1. social security and support:

- support to poor people, persons with disabilities, etc.;
- support to individuals injured or harmed as a result of natural disasters, ecological, industrial and other catastrophes, social, ethnic and other conflicts, as well as participants of military operations (veterans) etc.;
- donations to orphanage homes, etc.

2.1.1.2. education, culture and sports:

- promotion of activities in the area of education, innovation, science and technology;
- promotion of activities in the area of physical culture and mass sports, including encouragement of children's and youth sports;

2.1.1.3. healthcare;

2.1.1.4. other socially important events and state social programs:

- support of environmental protection initiatives;
- assistance in protection and proper maintenance of buildings, facilities and territories of historic, cultural or environmental

significance;

- support of construction and repairs of various social facilities (including medical, educational, sports and other institutions, etc.). (including medical, educational, sports and other institutions, etc.).

2.1.1.5. other activities provided for by EVRAZ internal regulations.

2.1.2. Sponsorship areas are determined by EVRAZ companies considering the requirements established by this Policy and other local regulations.

2.2. Eligible Beneficiaries of Charitable Donations and Sponsorship

2.2.1. Sponsorship is the preferred form of project financing.

2.2.2. Sponsorship is granted directly by EVRAZ companies (without involvement of any third party organizations or individuals as intermediaries).

2.2.3. EVRAZ companies make Charitable Donations through EVRAZ charitable foundations, or directly to Beneficiaries/ Final Beneficiaries. Taking into account the adopted anti-corruption principles and requirements, preference is given to Charitable Donations through EVRAZ charitable foundations.

The Head of EVRAZ charitable foundation ensures implementation of decisions to make Charitable Donations in accordance with the effective procedure of the foundation.

2.2.4. Eligible Beneficiaries/ Final Beneficiaries of Charitable Donations and Sponsorship granted by EVRAZ companies (taking into account the requirements set forth in clause 2.3 hereof) are:

- for Charitable Donations: individuals; non-profit companies,
- for Sponsorship: entrepreneurs, legal entities (profit-making or non-profit).

2.2.5. EVRAZ companies do not make Charitable Donations if Beneficiaries/Final Beneficiaries of such contributions are:

- serving public officials;
- government authorities;
- political parties, movements and political figures;
- religious organizations;
- profit-making organizations.

In exceptional cases, Government Authorities may be Beneficiaries of Charitable Donations made by EVRAZ companies, provided that all requirements set forth in cl. 2.3 hereof are met.

2.3. Key Requirements for Charitable Donations and Sponsorship

2.3.1. Charitable and sponsorship activities of EVRAZ companies must meet the requirements of EVRAZ Anti-Corruption Policy, including the following criteria:

- Should comply with the provisions of the applicable laws, as well as principles and requirements of EVRAZ internal regulations;
- Should be directly or indirectly associated with pursuing business interests and/or achieving statutory goals of EVRAZ companies;

- Should have a positive effect on reputation of EVRAZ companies and be effective in achievement of social and public purposes;
- Should not be intended to influence decisions of Government Authorities, Public Officials and other persons with respect to obtain, retain or expand business activities of EVRAZ companies or gain any commercial and/or competitive advantage and should not constitute remuneration (including hidden remuneration) of such persons.

An additional mandatory requirement for the sponsorship, provided by the companies of EVRAZ Group is its advertising or compensatory nature. Sponsoring of any activities is carried out only on the basis of rendering counter advertising services to the companies of EVRAZ Group, for example, placing the EVRAZ logo, its commercial designation, brand name, advertising about its activities, etc., by the sponsorship beneficiary.

- 2.3.2. Information about Charitable Donations and Sponsorship granted by EVRAZ companies shall be disclosed pursuant to the procedure specified in clause 9 of this Policy.

The Policy further formulates principles for planning Charitable Donations and Sponsorship. The limit of Charitable Donations and Sponsorship to be granted by EVRAZ companies is set on an annual basis and approved by the Board of Directors within the approved consolidated budget for the next calendar year. Planned charitable and sponsorship activities, as well as one-time Charitable Donations and Sponsorship of EVRAZ companies, are carried out within the approved annual limit.

4. PROCEDURE FOR REVIEW AND APPROVAL OF CHARITABLE AND SPONSORSHIP PROJECTS

Charitable and sponsorship projects are subject to prior approval by correspondent officials pursuant to the procedures established by this Policy and other EVRAZ internal regulations.

Where it is necessary to make Charitable Donations due to force majeure circumstances, natural or man-made emergencies or disasters, such donations may be granted using the simplified procedure on the basis of the appropriate order of the Company's CEO.

4.1. Initiation of Charitable or Sponsorship Projects

- 4.1.1. EVRAZ companies grant Charitable Donations and provide Sponsorship on the basis of a written application submitted by the Applicant.

- 4.1.2. Written applications shall contain the following information:

4.1.2.1. Charitable Donation Applications:

- Subject and amount/value of a donation (movable or immovable) property, property rights, monetary funds, etc.);
- Area/objectives of a Charitable Donation;
- Full name and registration data of the Beneficiary;

- Bank details.

4.1.2.2. Sponsorship Applications:

- Sponsorship amount;
- Description of sponsorship opportunities, location of sponsor's advertisement, etc.
- Area of use/objectives of Sponsorship, description of the event being sponsored, specification of its time and place;
- Full name and registration data of the Sponsorship Beneficiary;
- Bank details to transfer funds within the sponsorship project.

4.2. Review of Submitted Applications/Requests

4.2.1. All charitable and sponsorship applications and requests received by EVRAZ companies are accumulated by the relevant Corporate Communications Units of EVRAZ companies.

4.2.2. Corporate Communications Units of EVRAZ companies analyze the applications/requests and determine whether:

- a charitable or sponsorship project complies with the requirements of the applicable laws, including anti-corruption laws, as well as the principles and requirements of EVRAZ Anti-Corruption Policy;
- a charitable or sponsorship project complies with the charitable donation and sponsorship policy, including areas of support, categories of Eligible Beneficiaries, etc., as well as requirements of internal regulations, including this Policy;
- it is expedient to participate in a project and grant the requested amount of the Charitable Donation or Sponsorship;
- the limit of funds for implementation of a charitable and sponsorship project is available;
- a sponsorship project has a promotional character and benefits for EVRAZ company (only for sponsorship projects).

4.2.3. If in the course of application/request review, any violation of the applicable laws, principles and requirements of EVRAZ Anti-Corruption Policy, this Policy or other internal regulations and/or charitable donation and sponsorship principles adopted by EVRAZ companies is found, such application/request shall not be further reviewed and shall be rejected at this stage.

4.3. Approval of Charitable Donations and Sponsorship

4.3.1. A decision to make a Charitable Donation or provide Sponsorship is taken by the Chief Executive Officer of the Company on the basis of information and documents submitted by the Corporate Communications Units of EVRAZ companies and results of analysis set forth in clause 4.2.

4.3.2. A decision to make a Charitable Donation or provide Sponsorship to veterans of law enforcement authorities and similar agencies (public organizations, funds, associations, etc.) is taken by the Company's Senior Vice President, Business Support and Interregional Relations, when appropriate, in consultation with the Company's CEO.

5. CONCLUSION OF AGREEMENTS AND EXECUTION OF OTHER NECESSARY DOCUMENTS

5.1. After a decision to grant a Charitable Donation or Sponsorship is made:

5.1.1. The Initiator shall draft a relevant agreement using the standard form adopted by EVRAZ company;

5.1.2. The Treasury of the Company shall select a company paying the Charitable Donation or Sponsorship;

5.1.3. The Financial Control Department of the Company shall check whether the limit of funds for payment of Charitable Donations and Sponsorship is available and shall draw up a request for reallocation of funds from the consolidated charitable and sponsorship budget in favor of the paying company (hereinafter – the Budget Reallocation Request). The Budget Reallocation Request Form is attached hereto as Appendix 1.

5.2. All agreements are subject to prior approval pursuant to the procedure established by the Contractual Process Regulations, or in accordance with other procedure set forth in EVRAZ internal regulations.

5.3. Qualification of contractors is performed at the transaction approval stage, using the procedure specified in the Contractor Qualification Policy.

5.4. The agreement card (agreement) shall be accompanied by a full set of documents prescribed by the Contractual Process Regulations.

The Initiator shall submit the following additional documents for charitable transactions:

- the written application prepared by the Applicant;
- the Budget Reallocation Request.

The Initiator shall submit the following additional documents for sponsorship transactions:

- the written application prepared by the Applicant;
- the Budget Reallocation Request;
- copies of Beneficiary's financial statements,
- a document which confirms the promotional nature of the event (presentation) being sponsored and contains the following information: (1) reasons for participation in the sponsorship program, (2) sponsorship objectives, (3) a description of the target advertising audience of the event being sponsored, (4) a description of advertising methods (distribution of information about the sponsor): placement of the logo, brand, company name, presentation of the sponsor in audio and video broadcasting, on the paper media, etc.(5) indication of the type of trademark/logo/brand to be placed and its image.

The Head of the Economics and Finance Department of EVRAZ company prepares the economic justification of participation in Sponsorship.

5.5. If any Charitable Donation is planned to be made without conclusion of an agreement, then the Applicant's written request for such donations shall be approved in accordance with the procedures specified in clauses 5.2, 5.3 and

5.4 above.

6. TRANSFER OF FUNDS FOR CHARITABLE AND SPONSORSHIP PURPOSES

6.1. Charitable Donations and Sponsorship funds must be paid by wire transfer according to provisions of concluded agreements or approved written applications of the Applicant (in the absence of agreement).

It is prohibited to provide funds within the framework of charitable and sponsorship activities of EVRAZ companies by handing cash and/or making transfers to the bank accounts of third parties.

6.2. Charitable and sponsorship payments are made by the Company's Treasury or by order of the Treasury Head of EVRAZ company after the documents specified in section 5 hereof have been duly executed.

6.3. The Company's Treasury or Treasury Head of EVRAZ company sends the actual payment report by e-mail to the Financial Control Department of the Company or relevant financial control unit of EVRAZ company on a monthly basis, by the fifth day of the month following the reporting one.

7. ACCOUNTING AND KEEPING RECORDS OF CHARITABLE DONATIONS AND SPONSORSHIP

7.1. All transactions and payments related to Charitable Donations and Sponsorship shall be recorded by the Compliance Officer in a special register.

7.2. All Charitable Donations and Sponsorship granted by EVRAZ companies are recorded in their accounting.

8. PROCEDURE FOR MONITORING THE PROPER USE OF ALLOCATED FUNDS

8.1. Monitoring the proper use of granted donations

8.1.1. EVRAZ companies monitor the proper use of funds provided for charity purposes.

8.1.2. Each Beneficiary of Charitable Donations shall, within the period specified in the respective agreement or request of EVRAZ company which has made the donation, submit a Use of Charitable Funds Report and documents justifying recognition of funds in the accounting and their usage.

8.1.3. The Use of Charitable Funds Report shall detail:

- the total amount of used funds with breakdown by area/type of expenditure;
- final beneficiaries with the indication of donation amounts received by them;
- other facts related to use of funds.

8.1.4. Periodically, EVRAZ companies control the activities of EVRAZ charitable foundations and other non-profit organizations that receive donations by performing random checks for proper use of allocated funds: the Compliance Officer of the Company or an external auditor/consultant involved for these purposes requests all necessary information from the above mentioned entities and, where necessary, obtains access to their accounting, management and other systems and databases in order to control the usage of allocated funds.

8.2. Sponsorship Monitoring

8.2.1. Each Sponsorship Beneficiary shall, on a monthly basis and not later than 5th

day of the month following the reporting one (or in case of one-time event, within five days after the event is held, on the basis of results of performance of the agreement) submit the documents listed below to the EVRAZ company which has provided sponsorship:

- the Service Acceptance Certificate;
- the VAT invoice;
- the advertising report;
- Original copies of all advertising materials and other documents proving that the Sponsorship Beneficiary has rendered advertising services (for example, advertisements in printed media, advertising brochures, official site screenshots, samples of published advertisements, audio and/or photo, video materials on electronic media, etc.). Promotional materials shall be properly presented and grouped.

In addition, within 5 (five) business days upon expiration of the sponsorship agreement, the Sponsorship Beneficiary shall deliver all promotional materials and their updated versions issued within the agreement period to the EVRAZ company which has provided sponsorship.

8.2.2. All submitted documents shall be delivered to the accountant office of EVRAZ company/ OUS CJSC (if it acts as an accountant of EVRAZ company) to ensure their proper execution and performance of sponsorship agreements. In the absence of any supporting document or other document stipulated by the sponsorship agreement, the accountant of EVRAZ company/ OUS CJSC requests it from the Initiator. In the absence of any supporting document or other document stipulated by the sponsorship agreement, the accountant of EVRAZ company/ OUS CJSC requests it from the Initiator.

8.2.3. If the accountant of EVRAZ company/ OUS CJSC or other authorized employee of EVRAZ company identifies any violation of terms and conditions of sponsorship agreements, requirements of this Policy, EVRAZ Anti-Corruption Policy and/or other EVRAZ internal regulations, he/she shall immediately inform the Compliance Officer thereof.

9. DISCLOSURE OF INFORMATION ABOUT CHARITABLE AND SPONSORSHIP PROJECTS

9.1. On a regular basis, EVRAZ companies take measures aimed to communicate information about charitable and sponsorship activities to all stakeholders, including by:

- posting such information on EVRAZ official website in the Internet; or
- disclosing such information in Annual Reports; or
- publishing such information in mass media or otherwise.

9.2. In order to ensure proper disclosure of information about charitable and sponsorship activities, the following data shall be made public (with due account of statutory restrictions, if any):

9.2.1. with respect to charitable donations:

- areas of Charitable Donations;

- the aggregate amount of Charitable Donations broken down by area or project;
- the list of non-profit organizations and charitable foundations which are Final Beneficiaries of Charitable Donations;

9.2.2. with respect to sponsorship:

- the list of sponsored events.

10. DOCUMENT RETENTION PROCEDURE AND PERIOD

10.1. All applications/requests for Charitable Donations and Sponsorship, documents submitted by Beneficiaries, agreements signed by both parties, supplement agreements and other related documents provided for in this Policy and other internal regulations must be retained in premises of EVRAZ companies in accordance with the procedure and within the period prescribed by applicable laws and EVRAZ internal regulations, but not less than three years.