

APPROVED
by the Board of Directors of
Polymetal International plc

CODE OF CONDUCT
POLYMETAL GROUP

(as amended on 21 March 2018)

Message of the Group CEO of Polymetal International plc Group of companies

The scale of operations of Polymetal International plc Group of companies (**Polymetal** or the **Group**)¹ involves a high level of responsibility to shareholders, employees, business partners and society at large.

We have developed a number of fundamental business principles (Code of Conduct) in order to conduct our business activities in accordance with the highest ethical and legal standards.

Ensuring fair, transparent and honest business practices is one of our core value. Polymetal has adopted a policy of zero tolerance towards bribery, fraud and corruption, as they are illegal and completely contrary to the principles to which we adhere. Members of the Board of Directors, executives, and all employees of Polymetal should at all times operate in accordance with the Code of Conduct and Anti-bribery and Corruption Policy.

Polymetal adheres to and implements in our work universally valid and acknowledged business and ethical principles, commitment to which we have confirmed in 2009 by joining the Global Compact of the UN (Global Compact of the United Nations) and by integrating its principles into our activities. Polymetal believes that business practices based on universal principles promote greater stability, fairness and representativeness of the global market and foster a successful and prosperous society.

This Code of Conduct is part of the policy implemented by the Group, which demonstrates commitment to international business standards. In addition to the internal policies and procedures, international obligations adopted by the Group, this Code makes commitment to the standards of internal and external interaction.

All employees of Polymetal regardless of their position, rank or status must comply with provisions and procedures set out in this Code in performing their employment functions.

Please ensure that you have read the Code of Conduct and understood what behaviour Polymetal expects of you.

Group CEO

Vitaly Nesis

¹ Polymetal International plc and all of its subsidiaries

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1. Introduction

1.1 Functions of the Code of Conduct

This Code of Conduct is approved by the Board of Directors of Polymetal International plc and is a statement of the principles and expectations that guide ethical business conduct at Polymetal.

In addition to governing ethical conduct by employees, this Code governs conduct between employees (Section: Conduct inside Polymetal Group), moral and ethical principles of conduct between employees and customers, employees and business partners, employees and state authorities, and employees and society (Section: Conduct outside Polymetal). The Code of Conduct is available on the Polymetal International plc website. Internal policies and procedures of the business units of the Group that regulate employees' ethical conduct can be found on internal networks of the respective units, and brought to the attention as well as made available to all of the related unit's employees.

Failure to comply with any provision of this Code or internal documents which regulate ethical conduct of the Group business units employees in accordance with the applicable law is a serious violation and may result in disciplinary action, up to and including termination of employment, as well as civil or criminal penalties. These consequences may apply not only to employees who commit misconduct, but also to those who condone misconduct, fail to report or take reasonable measures to prevent, detect and address misconduct or seek to retaliate against those who report potential or actual misconduct.

When faced with a dilemma employees should seek guidance from their manager.

Throughout this Code of Conduct 'we' refers to all employees of Polymetal Group, including all personnel and managers of all levels.

1.2 Our principles

Honesty and transparency

- We strive to ensure that we adhere to the highest professional, ethical and business standards in the conduct of our activities.

We strive to establish long-term, honest, open and constructive relations with all parties involved, including shareholders, business partners, authorities, media, society and employees regardless of their status.

Law compliance

- All employees of Polymetal and all to whom this Code applies should comply with laws, regulations and professional standards of the country where they operate.

Anti-bribery and anti-corruption

- No person associated with our business shall directly or indirectly assign, offer, promise, pay, transfer or accept bribes, facilitating payments (compensation for facilitation and expediting) or participate in commercial bribery.

Amount of offered/paid bribe or facilitating payment or commercial bribery is irrelevant; the offence is considered to be committed even if the bribe has not been actually passed.

For such matters the Polymetal Group Anti-bribery and corruption Policy should be consulted.

Intolerance of fraud

- Polymetal adheres to the need for prevention, detection and proper investigation of fraud and expects the same approach to this matter from its business partners.

Misleading financial statements, preparation of deliberately corrupted or fictitious documents, misappropriation of property, theft, deception, bribery, corruption or concealing a conflict of interest are all considered as fraud.

Inadmissibility of unreasonable gifts and entertainment

- Polymetal Group employees and all to whom this Code applies shall not accept or offer gifts, entertainment or other benefits that go beyond the ordinary business courtesies.

For such matters the Polymetal Group Gifts and Entertainment Policy should be consulted.

Preventing and resolving conflicts of interest

- Employees or other individuals acting on behalf of Polymetal in any jurisdiction it operates must avoid situations where personal interests may conflict with the interests of Polymetal Group.

In order to find the most appropriate conflict resolution, any potential conflict of interest should be brought to the attention of an authorised person.

High standards of conduct for business partners

- Weighty and documented reasons are necessary in order to entrust business partners to act on behalf of Polymetal Group. A thorough due diligence of a business partner (of agents, representatives, intermediaries) is necessary in each individual case.
- Our contractors shall only be paid on the agreed terms, and we expect our business partners to adhere to or adopt the same ethical standards as defined in this Code of Conduct.

For such matters the Polymetal Group Policy on use of agents, representatives, intermediaries and contractors' due diligence should be consulted.

Strict control over political and charitable donations

- Polymetal employees and all other individuals to whom this Code applies, should under no circumstances make political contributions on behalf of Polymetal Group.
- In some of the jurisdictions of operation the Group business units make charitable donations and participate in social partnership programs in accordance with priority funding and taking into account the views of communities in the regions in which the Company operates.

- Polymetal Group business units are responsible for the quality and proper use of funds when making charitable donations and implementing social partnership programmes. These activities are constantly monitored by the relevant supervisory authorities.
- For all matters relating to donations the Group's Political and Charitable Donations Policy should be consulted.

Accurate record retention and transparent financial reporting

- Neither Polymetal Group employees in all jurisdictions of operation nor any other individuals, to whom this Code applies, should maintain dual accounting or open secret accounts or create documents which do not accurately represent corresponding transactions.

Notification of violations

- It is not sufficient to simply follow the requirements of this Code. It is necessary to apply the Code when we suspect or witness any violation of its provisions.

Receipt of communications and control of implementation of the principles of the Code and related policies and procedures in accordance with internal documents of the companies of Polymetal Group regulating employees' conduct is handled by designated officials of the respective companies.

Receipt of communications on implementation of the Code as well as associated policies and procedures in relation to Polymetal International plc is carried out at security@polymetalinternational.com.cy.

All inquiries will be thoroughly and impartially investigated and necessary steps will be taken to protect Polymetal's reputation.

2. Conduct inside Polymetal Group

2.1 Fair treatment and equality in employment

We treat all employees fairly, providing equal opportunity at all levels without bias that is based on race, nationality, religion, gender, age, sexual orientation, disability, political or other opinion or any other bias.

We recognise and uphold the rights of our employees to a safe workplace, collective representation, just compensation, social security, adequate living conditions and opportunities for development.

We evaluate employees and job candidates according to their job-related skills, qualifications and abilities. Our people are employed, promoted and offered development opportunities based on merit and professional skills.

We insist on adherence to ethical norms of conduct in relations between employees.

Any employee should treat others with respect regardless of his/her position, workplace and work performed.

Mutual respect is binding for both managers and other employees of Polymetal within any forms of business relations and interactions such as personal communication, correspondence (including by e-mail), phone conversations, etc. and includes:

- politeness – a respectful attitude to any employee, his/her human dignity shown in greetings, address, conclusions, voice intonation, mimics, gestures, etc;
- civility – being polite and considerate in any situation and mostly in a conflict;
- fairness and positive criticism – being impartial in assessment of other employees and their actions, different points of view, new ideas and ways of performing a task.

Polymetal has a system of internal communication aimed at creating favorable working environment enabling the free exchange of information and suggestions, which is an integral part of Polymetal's corporate culture.

We are committed to an open and constructive dialogue with our employees: we regularly inform them about the Polymetal Groups activities, conduct employees' satisfaction surveys and provide everyone an opportunity to approach any Polymetal's manager with an idea/suggestion or ask a question through the feedback system.

We guarantee that all requests will be considered and the answers will be sent in accordance with internal procedures of Polymetal.

2.2 Harassment and bullying

We do not tolerate any form of workplace discrimination, bullying, harassment or physical assault.

Workplace bullying is an unacceptable treatment of a person by another or others, including the use of electronic tools to deny rights of a person or abuse or intimidate a person. Harassment is a threatening or disturbing behaviour that a reasonable person would find intimidating, offensive or degrading.

If you are upset by a colleague's or manager's behaviour you are encouraged to speak up, within the system implemented in the Group's business unit dealing with complaints and appeals, and explain why you want them to stop. If the action or behaviour continues, notify management in accordance with the procedure specified in the Polymetal Group's Whistleblower Policy.

2.3 Health, safety and personal security

The Company aims to operate a safe workplace that is injury-free and accident-free.

Employees, for their part, should take all measures to ensure their own safety in order to avoid injuries and other serious accidents as well as take measures to ensure safety and well being of others around them in the workplace and in the community that may be affected by their activities.

Polymetal adopted the Health, Safety and Environment Management System which takes into account the requirements of International Standard 18001:2007 and International Standard GOST 12.0.230-2007. The requirements of the System apply to all Polymetal Group businesses within all jurisdictions of operation. Polymetal's policy with regard to occupational health and safety is based on continuous

improvement in the area of occupational health and safety as well as in compliance with occupational health and safety legislation and OHSAS 18001 requirements.

2.4 Illegal Drugs and Substances

You may not report to work under the influence of any illegal drug or alcohol.

In relation to all Polymetal Group businesses you may never use, transfer, sell, manufacture or possess illegal drugs or drug paraphernalia or alcohol or other substances which produce similar effect while on working time, or while operating company equipment or vehicles and on company premises during break time as well as in the shift camp area. If you are taking any medication that creates a safety risk, you must report this to your supervisor.

You may not possess, serve, be under the influence of, or drink alcohol while on Group's businesses property (including shift camps), while in a company vehicle, while conducting business for Polymetal or at external events where you represent Polymetal. The only exceptions are for Polymetal Group authorized functions where alcohol may be served only with prior approval from an operation/business unit. Although alcohol may be served at such events, consumption should always be in moderation, and never in a manner that would harm reputation of Polymetal.

2.5 Conflict of interest

We do not allow our personal interests to be brought into conflict with the interests of Polymetal Group in general and the interests of Polymetal Group's businesses in all jurisdictions of operation in particular.

Employees shall not do anything that conflicts with their responsibilities at Polymetal Group companies either on the job or in their free time. Conflicts of interest occur when employees participate in an activity outside of work or have financial or personal relationships where those interests or loyalties jeopardise or have the potential to jeopardise their objectivity, judgment or independence in their Polymetal role.

The typical ways that conflicts of interest may arise include:

- Holding jobs or roles with outside organisations that may impact their capacity to do their job or make objective decisions;
- Having close family members who have jobs or roles in Polymetal Group companies or in other organisations that they can influence or that can influence them and that may lead to difficulties in performing their duties including objective decision making;
- Having financial interests in an organisation where an employee could personally or through his/her relatives and friends affect Polymetal's business with that organisation, including organisations where such employee or his/her relatives and friends are owners, co-founders or directors;
- Taking advantage of a Polymetal business opportunity for personal gain.

You should not use your position in Polymetal to advance your personal interests or those of a friend or relative at the expense of the interest of Polymetal Group in general and a company of the Group in particular.

3. Conduct outside Polymetal Group

3.1 Anti-Bribery

Polymetal adopted a policy of zero tolerance towards bribery, corruption and facilitating payments as defined in the Polymetal Group Anti-Bribery and Corruption Policy.

This extends to all Polymetal's dealings and transactions wherever it conducts its business. Any incident of bribery or fraud, committed by the employees of Polymetal Group businesses in any of the jurisdiction of operation as well as by other persons associated with a Group company, will result in consistent and swift action (including dismissal and legal action), against those persons committing bribery or fraud, irrespective of length of service or position.

3.2 Entertainment and gifts

Offers of gifts or entertainment related to a Polymetal Group's company business activities may be given or accepted if they are occasional and of reasonable value and cannot be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe.

The giving or receiving of cash gifts is strictly prohibited.

In case of giving or receiving inappropriate gifts (such as gifts that go beyond existing business practices and courtesies) the employee should immediately make a relevant entry in the gifts register and report it to a relevant security department within a Group company, that is responsible for the implementation of the Code and relevant policies and procedures regulating employees' conduct.

In all matters related to gifts and entertainment Polymetal Group Gifts and Entertainment Policy should be consulted.

3.3 Government relations

Constructive and transparent relations with governments and regulatory authorities in the regions where Polymetal Group businesses operate are essential to Polymetal. This interaction should meet the highest standards of personal and professional behaviour at all times.

Polymetal Group companies will co-operate with every legitimate government request for information or co-operation while ensuring that appropriate steps are taken to protect the confidentiality of the information in accordance with applicable laws.

We work with governments to develop and support projects that benefit the communities in regions where Polymetal operates. The rules for charitable and social donations within such projects are established by the Polymetal Group Political and Charitable Donations Policy.

The offer of gifts or benefits (as defined in the Polymetal Group Anti-Bribery and Corruption Policy) to public officials should be avoided, except for promotional items, specified in the Polymetal Group Gifts and Entertainment Policy. Before offering gifts or benefits to public officials, employees should receive prior approval from the relevant official by sending a request as stated in the relevant internal policies and procedures of a Polymetal Group company that regulate employees conduct.

3.4 Anti-trust and competition laws

We support free enterprise and will compete fairly for business with scrupulous regard for those regulations which promote competition and protect consumers in accordance with the legislation of the regions where Polymetal Group operates.

Violations of anti-trust and competition laws result in fines, which can undermine the financial stability of Polymetal, and lead to severe sanctions against individuals involved (up to and including imprisonment).

3.5 Relations with society

Relations between Polymetal and the society should be based on principles of open dialogue, transparency, consistency and efficiency within a reasonable balance of interest.

We uphold human rights within our areas of influence, respecting the cultural heritage, customs and rights of communities, including indigenous peoples.

We aim to preserve long-term stable relations with local communities in the regions where Polymetal operates. This is facilitated by provision of clear and regular information to the public on the major developments in operational, social and environmental activities of the Company; by exhibiting environmental awareness and concern and development and support of projects that benefit the communities (including indigenous peoples).

We inform local communities and other stakeholders regularly on how they may contact the Polymetal and provide (and constantly improve) communication channels through which the stakeholders may contact us on any matter relating to the activities of Polymetal and get a qualified answer in accordance with the Polymetal Group's procedures.

We develop social partnership and communities support programs based on interaction and cooperation with communities. For all matters relating to social partnership and charitable donations the Polymetal Group Political and Charitable Donations Policy must be consulted.

Polymetal's reputation depends on the behaviour of each employee. Every employee must understand that he/she represents Polymetal in relationships with society, and must build relationships in accordance with the highest professional and ethical standards.

4. Protecting our assets, information and reputation

4.1 Insider information and dealing in securities

Polymetal ensures that inside information or confidential information is secure and protected and is not used other than for the purposes of professional duties in Polymetal Group.

Employees must never use inside information to buy, sell or deal in Polymetal International plc securities, nor should they disclose this information to anyone else.

Inside information is unpublished precise information that relates directly or indirectly to Polymetal and if made public could have a significant effect on the price of the Polymetal International plc shares and other financial instruments (e.g. bonds) or of related instruments (i.e. ones whose price or value depends on the price or value of the shares or other financial instrument). For all matters relating to Insider information and dealing in Polymetal International plc securities the Market Abuse Regulation compliance manual must be consulted.

4.2 Protection of confidential and personal information

Some information kept by Polymetal, in accordance with the List of restricted access information, relates to Polymetal Group trade secrets or personal information of its employees. If an employee has received access to such information he/she should take all possible steps to keep confidentiality of this information. Use or disclosure of such information is only permitted on “need to know” basis to meet one’s work requirements and responsibilities. When dealing with such information it is necessary to strictly follow the procedures and regulations adopted by a Polymetal Group company.

We consider the lawful use of personal information to be of the utmost importance. Polymetal has adopted internal procedures to ensure lawful use of personal information.

4.3 Promoting Transparent and Complete Disclosure

Polymetal is committed to transparency in financial reporting to enhance investors’ understanding of Polymetal Group business and to facilitate informed investment decisions. All disclosures made in financial reports and public documents filed with the securities market regulatory authorities, and other public communications, must be full, fair, timely, accurate and understandable.

Employees must not selectively disclose (whether in one-on-one discussions, or small group discussions, or meetings or posting on social media) any material information regarding Polymetal, its securities, business operations, plans, financial condition, results or any development plans. Employees should be particularly careful not to disclose such information if they make presentations or proposals to business partners, contractors, investors, government authorities or to any other third party.

To ensure accurate reporting, Polymetal Group companies employ both internal and outside auditors. We cooperate with and provide any auditor or investigator accurate, timely and truthful information. Employees must not improperly influence, manipulate or mislead any auditor. Failure to cooperate with any audit or related investigation will result in discipline, up to and including termination of employment.

Polymetal is guided by the principles of transparency, regularity, efficiency, reliability and fairness when disclosing information to the public and media. Polymetal is responsible for maintaining a reasonable balance between transparency and confidentiality.

Communication between Polymetal and society is carried out by the employees of the Polymetal Group business units responsible for public relations. Employees must not independently and at their discretion disclose information on Polymetal activities to the media or in social media. In situations requiring further discussions or particular solution, employees should consult with the relevant official by sending a request as stated in the internal policies and procedures of the Group’s business unit that regulate employees conduct.

5. Environmental protection

Polymetal is committed to the goal of highest international standards in the area of sustainable development regardless of our business location or operating conditions.

Corporate environmental policies and principles of Polymetal Group are based on legal requirements for environmental protection, UN environmental protection principles as well as requirements of

‘Environment and Industrial Sanitation Management System’, which establishes standards for businesses and defines environmental activity norms.

We strive to minimize the possible negative effects of production activities by improving production management methods, reducing accidents risks in technological processes of production and when transporting and storing of hazardous goods, ensuring maximum efficiency of production environmental control and carrying out regular environmental audits; we also strive to promote environmental friendliness among our employees and local communities through events and contests having environmental focus, as well as to inform our stakeholders through the corporate and regional media about ongoing environmental programmes and measures we take to improve environmental safety.

Polymetal Group aims to implement effective resource-saving technologies and materials with the lowest environmental impact.

CONTACT DETAILS FOR INQUIRIES RELATED TO IMPLEMENTATION OF THIS CODE:

Receipt of communications and control of implementation of the Code and related policies and procedures in accordance with the internal documents of the companies of Polymetal Group regulating the conduct of employees is handled by designated officials of the respective companies.

Receipt of communications on the Code’s implementation in relation Polymetal International plc as well as regarding its business operation is carried out at security@polymetalinternational.com.cy.

POLICIES AND PROCEDURES COVERED BY THE CODE

To ensure that you conduct your activities in accordance with this Code you must complete anti-bribery and corruption training, provided by Polymetal as well as read and comply at all times with the Polymetal Group policies listed below:

- Anti-Bribery and Corruption Policy;
- Gifts and Entertainment Policy;
- Policy on use of agents, representatives, intermediaries and contractors’ due diligence;
- Political and Charitable Donations Policy;
- Whistleblower Policy; and
- Policy on Disciplinary Action against Employees for Violations of the Policy on Anti-Bribery and Corruption.