

Anti-bribery and anti-corruption policy of LANIT group

APPLICABLE ANTI-CORRUPTION LEGISLATION

TERMINOLOGY

PROHIBITION OF BRIBES

SPECIALLY CONTROLLED PAYMENTS

- Facilitation fees
- Political contributions
- Gifts and other material benefits
- Entertainment
- Charity and donations

PUBLIC PROCUREMENT

- Mandatory approvals
- Purchasing from a single supplier
- Tender information

THIRD PARTIES: CONTRACTORS AND PARTNERS

ACCOUNTING

TEAM AWARENESS AND TRAINING

LIABILITY

CONTACTS

This Anti-bribery and anti-corruption policy of LANIT group (the «Policy») was approved by the Compliance Committee (Minutes of the meeting of the Compliance Committee of March 02, 2020) in accordance with the provisions of the Compliance policy of the LANIT group.

The Policy applies to all companies and individuals belonging to the LANIT group of companies (hereinafter collectively referred to as «LANIT» or «the company»), including members of the Board of Directors, shareholders and all employees of the group.

Employees of LANIT who do not comply with the provisions of this Policy and applicable anti-corruption legislation will be subject to disciplinary measures, including dismissal, and any other legal actions that may be required in order to protect the interests of the company and its partners.

APPLICABLE ANTI-CORRUPTION LEGISLATION

The main sources of regulation in the sphere of bribery and corruption control are:

- United Nations Convention against Corruption (UNCAC);
- Criminal Law Convention on Corruption;
- OECD Anti-Bribery Convention;
- UK Bribery Act 2010;
- Foreign Corrupt Practices Act 1977 (FCPA);
- Federal anti-corruption law of the Russian Federation;
- Criminal code of the Russian Federation;
- Federal law «On the state civil service of the Russian Federation».

Knowledge and compliance with the requirements of Russian and international anti-corruption legislation and other applicable regulations is the responsibility of every LANIT official and employee.

Work with foreign contractors and/or on the territory of a foreign country also has its own specific: you should take into account the provisions of applicable foreign legislation. Some regulations of other countries (for example, the anti-corruption legislation of the United States, in particular FCPA) have extraterritorial effect and may apply to companies and individuals who are not American residents. Moreover, some countries' legislation has liability for management for failure to take measures to prevent corruption in the company.

In any case, if there is any doubt in the correct interpretation of the applicable rules, the LANIT employee should contact any lawyer of the Legal Department (legal_contracts@lanit.ru) or the Compliance Committee (compliance@lanit.ru).

TERMINOLOGY

According to Russian legislation, a civil servant is a person who performs professional official activities in a public service position and whose salary goes at the expense of budgetary funds.

Governmental official is a person exercising the government representative functions, who has administrative powers and performs organizational or economic activity in state bodies, state funds, local governments, state and municipal organizations, as well as in the Armed Forces and other military formations of the Russian Federation.

In American law, «official» refers not only to government employees and persons performing public functions, but also to employees of government agencies and businesses.

The concepts of «bribery» and «corruption» are usually associated with bribery of officials. However, we should not forget about commercial bribery. Commercial bribery is giving a bribe to a person who performs managing functions in a private company in order to obtain, for example, more favorable terms of cooperation in damage to the company's interests.

Thus, the term «official» for the purposes of this Policy means:

- Civil servant or employee at any level of a government agency, service, department or other similar structure;
- Employee at any level of a state-owned or state-controlled enterprise, school, hospital, or other budget organization;
- Political party or its leader;
- Candidate for a public position;
- Decision making employee of a public international organization or its division (for example, the United Nations, the Olympic Committee, the FIFA Committee, etc.);
- Any person officially acting on behalf of a state or municipal authority;
- Employee of state-owned or state-controlled commercial organization;
- Person who has managing authority (the ability to influence decision-making) in a private company.

PROHIBITION OF BRIBES

Every LANIT employee should know that any form of bribery is strictly prohibited, as well as other types of illegal payments for the purpose of obtaining or maintaining a business privilege, speeding up bureaucratic procedures, or obtaining other benefits or assistance. Local customs or common practices cannot be used as a justification for committing a crime.

LANIT forbids:

- 1) promise, offer, or grant any official (directly or indirectly) any undue advantage in order to make him perform or refrain from performing certain action in his professional activity (active bribery);
- 2) agree with a request (directly or indirectly), or allow someone to agree with a request in favor of an official to obtain financial or other benefits (passive bribery);

with a goal:

- to incite an official to improperly perform a public or commercial function, or reward him for improper performance of such function;
- to influence any official action or inaction of an official or any decision in violation of official's duties provided by law;
- to obtain or retain business or improper benefits.

It is important to understand that prohibited conduct includes material or other benefits offered directly by a LANIT employee, or by any third party acting on behalf of LANIT in connection with LANIT's business activities. Moreover, a bribe given by LANIT supplier may in some cases be equal to a bribe given by LANIT.

The established prohibition of bribes is not limited to the promise, transfer, or receipt of money, but also includes the promise, provision, offer, or receipt of:

- Gifts;
- Entertainment events, treats, travel;
- Donations;
- Business, employment or investment opportunities;
- Insider and/or confidential information;
- Personal discounts or credits;
- Remuneration for facilitation;
- Assistance or support for family members of officials;

- Other privileges or benefits.

Further, we will consider individual cases that may also be treated as a bribe under this Policy.

SPECIALLY CONTROLLED PAYMENTS

Facilitation fees

LANIT prohibits making even small payments to officials for speeding up or simplifying mandatory actions or services, such as obtaining simple business licenses or permits, processing official documents, such as visas, police protection, providing telephone, power or water services, loading or unloading cargo, even if these payments are permitted by local laws, regulations or business practices.

Political contributions

LANIT prohibits direct or indirect contributions in any form to political parties, committees, political organizations and associations, as well as their representatives and candidates, except as expressly permitted by applicable anti-corruption legislation.

No LANIT employee will be demoted or face any other adverse consequences if he refuses to make a prohibited payment, even if such refusal may cause damage to the business or other negative consequences for LANIT.

Gifts and other material benefits

Gifts or any other benefits may be given or received in accordance with the rules of business courtesy, if they do not endanger the reputation of any party and cannot be interpreted by an external observer as intended to create a moral obligation or obtain an unreasonable benefit.

Government officials are a special category of gifts recipients: they are subject to strict restrictions and rules. They may be subject to disciplinary and administrative liability for violating the established restrictions, including the receiving gifts. It is also possible to bring them to criminal liability for a bribe if there are elements of a crime in their actions.

A gift and a bribe have different motive and nature. The motives for giving a gift are respect, sympathy, gratitude, and a sense of moral obligation of the giver to the recipient. The gift recipient does not have any counter obligations. The motive for giving a bribe is self-serving intention in the form of achieving a legal, property, commercial, or other goal for obtaining benefits, enrichment, or exemption from liability. The bribe taker also has a motive for enrichment. In case with a bribe, the recipient is expected to behave accordingly.

Souvenirs created by LANIT for marketing purposes are always permitted gifts for government officials. Any other gift for a governmental official must be obligatory approved by a member of

the Compliance Committee (write to the compliance hotline compliance@lanit.ru) and checked in accordance with all the following criteria:

- It can't be money;
- The gift must be presented openly;
- The gift must be given in good faith and for a legitimate purpose;
- The gift must be acceptable in certain circumstances;
- The gift must not be tawdry and must meet generally accepted ethical standards;
- The gift must be properly recorded in LANIT's books and accounts;
- The gift must comply fully with local laws and regulations applicable with government employees and individuals.

If you are an employee of LANIT and you still have questions, please refer to the section «Frequently asked questions» on the compliance page of the LANIT internal resource <https://mylanit.ru/compliance-policy/>. It provides practical examples of gifts that LANIT employees can give to their business partners, as well as recommendations on how to accept gifts correctly.

If you have any questions or doubts, you can write to the compliance hotline compliance@lanit.ru.

Entertainment

Under certain circumstances, it might be possible to invite an official to a business breakfast, lunch or dinner, or to organize other entertainment event as a sign of respect.

Such action is allowed if the following requirements are met:

- The official does not expect that a treat or entertainment event is organized in the expectation of a return service or benefit for our business;
- Event is organized infrequently, reasonably, and on a scale appropriate to certain circumstances;
- Compliance Committee or Legal Department approves event as not contradicting the applicable anti-corruption legislation.

Charity and donations

LANIT employs more than ten thousand employees. The company is aware of its social responsibility and, of course, participates in charitable activities. LANIT conducts charity events and makes donations in various socially important areas, including cultural and educational institutions, social protection, helps orphans and homeless animals.

Donations to charitable purposes to state institutions and governmental organizations involve the risk of using money or valuables for personal purposes or in the interests of officials.

All donations must comply with the provisions of the applicable anti-corruption legislation and this Policy. All donations on behalf of LANIT must be approved by the Legal Department.

PUBLIC PROCUREMENT

Public procurement is a very regulated and controlled area of activity. Legislation on public procurement ensures transparency of all actions and procedures, establishing fair and reasonable prices for goods, works and services purchased for public needs.

Mandatory approvals

If LANIT participates in any public procurement it must be approved by the Legal Department and the Financial service (tender documentation, application, checks for permits and licenses, draft contract, etc.).

Purchasing from a single supplier

It is possible for LANIT to act as a single supplier if the state customer has made an exception to the rules for procurement on a competitive basis and LANIT has not exerted undue influence on such decision.

Tender information

LANIT employees who are directly involved in the public procurement process are prohibited from receiving or attempting to obtain, directly or indirectly, any information about the tender, if such information has not yet become publicly available. It is also prohibited to obtain or attempt to obtain any information about the content and conditions of bids from competitors. Any communication with government representatives regarding the tender documents must be conducted openly through official communication channels.

If you have any doubts, please contact an employee of the Legal Department or write to the compliance hotline compliance@lanit.ru.

THIRD PARTIES: CONTRACTORS AND PARTNERS

As mentioned above, in some cases, a bribe given by LANIT supplier may be equal to a bribe given by LANIT.

In order to prevent LANIT being liable in certain circumstances for the corrupt actions of third parties (including, but not limited to, contractors, subcontractors, agents, and consultants) who perform work or provide services to LANIT or on behalf of LANIT, the involved third parties must adhere to LANIT's ethical standards. The Legal Department, together with the Compliance Committee, should conduct a risk analysis and determine which anti-corruption provisions should be included in agreements with partners and contractors.

LANIT must not enter into any relationship with any person who will actively interact with officials on behalf of LANIT without checking the facts of the biography, qualifications and reputation of such person. All relations with third parties, which may include contacts with officials, must be reflected in a written contract containing the relevant terms and conditions that require compliance with the provisions of the applicable anti-corruption legislation, the Compliance policy of LANIT group and this Policy. The procedure and scope of application of anti-corruption provisions should correspond to the scope and nature of the third party's obligations and the extent of its interaction with officials.

Participation of the Legal Department in the preparation and review of all contracts with third parties is mandatory. In terms of checking contractors, the "Contractors due diligence regulations of LANIT group" are applied. It is also an important part of any interaction with contractors and partners to understand and evaluate risk factors in accordance with the "Compliance risks regulations of LANIT group".

ACCOUNTING

In accordance with applicable anti-corruption legislation, financial accounting requirements, tax laws, and other regulations, LANIT must maintain all records and accounts that accurately reflect all transactions and asset management. LANIT accounts must comply with applicable accounting standards and reflect the facts of each transaction in full, accurate, timely and transparent manner.

All costs and expenses, receipts and revenue, income, expenses and monetary obligations must be included in the accounting documentation of LANIT in a timely, accurate and complete manner and confirmed by the relevant primary documentation issued in accordance with applicable law and the relevant provisions of the internal control system.

TEAM AWARENESS AND TRAINING

LANIT employees should be familiar with the provisions of applicable anti-corruption legislation and should be aware of the importance of complying with these provisions and the requirements of this Policy in order to clearly understand possible violations, risks and related personal and corporate obligations imposed on employees. Employees should also be aware of the actions that must be taken to combat bribery in order to prevent liability for violations of applicable anti-corruption legislation and this Policy.

Team may be informed both in writing and by email, as well as by publishing this Policy on LANIT's internal resource.

LANIT requires that all managers and other employees who are authorized to make decisions on commercial matters in the course of their activities undergo mandatory annual compliance training, including a section on applicable anti-corruption legislation.

LIABILITY

Penalties for violation of anti-corruption legislation may be significant. In addition to penalties for companies, any official or employee of LANIT who violates the anti-corruption legislation will be subject to disciplinary action, up to dismissal.

Third parties should also keep in mind that their contracts will be terminated due to non-performance of contractual obligations if they violate any of the specified laws or provisions of this Policy. LANIT will actively seek to reimburse any losses incurred as a result of a violation of any of these laws by an individual or legal entity that has engaged in prohibited activities.

Companies that violate anti-corruption regulations abroad may be subject to substantial monetary penalties under applicable law. Individuals also can be imprisoned.

CONTACTS

For the purposes of this Policy, LANIT employees and partners, as well as other persons, may use the following compliance hotline to report any information related to committed or alleged acts of corruption, or to discuss compliance with applicable regulations: **compliance@lanit.ru**.

Every employee should be aware that any form of harassment, reprisals or other negative consequences against a person who has faithfully reported a possible violation of this Policy or who is participating in an internal investigation is strictly prohibited in LANIT.