



## Selectel Ltd. Code of Ethics

Approved by order No.2/17 dated 27.07.2017 of the Selectel Ltd. CEO

### I. INTRODUCTION

The Selectel Ltd. Code of Ethics (hereinafter referred to as the Code or Code of Ethics) establishes the high business standards which must be observed by all Employees and Management of Selectel Ltd. (hereinafter the "Company").

The Code of Ethics represents the core corporate values of Selectel Ltd.: professionalism, responsibility, innovation, transparency, and consistency.

The provisions of this Code have been developed based on the Civil and Labor Code of the Russian Federation, Federal Law "On Limited Liability Companies", Federal Law "On Combating Corruption", Federal Law "On Combating the Illegal Use of Insider Information and Market Manipulation", the Selectel Ltd. Charter, and other internal Company documentation (hereinafter Current Demands). Failure to meet Code regulations shall result in disciplinary actions set forth in the Current Demands.

This Code, in addition to the formal standards prescribed in the Current Demands, establishes the business standards and ethics for Employee conduct.

This Code is first and foremost based on the presumption that Employees fully comply with the effective legislation, regulations, and provisions.

### II. TERMS AND DEFINITIONS

This Code makes use of the following terms:

**Management** - the CEO, their proxies, the chief accountant, branch managers, and Company representatives and any party performing the obligations thereof.

**Workers** - full-time and part-time employees, contract workers, and others for the entirety of their employment contract.

**Employees** - the joint term for referring to both Management and Workers.

**Confidential Information** – any information, which by being unknown to third parties, currently has or could have commercial value, is not publicly accessible on any legal grounds, and the holder thereof shall take measures to maintain its confidentiality.

**Insider Information** – accurate and specific information that has not been distributed or provided (including trade, business, or any other legally protected secret), and which the distribution or provision thereof may significantly affect the value of Company assets.

**Conflict of Interest** – a situation where the personal interests of one or more Employees or Family Members contradict the interests of the Company.

**Corruption** – the abuse or unlawful use of one's official position for one's personal benefit or the benefit of a third party, or unlawfully offering such benefit to a third party, including actions performed in the name of or interests of a legal entity.

**Money Laundering** – concealing or disguising the identity of illegally obtained money or assets so that they appear to have originated from legitimate sources.

**Family Members** - can be: (i) husband/wife; (ii) parents, including adoptive parents; (iii) children, including adopted children; (iv) brother/sister; (v) mother-in-law/father-in-law; (vi) brother-in-law, son-in-law, sister-in-law, or daughter-in-law; and (vii) any other individual living with an Employee.

**Sponsorship** – providing or ensuring the provision of funding for the organization and (or) hosting of sport, cultural, or any other event, creating and (or) broadcasting television or radio programs, or creating and (or) using the results of any creative activities.

**Vendor** – any entity that provides goods, work, or services to the Company, including contractors and other parties who perform services and work for the Company.

**Intellectual Property** – scientific, literary, or artistic works; computer programs; databases; performances; phonograms; messages transmitted over air or cable or video transmissions (broadcasts from over-the-air or cable broadcasting companies); inventions; utility models; industrial design; selection invention; integrated circuit topographies; trade secrets (knowhow); brand names; trademarks and service marks; appellation of origins; and business names.

### III. FUNDAMENTAL PRINCIPLES OF ETHICS

The Company's reputation rests on the actions of each Employee.

Violation of the law or inappropriate Employee behavior may cause significant harm to the Company's reputation or financial standing.

All Employees must take care to establish, support, and promote a positive Company reputation, regardless of their position, function, or area of activity.

All Employees assume the obligation to work conscientiously and uphold the following principles, which lie on the foundation of the Company Code of Ethics:

- legitimacy – to fully comply with all requirements of the current legislation, regulations, and provisions;
- honesty – to act in accordance with the high standards of business ethics and facilitate the resolution of all Conflicts of Interest, both evident and not, which occur as the result of the mutual influence of personal and professional activities. To ensure the security, integrity, and appropriate and conscientious use of Company assets;
- transparency – in your own competency, to promptly and fully disclose all required information to Russian and foreign state and regulatory bodies, investors, and other interested parties;
- confidentiality – to observe the requirements of internal Company documentation regarding the protection and use of Confidential and Insider Information received while fulfilling one's professional obligations;
- involvement – to promptly notify the Company of any Employee violations this Code and to help promote the positive reputation of the Company.

If Company activity extends to countries where the effective legislation, regulations, provisions, business practices, and social norms differ from those of the Russian Federation, then the Company shall uphold the policy of observing both national and local legislation. Illegal acts committed by Employees shall not be justified in situations where defined behavioral standards are prohibited by law but not enforced, and thus such violations are not subject to state criticism or prosecution. If the effective legislation contradicts the Code or Employees doubt the legitimacy of their actions, they must immediately notify the Department of Security or CEO.

#### **IV. CONFLICTS OF INTEREST**

Employees must make a total effort to prevent situations that lead to or may potentially lead to a Conflict of Interest. These situations may arise when cooperating with Company business partners and clients, including Vendors and government agencies. Employees and their Family Members should not take a personal interest in the activities of Company business partners. This regulation applies to all expected benefits from Company business partners, including the participatory interest and direct or indirect personal gains from conducting negotiations with the participation of the Company.

Employees are not entitled to engage in activities which effectively distract or disrupt the performance of their obligations to the Company.

All existing and potential Conflicts of Interest caused by essential terms and business relations must immediately be made known to the Department of Security or CEO by any means currently existing within the Company.

Employees have the right to perform any political, educational, charitable, or social activity under the condition that such activity does not influence the performance of their direct professional obligations, nor does it contradict or harm the interests of the Company.

#### **V. USE OF POSITION AND GIVING AND RECEIVING GIFTS**

Employees may not use their position for their own personal advantage, including:

- to receive gifts, rewards, or other personal benefit or for the benefit of a third party in exchange for providing any Company services, performing any activity, or transferring Confidential or Insider Information;
- to receive gifts, rewards, or other personal benefit or for the benefit of a third party currently in negotiation with the Company, including both before and after negotiating the conclusion of an arrangement or agreement;
- to receive gifts, rewards, or other benefit on any grounds not provided for in any Company documentation, the resolutions of all gathered participants, or employment contracts, for personal benefit or the benefit of a third party, while performing their professional obligations;
- to receive services, including credit and loans, from parties directly or indirectly connected to the Company, except for lending institutions or service vendors who offer credit or similar services to third parties under comparative conditions in the normal course of business.

Gifts and events should not be given or received with the intention of influencing the impartiality of a decision. Gifts and events should not be perceived as a means to incite the recipient to perform any action.

The giving or receiving of gifts in the form of cash is prohibited.

Gifts and hospitality expenses cannot be accepted or provided if the receipt or provision of such gifts oblige the recipient in any way.

In any situation where the legitimacy of an offer or receipt of gifts is called into question, Employees must notify the Department of Security or CEO by any existing means within the Company.

## **VI. CONFIDENTIAL AND INSIDER INFORMATION**

Employees with access to Confidential and Insider Information (whether the information was provided by the Company or not) may use it only in performing their professional obligations. Employees must prevent the transfer of Confidential and Insider Information to third parties, including Family Members and other Employees unless provided for by law or internal Company regulatory documentation.

The obligation to preserve Confidential and Insider Information extends beyond the termination of the professional relationship or term of employment.

## **VII. ANTI-CORRUPTION AND APPROPRIATE PAYMENT**

Company develops and takes measures to prevent corruption, including:

- identifying a department or company officer responsible for preventing corruption and other crimes;
- cooperating with law enforcement agencies;
- developing and implementing standards and procedures aimed at ensuring honest work;
- adopting a code of ethics and code of corporate conduct for Company Employees;
- familiarizing Employees with the Code of Ethics;
- preventing and regulating Conflicts of Interest;
- preventing unofficial reporting and use of fraudulent documents.

Employees are prohibited from making "Inappropriate Payments", i.e. payment in any form (cash, commission, gift certificates, services, discounts, loans) for receiving benefits, solving questions, completing administrative procedures (including faster or simpler), unless provided for by legislation.

The offer, requirement, guarantee, or agreement to accept Inappropriate Payments are all equally prohibited.

## **VIII. COMBATING FRAUD, MONEY LAUNDERING, AND FINANCING TERRORISM**

Fraud in any form is prohibited in the Company. Company undertakes actions to prevent and detect fraudulent activity. Compliance with the regulations of the Company Code is one means to preventing fraud.

Selectel Ltd. reserves the right to inform law enforcement agencies of any incidents of fraud that become known to the Company. Company complies with all legal requirements for combating money laundering and financing terrorism. Company takes risk management measures available under the circumstances related to money laundering and financing terrorism.

## **IX. CO-WORKER RELATIONS, RELATIONS WITH BUSINESS PARTNERS AND COMPETITORS**

Employees shall respect their co-workers and all client and business partner representatives, regardless of their age, work ability, sex, citizenship, ethnicity, race, religion, sexual orientation, and other factors that in no way impact the business interests of the Company.

In interacting with co-workers, clients, and business partners, Employees refrain from any manipulation, suppressing or distorting information, abusing their position, and all other disreputable business conduct.

Company observes the principles of free and open competition. All Employees must follow regulations of fair competition and observe effective anti-monopoly laws.

Company does not permit any competitive information be obtained illegally or the spreading of false information about competitors or their activities.

## **X. PURCHASING FROM AND INTERACTING WITH VENDORS**

Company expects Vendors to share Company's principles of ethics and their activity to conform to current legislation. Company strives to cooperate only with Vendors whose own activities are governed by principles of law, don't approve of corruption, respect human rights, and care about the occupational safety and health of Employees.

In arranging and executing purchases, Company is governed by the following principles:

- transparency of purchase;
- equality, honesty, lack of discrimination and unfounded competitive limitations in terms of making purchases;
- targeted and cost-effective spending for obtaining goods, work, services, and implementing measures to reduce customer expenses;
- lack of restrictions for making purchases by setting unfounded raised requirements to making purchases.

All Employees must act as transparently and conscientiously as possible while arranging and executing purchases.

All Employees must pay special attention to observe Federal Law "On Procurement of Goods, Works and Services by Certain Types of Legal Entities", Federal Law "On the Contract System of the Federal and Municipal Procurement of Goods, Works and Services", and other statutory and regulatory acts and internal Company documentation governing public purchases.

## **XI. DONATING TO POLITICAL ACTIVITIES, CHARITIES, AND SPONSORSHIP**

Company does not donate to any political activity.

Company understands its duty to society and takes part in supporting charitable and social initiatives. Company has a positive stance on Employees participating (privately) in charitable and social initiatives, provided such activity does not contradict Company interests, does not violate the terms or conditions of the law or this Code, and does not create any Conflict of Interest. Company does not make donations that could damage Company's reputation, particularly donations to commercial organizations. Employees are prohibited from making donations on behalf of the Company.

All donations should be open and transparent and the aim for the donation should be clear. The donation should comply with the law and be documented.

All sponsored contributions should be documented and transparent. Sponsored donations are made based on written consent and exclusively for legal purposes. The amount of the sponsored contributions should correspond to a sponsored event. Donations may not be made to receive an unfounded competitive advantage.

## **XII. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL SAFETY**

Company contributes to the protection and stable development of the environment. Company supports made in this field by Russian and international organizations.

By participating in various projects, Company does not ignore nor deviate from observing applicable legislation regarding environmental protection.

Company does not permit the restriction of labor laws and freedoms or the receipt of any advantages based on sex; race; skin color; nationality; language; origins; financial, family, social, or professional status; age; residence; religious affiliation; beliefs; affiliation or non-affiliation with non-governmental organizations or any social group; or any other circumstance unrelated to Employee's professional qualities.

Company complies with all legal requirements regarding occupational safety. Company develops and implements a series of occupational safety measures, including providing workplace safety, Employee training, and control measures.

## **XIII. PROTECTING AND USING COMPANY ASSETS**

Employees must ensure the security, integrity, and appropriate and conscientious use of Company material and intangible assets. Employees must take all measures to prevent the negligent, illegal, or ineffective use of Company assets. The use of Company assets for personal goals is prohibited.

Company's Intellectual Property is a key asset. Disclosing information intended for internal use to third parties may harm Company assets.

Employees must respect the legal rights and interests of third parties and prevent the unlawful use of third parties' Intellectual Property in their work.

## **XIV. DISCLOSING INFORMATION AND EXTERNAL COMMUNICATION**

Employees take all necessary measures to ensure the prompt and complete provision of information to Russian and foreign state and regulatory bodies, as well as Company members, investors, and other interested parties. This information must meet all requirements issued by the legislation and not contain any knowingly false information or omissions. This procedure is effective for any disclosure of information regarding the Company.

Special attention is paid to the disclosure of information regarding Company financial standing, the preparation of which should honor the following principles:

- to prepare financial and accounting documents as well as Company reports in accordance with the effective legislation;
- to comply with the requirements of financial reporting and record-keeping standards and internal control systems when preparing accounting and financial reports;
- to accurately and completely reflect all necessary entries and completed financial operations in Company financial and accounting documents, including all necessary supplementary information;
- to accurately reflect Company assets, liabilities and equities, profits, and losses in Company financial and accounting documents;
- to not include any knowingly false or intentionally modified information in Company financial and accounting documents;
- to reflect all operations with the corresponding entry, showing the necessary details, and indicating the associated accounts and relevant billing period;

Information is disclosed according to the terms and procedure provided for by the legislation and internal documentation and by authorized Employees.

All Employees must comply with Company established regulations for interacting with the media.

It is not permitted to make any public statements or discuss any topics pertaining to Company activities with media representatives. Such activities are permitted provided it is a part of one's job description and approved by internal Company documentation.

## **XV. COMPLIANCE WITH CODE OF ETHICS AND REPORTING VIOLATIONS**

Employees must comply with this Code of Ethics and report any existing or potential violations of this Code or current legislation, regulations, or provisions. The sooner this is done, the lower the potential risk for the Company.

A suspected violation of this Code of Ethics can be reported by the following means:

- notify the Company Department of Security;
- notifying the Company CEO.

Employees may report a suspected violation of this Code of Ethics anonymously without providing their personal information. Nevertheless, if an Employee identifies themselves, Company may cooperate with them during the investigation and give feedback regarding the results of the investigation.

Company guarantees that Employee's personal information, as well as the information given, will be used confidentially, only in order to conduct an investigation, and only by individuals directly taking part in the investigation.

Company must prevent reactionary measures taken against the individuals who report such violations. Harassing and pressuring Employees who report violations of the Code or who participate in the investigation of such violations is prohibited.

Investigations are immediately conducted in response to all reports of violations, and if the information is verified, measures are taken to resolve the violation. If required by law, materials will be submitted to the relevant federal agency.

Employees should not refuse to cooperate with Company during an investigation. Intentionally false or misleading information is forbidden.

Employees who permit a violation of the effective legislation, regulations, and provisions of this Code, regardless of the circumstance, may be subject to disciplinary action according to the Current Demands and are liable under effective legislation.

Employees may contact their direct supervisor or an employee of the Department of Security with any questions pertaining to the compliance of this Code.

## **XVI. FINAL PROVISION**

The Selectel Ltd. Code of Ethics is approved by the Company CEO.

The Company CEO reserves the right to make changes or amendments to this Code based on the interests of the Company, its members, investors, and other interested parties, at any time and with or without notification.