

APPROVED
Resolution of the Board of Directors of MegaFon PJSC

Minutes No. 289 (353) dated August 15, 2018

**ANTI-CORRUPTION POLICY
OF MEGAFON PJSC**

Moscow, 2018

ANTI-CORRUPTION POLICY

1. Introduction

MegaFon values the reputation of the company that complies with the highest standards of ethical behaviour and integrity. Zero tolerance to corruption and compliance with the anti-corruption legislation is our fundamental corporate principle.

This policy sets out the standards for behaviour to be followed by all employees and members of the Board of Directors of MegaFon and its subsidiaries (hereinafter the Company). This policy is also relevant for suppliers and representatives of the Company. The Company expects those persons to adhere to this policy or to use their own equivalent policy, that is specified in the anti-corruption clause in the contract.

Anti-corruption program of the Company includes the following elements:

- “Tone on the top” by management
- Trainings
- Assessment of corruption risks and implementation of controls (e.g. review of candidates when being hired and counterparties)
- Ensuring the possibility of confidential (incl. anonymous) reporting on cases of corruption
- Appropriate investigation of each case. Employee making a report in good faith shall suffer no detriment for doing so
- Assessment of effectiveness of anti-corruption program

2. Main principles

All employees must adhere to two straightforward principles:

- Do not 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 rules:

- Do not make payments to someone (representative of the contractor or public official) and do not favour them in any other way including through an intermediary in order to influence such person to perform their official duties
- Do not misuse their position or perform their duties improperly in connection with payments or favours in other form.

3. Gifts and Hospitality

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

- They should never be cash, shall be modest and appropriate with regard to the recipient and not be perceived as bribery including in connection with completed or anticipated transaction
- They do not contravene any law or rules applying to the recipient
- There are no inappropriate accommodation payments, travel expenses or any other atypical or lavish expenses. Any offers to the employee of the Company to pay the employee's expenses by the other party should be considered with the participation of the employee's line manager, and, if necessary, in accordance with the conflict of interests policy

- Offers of hospitality and gifts given or received must be approved and disclosed in accordance with the Company's policy in respect of the same.

4. Sponsorship, Charitable and Political Donations

Requests for donations can sometimes mask corrupt activity. No donations should be made that could be construed as corrupt act. All donations must comply with the Company's policies. The Company does not make political donations.

5. Facilitation Payments

They are unofficial payments paid to speed up an administrative process or secure a routine government action by an official. Such payments are bribes and prohibited. Where an employee or someone acting on behalf of the Company suspects that he/she is forced to make such payment this must be reported immediately to his/her line manager.

6. Record Keeping

The Company must keep accurate financial records and have appropriate internal controls, which will evidence the business reason of its operations.

7. Responsibility

Compliance with this policy is the responsibility of all employees of the Company:

- Managers at all levels must ensure their employees are familiar with the policy and go through anti-corruption training. Managers are responsible for compliance with the policy in their departments.
- Employees and members of the Board of Directors shall undergo training, be familiar with the policy, and comply with it.

Violation of this policy is subject to disciplinary liability of the employee, which may include dismissal and compensation of loss to the Company. Disciplinary liability may be applied in case of failure to inform about corrupt acts of other persons. In addition, corrupt acts are subject to criminal liability in accordance with the law.

8. Whom to contact?

In case the employee has any doubts if certain action should be qualified as corrupt act, he/she should immediately contact his/her line manager with this issue and shall refrain from any actions.

If necessary, questions regarding execution of this policy can be addressed to the Internal Audit function or to the "Direct Line". Violations may be reported confidentially (if necessary – anonymously) in the same way.