



ANTI-CORRUPTION POLICY

of the JSW Group

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GLOSSARY

COMPLIANCE – ensuring conformity with provisions of law, internal regulations and voluntarily adopted standards of conduct.

MANAGEMENT BOARD MEMBER – a person discharging the function of a member of the Company's management board.

PROHIBITED ACT – a socially harmful act (action or omission), prohibited and penalized under statutes in force at the time of its commission in the Republic of Poland. Corruption is a particular example of a Prohibited Act.

COMPLIANCE FUNCTION – set of actions taken to ensure compliance of the JSW Group's operations with legal regulations, standards, sets of recommendations or voluntarily accepted standard of conduct within the framework of the Compliance System adopted by the Company.

PUBLIC OFFICER – President of the Republic of Poland, member of the lower house of Parliament (Sejm), member of the upper house of Parliament (Senat), member of the European Parliament, judge, juror, prosecutor, officer of a financial preparatory proceedings authority or of an authority overseeing a financial preparatory proceedings authority, notary, bailiff, probation officer, trustee, court supervisor and administrator, decision-maker in disciplinary bodies operating under a statute, employee of the government administration, other state or local government authority unless providing service activities only, any other person to the extent to which such person is authorized to issue administrative decisions or pertinent permits and certificates, person employed by a state inspection authority or a local government inspection authority unless such person performs service activities only, person in a management position in any other state institution, officer of an authority established to ensure public security or officer of the Prison Service, person actively discharging the military duty, with the exception of territorial military service personnel engaged on an ad hoc basis, employee of an international criminal court unless such employee performs only service activities.

JSW GROUP – corporate group of Jastrzębska Spółka Węglowa, i.e. JSW and its subsidiaries within the meaning of accounting regulations applied by JSW.

JSW – Jastrzębska Spółka Węglowa S.A.

COMPLIANCE UNIT – organizational unit in charge of Compliance, in accordance with the existing organizational chart of the JSW S.A. Management Board Office, responsible for implementing, performing and updating the Compliance function.

COUNTERPARTY – natural or legal person that is a party to a commercial transaction with the Company.

COMPLIANCE COORDINATOR – person or Organizational Unit designated at the level of the Company or a JSW S.A. Unit to coordinate the Compliance Function, functionally reporting to the Compliance Unit.

CORRUPTION – action involving promising, proposing, giving, requesting, accepting, or inciting or aiding, by any person, in any manner, in breach of applicable laws, any undue financial, personal or other benefit, for such person or any other person, or accepting a proposal or promise of such benefits in exchange for action or inaction in the performance of official duties for and on behalf of the Company. Such action includes, but is not limited to, bribery, kickback, influence peddling and business corruption.

IMPROPER ADVANTAGE – any kind of financial or personal benefit that is out of compliance with the law or the provisions of the Policy or other internal regulations of the JSW Group or its Companies, granted, proposed, promised or accepted by or for the Obligors or third parties.

IRREGULARITY – breach and/or potential breach by an Obligor of legal regulations or standards of conduct or internal regulations adopted by the Company, or a status quo (including organizational or regulatory) that is conducive to the occurrence of such breaches. Accordingly, any Prohibited Act or Alert is also an Irregularity.

ATTORNEY-IN-FACT / REPRESENTATIVE – natural or legal person who is authorized to act (i) for and on behalf of the Company, (ii) on his/her/its own behalf but for the Company, or (iii) not authorized but taking actual or legal actions for the Company.

OBLIGOR

- Company,
- Management Board Member,
- Employee,
- Collaborator,
- Counterparty,
- Attorney-in-Fact / Representative.

POLICY – this Anti-Corruption Policy of the JSW Group.

EMPLOYEE – person remaining in an employment relationship with the Company.

IRREGULARITY REPORTING PROCEDURE – document governing the principles for reporting Irregularities in the JSW Group, entitled “Procedure for reporting irregularities in the JSW Group”.

COMPANY – member of the JSW Group.

ALERT – information or circumstance indicating that in the respective situation the Obligor may take actions constituting an Irregularity.

COMPLIANCE SYSTEM – management system operated under this Policy and other regulations regarding the prevention of Irregularities.

COLLABORATOR – person performing work for the Company under a contract other than an employment contract.

MANAGEMENT BOARD – company’s Management Board.

NOTIFICATION – provision of information on Irregularities.

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JSW GROUP'S STATEMENT ON CORRUPTION

1. The principles described in this Policy apply to each Company.
2. Each Company is required to implement the Policy in respect of its Management Board Members, Employees, Collaborators, Counterparties, Attorneys-in-Fact/Representatives and their subordinated entities with which it remains in a direct relationship.
3. The basic principle governing the JSW Group's conduct of business is absolute compliance with the laws, principles of fair competition and good practices. The JSW Group expects all Obligors to adhere to this principle.
4. The JSW Group does not tolerate any activities that breach the applicable provisions of law in any area of its business. This principle of no tolerance applies in particular to all forms of Corruption, regardless of whether they take place in the public sector or private sector and regardless of whether they generate or might generate any benefit to the Obligors, their counterparties or business partners.
5. The principle of no tolerance for Corruption applies to all activities taken by the Companies in all countries of their actual or potential operation.
6. The JSW Group puts emphasis on reliability, legality, honesty and compliance with the principles of fair competition and good practices in all aspects of its business and expects the same from its business partners. No attempts at exerting improper influence on any Employees, Collaborators, Counterparties, Public Officers or any other persons will be tolerated. No business relations will be maintained with any Counterparties or business partners who fail to adhere to the standards laid down in the Policy.
7. It is prohibited to directly or indirectly offer, promise, give, accept or solicit any Improper Advantages.
8. In order to combat Corruption, the Companies apply internal procedures, which are both organizational and financial in nature. They are used, among other purposes, to monitor and review the Companies' practices in the Counterparty selection area, signing of agreements, accounting and storage of documents.

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AREAS OF BUSINESS
EXPOSED TO AN
ELEVATED RISK OF
CORRUPTION

The following areas are recognized as especially vulnerable to Corruption:

- A. commercial and investment activities and execution of contracts
(including participation in tenders),
- B. activities of the Company's Representatives/Attorneys-in-Fact,
- C. marketing and promotional activities,
- D. charitable and philanthropic activities,
- E. activities related to employment, employee compensation, promotion
of Employees and Collaborators,
- F. social and communal activities,
- G. activities related to taxation and financial reporting,
- H. security of confidential and legally protected information.

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FUNDAMENTAL ANTI-CORRUPTION PRINCIPLES

1. Any business pursued by the JSW Group must comply with the applicable laws.
2. No Obligors may use their own or company funds to achieve goals that are prohibited either by law or by the Company's internal regulations.
3. Obligors are required to keep accurate records and apply the Company's internal regulations, in particular to keep financial records, registers and accounting ledgers on an ongoing basis and in a reliable, error-free and verifiable manner to appropriately reflect all transactions. The applicable provisions of law and internal regulations of the Company prohibit the false recognition or omission of any transactions in the Company's accounting ledgers. Moreover, it is prohibited to create or keep any accounting ledgers that are secret or outside the Company.
4. It is prohibited to directly or indirectly provide or accept any financial or personal benefits or any promise thereof (including bribes), or to invoke or use any influence in order to provide or obtain any Improper Advantages for oneself, other persons or represented entities, including, in particular, with a view to soliciting or maintaining any business transactions.
5. The conduct of promotional or marketing activities is permitted only in a manner consistent with the applicable provisions of law and internal regulations of the Company. Obligors are required to adopt a responsible approach to any provision or receipt of any benefits, including representation expenses. The provision or acceptance of benefits, including representation expenses, is permitted if made in good faith for the development of business relations in the ordinary course of business and unless in violation of the applicable provisions of law or internal regulations of the Company.
6. The provision of benefits, including representation expenses, to third parties must have a proper economic justification, should be infrequent and only to persons involved in business relations.

7. Particular caution is required when providing or accepting benefits, including representation expenses, in relations with Public Officers. It is prohibited to accept or provide any gifts or invitations from or to Public Officers, including representation expenses, in any situation where this may be considered a form of influencing the performance of the tasks entrusted to such Public Officers in a manner that is out of compliance with the law or good practices, in particular if such gifts or invitations may be perceived as a form of Corruption aimed at influencing decisions related to the Companies' business. It is prohibited to give or promise any benefits and in any manner with a view to rewarding a Public Officer for issuing any decision or other administrative document in connection with such Public Officer's function.
8. The provision of benefits, including representation expenses, to third parties who are not Public Officers, is permitted if made in good faith for the development of business relations in the ordinary course of business and unless in violation of the applicable provisions of law or internal regulations of the Company. It is prohibited to provide or accept benefits, including representation expenses, in a manner that is out of compliance with the law or good practices, in particular if such gifts or invitations may be perceived as a form of Corruption aimed at influencing decisions related to the Companies' business.
9. No benefits, including representation expenses, may:
 - a) be received or given in the form of cash or cash equivalents (e.g. gift vouchers, loans, shares, stocks or stock options),
 - b) be received or given to participants in tender or procurement procedures,
 - c) be contrary to the interests of the Company and/or the JSW Group.

10. Particular care should be taken in the selection of third parties (in particular, the Company's Attorneys-in-Fact/Representatives).

An elevated risk of potential violations of anti-corruption laws may result from a situation in which the Company enters into cooperation with third parties. In particular, the Company's Attorneys-in-Fact/Representatives are a third party category that will be subject to the strictest due diligence criteria, taking into consideration their actual and/or implied authorization to act on behalf of the Company. Accordingly, no Attorney-in-Fact/Representative of the Company may be engaged to represent the Company without the prior verification of his or her data and execution of a written contract that will include an undertaking by such Attorney-in-Fact/Representative of the Company to act in accordance with the Policy.

11. Each Obligor should pay attention to Alerts and other types of Irregularities. Situations that should be avoided include, in particular, the maintenance or execution of questionable transactions. Obligors are required to pay attention to all Alerts, involving in particular:

- a) preparing, attempting or committing a Prohibited Act,
- b) failing to comply with obligations or abusing rights,
- c) failing to exercise due diligence required in the existing circumstances,
- d) irregularities in the organization of the Company, which might be conducive or lead to the commission of a Prohibited Act, in particular Corruption.

THE FOLLOWING ARE EXAMPLES OF ALERTS:

- a) An Obligor requests backdating or changing the content of an invoice, invoicing an amount higher than required, granting a credit line of an exceptionally high value or making a payment in an unconventional or overly complicated manner (e.g. through foreign bank accounts),
- b) An Obligor issues an invoice containing an unclear description of the services rendered or for a value significantly different from the customary one,
- c) in the local authorities or political parties operating in the respective area, there are activists or employees who are related to the Obligor or the Obligor is recommended or preferred by a Public Officer,
- d) a Counterparty or Attorney-in-Fact/Representative of the Company refuses the Company to exercise the right to conduct an audit or refuses to provide information about himself or herself or about his or her business practices in a situation where the Company's request to provide such information is reasonable,
- e) a request for remuneration submitted by a Counterparty or Attorney-in-Fact/Representative of the Company does not correspond to the scope of services or the indicated value of the requested remuneration exceeds the customary value for this type of service in the respective country or in other countries,
- f) a Counterparty or Attorney-in-Fact/Representative of the Company requests payment in advance, demands excessive commissions or other types of payments of an unconventional nature.

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NOTIFICATION OF IRREGULARITIES

1. Irregularities and other circumstances that may raise concern, in particular suspicion of Corruption. Every Obligor should support the Companies in their activities aimed at ensuring compliance with the provisions of this Policy.
2. The Notifications referred to in the preceding item may be submitted:
 - a) in person – to the Compliance Unit or Compliance Coordinators,
 - b) via the dedicated e-mail address compliance@jsw.pl or the respective Company's dedicated e-mail address (for a list of e-mail addresses, see the Irregularity Reporting Procedure).
3. Notifications are submitted based on the Irregularity Reporting Procedure. Every correctly submitted Notification, including an anonymous one, will be reviewed. However, clarification of an issue notified anonymously may be more difficult or even impossible due to the impossibility of obtaining additional information.
4. Failure to notify an Irregularity may result in unfavorable consequences for the Obligor that has evaded such obligation.
5. Investigations will be initiated based solely on Notifications containing sufficient information. The absence of sufficient information necessary for a reliable investigation of the Notification may lead to discontinuation of such investigation.
6. Notifications submitted in good faith will be treated in a confidential manner and examined thoroughly. A person submitting a Notification in good faith is entitled to protection, including identity protection. If the Notification is submitted in good faith, then, even if it turns out untrue, there may be no grounds for holding the notifying person accountable or drawing consequences with regard to such person. In particular, the notifying person is entitled to the confidentiality of data enabling his or her identification. Moreover, no Notification may have any unfavorable impact on such person's demotion, omission in promotion, reduction of employee compensation or termination of his or her employment contract or collaboration agreement.
7. A Notification submitted in bad faith may expose its author to disciplinary and/or legal consequences.
8. Bad faith occurs, in particular, when the person submitting the Notification knows or should know when acting with due care that the notified Irregularities are untrue or have no reasonable basis and the initiation of an investigation may result in unfavorable consequences for the affected person.

9. Any data that may be used to identify the notifying person will be disclosed only with the consent of the person concerned or at the request of an institution authorized to act in accordance with the applicable provisions of law.
10. Any data that may be used to identify the person indicated in the Notification will be disclosed only when the Notification is deemed justified or at the request of an authorized institution acting in compliance with the applicable provisions of law, in particular at the request of a court or prosecutor.
11. No repressive or discriminatory action or other unfair treatment will be tolerated if directed toward:
 - a) the notifying person,
 - b) any persons participating in the investigation,
 - c) the person indicated in the Notification.The breaches referred to above may serve as the basis for taking disciplinary action.
12. If the notifying person has become the target of repressive or discriminatory actions, he or she should report such fact to the Compliance Unit

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DISTRIBUTION OF THE POLICY AND ACKNOWLEDGMENTS

1. All Obligors are required to familiarize themselves with the Policy and confirm in writing that they undertake to comply with it. The fact of such confirmation will be stored by the Company remaining in the closest relation with the respective Obligor.
2. All Management Board Members and Employees are required to submit a statement on being familiar with the Policy. The form of such statement is provided in Appendix 1 to the Policy. The statements referred to above will be stored in the Employees' personnel files or in the same place as the contract entrusting the performance of duties to the respective Employee.
3. Relations with Counterparties, Collaborators and their Attorneys-in-Fact/Representatives are governed by the contracts entered into with such persons and must contain clauses providing for the respective party's undertaking to act in compliance with the Policy (anti-corruption clauses). The form of anti-corruption clauses is provided in Appendix 2 to the Policy.
4. If the Counterparty refuses to accept such anti-corruption clauses in whole or in part, the Company will make a decision on establishing, changing the scope or termination of the collaboration, which decision should be preceded by a pertinent legal opinion, taking into consideration potential risks, the likelihood of their occurrence and the functional and economic significance of collaboration with the respective Counterparty in the context of the Company's interests. Moreover, the Compliance Unit or the relevant Compliance Coordinator may also provide their opinions.
5. If the Obligor refuses to submit a statement, such refusal should be immediately notified to the Compliance Unit or Compliance Coordinator competent for the respective location.

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MISCELLANEOUS

1. The purpose of the Policy is to ensure that the JSW Group conducts its business in compliance with the law, including, in particular, with the provisions on counteracting Corruption, and that the environment in which the Companies operate is free of any abuse.
2. The guidelines provided in the Policy are not intended to replace common sense or proper assessment of the situations expected of the Obligors. Any concerns should always be consulted with the Compliance Unit by sending an e-mail to the following address: compliance@jsw.pl. Any notified cases serve the purpose of clarification and resolution of Irregularities as well as development and improvement of the anti-corruption management system.
3. Failure to comply with the principles set forth in the Policy may result in unfavorable consequences for the Obligors, including termination of their employment contract or collaboration agreement.
4. The consequences of non-compliance with the requirements set forth in the Policy and/or the laws on preventing Corruption may be very serious. Any breach of such laws may result in criminal or civil liability.
5. The Compliance Unit is required to present to the JSW Management Board an annual report on the implementation of this Policy.
6. Compliance with the provisions of this Policy does not release anyone from compliance with the generally applicable laws.

APPENDIX 1

STATEMENT

**STATEMENT
OF ACKNOWLEDGMENT AND ACCEPTANCE
OF THE ANTI-CORRUPTION POLICY OF THE JSW GROUP**

PLACE

DATE

NAME

POSITION

COMPANY / ORGANIZATIONAL UNIT

I, the undersigned, hereby declare that I have familiarized myself with the Anti-Corruption Policy of the JSW Group, that I understand all its provisions, including the rights and obligations arising therefrom, and I undertake to adhere to them.

In particular, I undertake to refrain from taking any action that might constitute a breach of the principles set forth in the Anti-Corruption Policy of the JSW Group.

LEGIBLE SIGNATURE

ANTI-CORRUPTION CLAUSES

Rejection of corruption

[Counterparty] hereby represents that in his/her/its business he/she/it does not use or tolerate corruption, bribery or any other form of influence that may be out of compliance with the law or good practices. [Counterparty] hereby represents that he/she/it has familiarized him-self/herself/itself with the “Anti-corruption policy of the JSW Group” and “Procedure for notifying irregularities in the JSW Group” adopted by JSW S.A., the contents of which are available at [<https://www.jsw.pl/o-nas/compliance>] and undertakes, in connection with performance of this agreement, to comply with the principles laid down in the aforementioned Policy and Procedure and procure that its subcontractors and all other persons it uses to perform the agreement. For the avoidance of doubt, the foregoing does not constitute consent to the performance of the subject matter of the agreement by [Counterparty] with the participation of subcontractors or other third parties if other provisions or the essence of the agreement provide for the obligation to perform the subject matter of the agreement without the participation of subcontractors or other third parties.

Undertaking to refrain from taking any corrupt practices

[Counterparty] undertakes that [his/her/its] senior management, officers and employees will not use or tolerate corruption, bribery or any other form of influence that is out of compliance with the law or good practices, in particular by refraining from (directly or implicitly) offering, promising, granting, authorizing, soliciting or accepting any undue financial or other benefit of any kind (or suggesting that they will or may perform such actions at any time in the future) in any manner related to the agreement and that [he/she/it] has taken reasonable steps to prevent its subcontractors, agents or any other third parties under its control or decisive influence to take such actions.

Obligation to provide information

[Counterparty] undertakes to provide the other party with information to the extent necessary to demonstrate [Counterparty]'s compliance with the obligations laid down in this agreement regarding [his/her/its] refraining from involvement in any corrupt practices and [his/her/its] commitment to prevent corruption, within [14 (fourteen)] days from the date of delivery of a request to such effect to the other party.

Remedial procedure

If [JSW/the Company] demonstrates with a high degree of likelihood that [Counterparty] has breached, on one or several occasions, its obligation to refrain from involvement in any corrupt practices and to prevent corruption, [JSW/the Company] will notify [Counterparty] thereof and will request that necessary remedial actions be taken and that it be informed of such actions. Unless effective remedial action is taken, [JSW/the Company] may, at its sole discretion, suspend or terminate the Agreement, with all amounts and performances due under the Agreement at the time of such suspension or termination remaining due and payable, to the extent permitted by the applicable laws.

Liability

Liability for any damage suffered by [JSW/the Company] as a result of non-performance or improper performance of the obligations set forth in this agreement in respect of refraining from involvement in corrupt practices or preventing corruption or refraining from other forms of exerting influence that are out of compliance with the law or good practices shall rest with [Counterparty] in accordance with the generally applicable rules, regardless of the limits or restrictions provided for in the agreement.