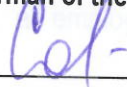



Approved by Board Meeting of
MegaFon OJSC as of December 06, 2012
(Minutes № 185(249) dated December 06, 2012)

Chairman of the Board of Directors


_____ S.V. Soldatenkov

Corporate Secretary


_____ A.A. Serebryanikova

ANTI-BRIBERY POLICY

Moscow 2012

Introduction and the importance of reporting concerns

MegaFon values its reputation for ethical behaviour and integrity. Conducting business with a zero tolerance approach to all forms of corruption is central to these values, and MegaFon's image and reputation. This policy sets out the standards expected of all MegaFon and its subsidiaries (hereinafter MegaFon) employees in relation to bribery and corruption. In particular, all employees must adhere strictly to relevant laws in this area.

This policy is also relevant for third parties who perform services for or on behalf of MegaFon. MegaFon expects those persons to adhere to this policy or have in place equivalent policies and procedures to combat bribery and corruption. This policy should be read in the context of a number of other measures to ensure there is effective communication about anti-corruption issues. These include:

- Providing training
- Taking additional steps to encourage all employees to be vigilant and to report and speak up about any suspicion of bribery
- Ensuring that any concerns are investigated appropriately and any employee making a report in good faith shall suffer no detriment for doing so.

MegaFon will take firm action against any individuals that it discovers are involved in bribery. Any breach of this policy by employees will result in disciplinary action under the misconduct provisions of employee's contracts of employment, which can include the sanction of summary dismissal in any case where an employee has been found to have paid or received a bribe.

Failure by any employee to report corrupt activity by other persons can also result in disciplinary sanctions, especially where there is evidence that an employee has attempted to cover up or disguise another's wrongdoing.

The Policy

MegaFon has a zero-tolerance policy towards corruption of all kinds.

MegaFon policy consists of two straightforward rules that all employees must adhere strictly to:

- Do not offer, promise or pay bribes
- Do not request, agree to or accept bribes

The risks of corruption are not always obvious. Accordingly, employees should follow these principles:

- Do not make payments to someone (or favour them in any other way) if you know that this will involve someone in misuse of their position (or performing their functions improperly).
- Do not misuse your position (or perform your functions improperly) in connection with payments (or other favours) for yourself or others.
- Do not deliberately use advantages to try to influence public officials for business reasons.

Reasonable and Proportionate Gifts and Hospitality

This policy is not meant to prohibit the giving or receiving of reasonable and proportionate gifts and hospitality provided:

- They are appropriate in all the circumstances and there is no risk or perception that they might improperly influence the recipient.
- They do not contravene any rules applying to the individual to whom the hospitality or gift is offered (i.e. any policy that another organisation has in place) or any laws applying to that other person.
- The expenditure in question is not related in time to some actual or anticipated business with the recipient, particularly in a competitive context.
- In the case of hospitality provided or received, it is intended to foster cordial relations or has legitimate marketing purposes and:
 - The level of hospitality is appropriate with regard to the recipient and their organisation.
 - There are no "add-ons" such as inappropriate overnight accommodation, travel costs, or sundry or lavish expenses.
- In the case of gifts, these should never be cash and must be modest at all times, such as a token of appreciation on a festival or at another special time such as the opening of a development, completion of transaction, etc, and where there is no risk of them being misconstrued as a reward, an inducement or other corrupt act.
- In the case of any gift or hospitality to be provided to a public official, this must also be approved in advance by the General Manager of the Branch/Subsidiary (in relation to the local business activity) and CEO (in relation to MegaFon) in line with MegaFon's corporate policy in respect of the same.
- All offers of hospitality and gifts given or received must be recorded in accordance with the MegaFon corporate policy in respect of the same.

Seeking further guidance

If any employee is in doubt as to whether a potential act could give rise to corruption concerns, the matter should be referred immediately to the local senior manager. If necessary, guidance should also be sought from the General Manager of the Branch/Subsidiary (in relation to the local business activity) and the CEO of MegaFon (in relation to group activity). If there is any doubt then employees should contact MegaFon's Internal Audit.

Sponsorship, Charitable and Political Donations

All donations made on behalf of MegaFon must comply with the MegaFon policies in respect of the same. All donations of any kind must be transparent.

Requests for charitable and sponsorship donations can sometimes mask corrupt activity. No charitable donations should be made if these could be construed as improperly influencing another party with whom MegaFon has a business relationship. Should you have any ethical concerns about a proposed donation, you should report this immediately to the Internal Audit Director or by the Hotline. MegaFon does not make political donations - any departure from this position must be approved by the Board of Directors of MegaFon.

Facilitation Payments

Facilitation payments are bribes and prohibited by this policy. They are typically unofficial payments paid to speed up an administrative process or secure a routine government action by an official.

Where an employee (or someone acting on behalf of MegaFon) suspects a demand for a payment is a request for a facilitation payment, this must be reported immediately to the senior manager. If necessary, guidance should also be sought from the General Manager of the Branch/Subsidiary (in relation to the local business activity) and the CEO of MegaFon (in relation to group activity). If there is any doubt then employees should contact MegaFon's Internal Audit.

Record-Keeping

MegaFon must keep accurate financial and other records and have appropriate internal controls in place which will evidence the business reason for making payments to any third parties (such as anyone who provides services for or on behalf of MegaFon). Employees must apply these principles in all aspects of their work.

Responsibilities

Employees must read, understand and comply with this policy and will be required to sign a confirmation acknowledging that they have done so.

MegaFon's Board has overall responsibility for ensuring this policy complies with MegaFon's legal and ethical obligations and to ensure everyone in the organisation complies with it.

The CEO of MegaFon is ultimately responsible for this policy and has primary responsibility for its implementation. In turn the Internal Audit Director has responsibility for monitoring its effectiveness and reporting to the CEO of MegaFon and MegaFon Board of Directors.

Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

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