


**Appendix 1
to Instruction of PJSC “Rostelecom”
No01/02/57-19 of 6 December 2019**

**APPROVED
by Resolution of the Management Board
of PJSC “Rostelecom”**

**Minutes No12
of 3 December 2019_**

**Rostelecom Anti-corruption Policy
(Version 3)**

**Moscow
2019**

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STATEMENT BY ROSTELECOM PRESIDENT MIKHAIL OSEEVSKIY

Dear Colleagues,

We can often hear the word "corruption", but we do not always clearly understand what is behind this term. The document you are reading now is intended to establish standards of staff conduct to prevent corruption in our Company.

Rostelecom is currently undergoing transformation into a digital service provider, extending the range of products, expanding the customer base and improving the service quality. All these transformations would be impossible without involvement of every employee, without fostering the atmosphere of trust within the Company and winning confidence of our customers.

Corruption is our worst enemy on this path. Any inappropriate actions would undermine the credibility of our Company, result in degradation of relationship and damage Rostelecom's image. Nevertheless, it is within our power not to let this happen. Therefore, it is essential that everyone should not only read the Anti-Corruption Policy, but also adhere strictly to all the provisions and rules stated in it.

As early as in the XIth century a famous Chinese reformer Wang Anshi in his writings on corruption pointed out two principle sources of corruption: "ineffective laws and bad people". Rostelecom Anti-Corruption Policy should help us establish clear "rules of the game" that will leave no room for "bad people" in our Company.


For quite a number of years Rostelecom has been consistently pursuing activities aimed at combating corruption and raising standards of business ethics that are translated by the Company to its subsidiaries and affiliates. The Company has set up a hotline for reporting any potential violations that can be used anonymously by any employee. Adoption of an updated anti-corruption policy is a logical continuation of this work and an important step forward in improvement.

It is important to realize that fighting any manifestations of corruption in Rostelecom will not be formal. Everyone will bear responsibility for his/her actions - from the CEO down to the lowest rank employee.

Mikhail Oseevskiy
President

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1 The Purpose

Corruption Prevention Management Framework (hereinafter the CPMF) has been developed by the Company, properly documented, implemented, put in place in the Company, and maintained, regularly reviewed and improved wherever required.

Rostelecom Anti-corruption Policy (hereinafter the “Policy”) is the cornerstone of the Corruption Prevention Management Framework and shall set forth basic principles and requirements regarding compliance with provisions of the Anti-corruption Law by Rostelecom Employees, the Internal Audit Commission, Business Partners and by other persons.

The Policy is consistent with the Company goals and shall serve as the basis for setting, revising and achieving Corruption Prevention goals in the following areas:

- mitigation (elimination) of the Corruption Risks, fraught with involvement of the Company and/or its Employees regardless of their positions in any corruption activity;
- seeking common consistent understanding by Business Partners, Employees and other persons of the Policy of rejection of any form and manifestation of corruption;
- generalization and clarification of key requirements of the Anti-corruption Law as applicable to the Company and its Employees;
- stipulation of the Employees’ duty to understand and comply with principles and requirements of this Policy, the CPMF provisions and requirements, key provisions of the Anti-corruption Law, and reasonable measures of Corruption Prevention.

The policy was developed pursuant to the current Russian Law, the Company Charter and other internal regulations and rules (hereinafter the “Internal Regulations”) given generally recognized principles and stipulations of the internal law, international treaties, and anti-corruption statutes.

All the Company’s Employees shall be obliged to strictly comply with principles and requirements of the Company’s CPMF as a whole and this Policy in particular.

Principles of the CPMF as a whole and this Policy in particular shall be applicable to the Company’s Business Partners and Employees, as well as to other persons where such duties are prescribed in contracts with such persons, in their internal regulations, or directly stipulated in current law and statutes.


This Policy shall take effect as of its approval as appropriate.

2 General

2.1 Scope

Requirements of this Policy shall be applicable to all Employees of Rostelecom.

Application of this Policy in the Company Branches: for guidance.

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2.2 References

The following legal documents are referenced to in this Policy:

- Federal Law 273-FZ of 25.12.2008 “On Combatting Corruption”;
- General Guidelines for development and adoption by the Operators of measures of preventing and combatting corruption (issued by the Russian Ministry of Labor and Social Care on 08.11.2013);
- [Charter of Rostelecom](#);
- [Code of Ethics of Rostelecom](#);
- [Procedure of drafting documents to be submitted for review by Rostelecom Management Board and Board of Directors](#);
- [Rostelecom file management guidelines](#);
- [Rostelecom record management procedure](#);
- [Rostelecom glossary of terms and definitions](#).

2.3 Terms, definitions and abbreviations


For the purposes of this Policy, terms and acronyms defined in Rostelecom glossary of terms and definitions, as well as the following terms are used:

The Anti-corruption Law shall mean the following: Federal Law No273-FZ of 25.12.2008 “On Combatting Corruption”, Russian Criminal Code, Russian Civil Code, Russian Administrative Offences Code, as well as other Russian Federal Laws and statutes and subordinate legislation and regulations that contains provisions and stipulations aimed at combatting corruption, as amended and/or supplemented from time to time.

Charity Activities shall mean voluntary activities of individuals and entities consisting in transfer to individuals or entities of property, execution of work for such other individuals or entities, supply of services, provision of other support to them free of charge or under preferential terms and conditions. Remittance of monetary funds or provision of other tangible items to governmental authorities and local municipal administrations, for-profit organizations, and support of political parties, movements, groups and campaigns shall not be deemed charity activities.

Bribe is defined as money, securities, other property, received by, or illegal provision of services of pecuniary nature, property rights or the provision of other property benefits to a public official or officer of a public international organization for the acts or omissions by such public official in favor of the bribe giver or any parties that represent the bribe giver, if such acts or omissions fall within the range of the *ex officio* powers of the public officials or if such a public official can, by reason of his or her *ex officio* status, foster such acts or omissions, or for general patronage or connivance in service.

Public Official shall mean any Russian or foreign individual, whether appointed or elected, holding a position of authority in any legislative, executive, administrative or judicial body or international organization; anyone executing a public function for the state, including for a state authority, institution or enterprise; or leading politicians, officials of political parties,

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including candidates to political positions, ambassadors, heads and officers of state bodies, institutions and enterprises.

Business Partner shall mean a party with which the Company has made or intends to make a contract or other deal, with the exception of Customers.

Customer shall mean a natural person or entity, including carriers, which made a service contract with the Company, or which use the Company services without making any formal contract or agreement, or intending to make a contract.

Commercial Bribery (in For-Profit Organizations) shall mean any illegal transfer of money, securities, or any other property or illegal provision of services of pecuniary nature or grant of other property rights to a person who discharges the managerial functions in a for-profit or any other organization, for actions or omissions in the interests of the giver, in connection with the official position held by such person (part 1, Art. 204 of the Russian Criminal Code).

Corruption Risks shall mean exposure to risks of legal penalties or penalties imposed by regulatory authorities, risk of suffering material financial losses or damage to the Company's business standing, resulting from the Company's failure to conform with requirements, provisions, stipulations and/or standards of applicable Russian and foreign anti-corruption laws and internal policies and regulations relating to the scope of the Company activities and operations.


Company-controlled organization shall mean a company:

- which is either controlled by the Company through direct or indirect ownership of more than 50% voting shares, or where the Company has the power to determine decisions made by such company;
- or
- where the Company directly or through its subsidiary can materially influence operations of such company.

Conflict of Interest shall mean a situation where personal interests (whether direct or indirect) of an Employee and/or his/her Associated Person, affect or may affect proper, unbiased and objective performance by such person of his/her job or official functions (or exercise of his/her powers).

Corruption shall mean any abuse of position of power, giving a bribe, receiving a bribe, abuse of authorities, Bribery of officers in for-profit organizations, or any other inappropriate or illegal use of one's own position of power, contrary to legal interests of public and state, in order to obtain benefits in terms of money, things of value, other property or services of pecuniary nature, or other property rights for oneself or third parties, or illegal provision of such benefits to such person by other individuals, as well as undertaking of actions listed above, on behalf and for the benefit of a legal entity.

Personal Interest shall mean an opportunity for an Employee to receive monetary income or other property including property rights, services of pecuniary nature, proceeds from

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executed works or other benefits (preferences) for such person and/or his/her Associated Persons.

Illegal Remuneration shall mean any illegal payment, or offer or promise on behalf or in the interests of the Company, of money, securities, other property, or illegal provision of services of pecuniary nature, grant of property rights to a public official for the acts or omissions by such public official committed by such official in the interest of the Company, where such acts or omissions are related with *ex officio* powers of such public official.

The Company shall mean PJSC Rostelecom, including its branches and representative offices.

Charitable Gift shall mean a thing or right granted as a donation for the public good.

Representative Office of the Company shall mean a separate subdivision of the Company located outside of the Company's domicile and representing and protecting the Company's interests.

Corruption Prevention shall mean activities of organization aimed at instilling corporate culture components, putting in place organizational structure, rules and procedures as prescribed by internal policies and regulations to ensure preclusion of corruption offences.

Combatting Corruption shall mean activities of the Russian federal governmental authorities, those of Russian constituent entities, local municipal authorities, civil society institutions, organizations and physical persons within their respective powers:

- a) to prevent corruption, including identification and subsequent elimination of corruption motives (corruption prevention);
- b) to identify, prevent, terminate, reveal and investigate corruption offences (fighting corruption);
- c) to mitigate and/or eliminate consequences of corruption offences.


The Top Management shall mean President, First Vice President, Senior Vice Presidents, Vice Presidents, Chief Accountant, and executives acting for such persons.

Associated Persons shall mean immediate or close relatives, including broad family of an Employee (his/her parents, spouses, children, brothers and sisters, as well as brothers, sisters, parents, children of spouses and children's spouses), individuals or organizations which are associated through property, corporate or other close relationship with the Employee and/or his/her close relatives or connections.

Office of Assurance of Compliance with Anti-corruption Provisions shall mean Asset Protection Department (hereinafter APD) which has requisite powers and is responsible for CPMF control.

CPMF shall mean a consistent system of corruption counteraction measures and controls as regulated by requirements of ISO 37001:2016 international standard.

Employee shall be used in reference to all individuals hired by PJSC Rostelecom under relevant employment contracts/agreements, both full-time and part-time, as well as to

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persons performing works for (providing services to) the Company on the basis of civil law contracts, throughout the entire duration of the effective term of the relevant contract.

Sponsorship shall mean provision or ensuring provision of funds to an organization for arrangement and/or implementation of a sports, cultural or any other event, creation of and/or broadcasting of TV or radio programs or creation and/or using of any other result of creative activities.

Branch of the Company shall mean a separate subdivision of the Company located in places other than the Company's location and performing all or any part of the Company's functions.


3 Anti-corruption Law

The Company and Employees shall adhere to compliance with provisions of the Anti-corruption Law, generally recognized principles and stipulations of the international law and international treaties of the Russian Federation, as well as with principles and requirements of this Policy worldwide.

Key requirements of the Anti-corruption Law can be stated as follows:

- prohibition of giving Bribes, i.e. provision of or promise to provide any financial or other benefit/advantage with an intent to induce a person to improperly perform the person's official duties;
- prohibition of receiving Bribes, i.e. acceptance of or consent to accept any financial benefit/advantage for improper performance of one's official duties;
- prohibition of bribery of any public official, i.e. providing or promising to provide (directly or via any third persons) to any Public Official any financial and/or other benefit/advantage in order to affect performance of his/her official duties with an intent to win/retain business or secure competitive or other preferences for a commercial organization;
- prohibition of conniving in bribery, i.e. lack of adequate controls in a for-profit organization, aimed at preventing provision or acceptance of Bribes by such organization's Associated Persons in order to win or retain business, or secure commercial and competitive advantages;
- prohibition of Commercial Bribery, i.e. providing to a person performing managerial function in a for-profit organization any financial or other benefit/advantage in the interests of the bribe-giver in connection with the official position held by such person;
- prohibition of mediation in bribery, i.e. prohibition of giving a bribe directly to a public official, foreign public official or official of a public international organization (the "bribe-taker") on a commission of the bribe-giver or bribe-taker, as well as prohibition of any other facilitation to a bribe-giver or bribe-taker in accomplishing or implementing any their consent to give and take a Bribe.

In the above context Employees are strictly prohibited from directly or indirectly, either personally or via third person mediation in taking part in any corruption activity, or offering,

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giving, promising, asking for and accepting Bribes (Illegal Remuneration), or making any payments to facilitate completion of any administrative, bureaucratic or other formalities in whatever form, including but not limited to in the form of cash funds, things of value, services or other benefits, to any persons and from any persons or organizations, including for-profit organizations, public governmental and self-administration authorities, Public Officials, private companies and representatives thereof, as well as being involved in conniving Corruption.

4 Key principles of the Policy

4.1 Mission of the Top Management

The Company Top Management shall establish an ethical standard of "zero tolerance" of any forms and manifestations of Corruption at all levels, setting an example by their behavior and ensuring awareness of all Employees and Business Partners with this Policy.

4.2 Powers and liability of the Office of Assurance of Compliance with Anti-Corruption Standards


Implementation of the standards and requirements of CPMF and anti-corruption law, as well as control over compliance with them in the Company, rests with the Asset Protection Department (hereinafter – the "APD"), which is independent of monitored procedures and business processes elements (hereinafter – "BP"), in which CPMF standards and requirements are integrated. APD is also entitled to directly approach the Top Management wherever it is necessary to escalate any issue or problem related to corruption or CPMF operation to a higher level of priority. APD is empowered with sufficient authority and resources for the development and introduction of CPMF requirements and compliance with them by the Company.

The Head of the APD as a body ensuring compliance with anti-corruption standards is responsible for and authorized to perform:

- development, implementation and maintaining in a proper working order of the processes required for CPMF operation;
- collection and analysis of data on CPMF operation and provision of a relevant report to the member of the Top Management who is responsible for CPMF;
- planning, carrying out, controlling and issuing reports on audits of CPMF;
- management of the persons made responsible for CPMF under CPMF operation;
- consulting and provision of recommendations to Employees on CPMF and Corruption prevention;
- making arrangements for and carrying out training on CPMF.

4.3 Non-acceptance of corruption

The Company adheres to the principle of non-acceptance of corruption in any form ("zero tolerance" principle) in the course of financial and business activities, including cooperation with Business Partners, Public Officials, its own Employees or any other persons.

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4.4 Inevitability of punishment

The Company adheres to the principle of inevitability of punishment for Employees, regardless of their position, length of service, status and other relation to the Company for any forms and manifestations of corruption, and is fully responsible for consideration of the facts of Corruption-related violations, holding the perpetrators liable in the manner established by applicable law and Internal Policies and Regulations.

4.5 Periodic assessment and mitigation (elimination) of Corruption Risks

As part of the activities aimed at reduction of the impact of Corruption Risks, APD, alongside the Company Risk Manager, regularly carries out identification and undertake follow-up effort to reduce the impact of Corruption Risks, paying particular attention to the risks identified through the analysis of internal and external factors affecting the Company, typical for its activities, regions of presence, as well as potentially vulnerable business processes. The Company develops and implements anti-corruption procedures that are reasonable and adequate to the level and nature of identified risks.

4.6 Cooperation with Business Partners

The Company seeks to cooperate only with trustworthy Business Partners who in their activities adhere to the principles of legality, transparency and are ready to comply with the requirements of this Policy and Anti-corruption Law and provide assistance in terms of ethical conduct of business and Corruption Prevention.

The Company strongly encourages adoption by its Business Partners of corporate documents similar to this Policy as regards prevention of involvement in corruption activities.


4.7 Cooperation with Public Officials

The Company shall refrain from payments of any expenses of Public Officials and their Associated Persons (or to their benefit) in order to obtain or keep benefits in commercial activities, including payments of expenses for transportation, accommodation, food, entertainment, etc., and also from provision to them of any other benefits at the expense of the Company.

4.8 Provision of information and training

The Company shall make this Policy public by posting it on the Company website in the information and telecommunications network "Internet" at www.company.rt.ru, make all its Employees aware of it, publicly declare its non-acceptance of corruption, welcome and encourage compliance with principles and requirements of this Policy by its Employees, Business Partners and others.

The Company shall facilitate improvement of anti-corruption culture by informing and training Employees and Business Partners in order to keep them well-informed about fighting Corruption.

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4.9 No-retaliation policy

No sanctions can be applied to an Employee for:

- refusing to give or take a bribe, commit commercial bribe or act as an intermediary in bribery including cases when as a result of such refusal the Company suffers damage, loses profit or does not receive commercial and/or competitive advantages;
- an honest report of alleged violations of this Policy, CPMF and Anti-corruption Law, instances of Corruption, other abuses or inadequate efficiency of current CPMF control procedures (except for cases of committing a violation by an Employee himself).
- refusal to participate in any operation where an Employee reasonably assumed the presence of a Corruption Risk of a level, higher than the average level determined by the Company.

4.10 Monitoring and control

The Company shall monitor efficiency of adopted procedures focused on Corruption Prevention, control adherence to them and enhance them when necessary. The Company shall perform internal CPMF audits.

4.11 Continuing CPMF enhancement

The Company constantly works on continuous improvement of the corporate CPMF through monitoring, updating and revision of financial and non-financial controls, conducting internal CPMF audits, comprehensive audits through implementation of corrective activities plans, as well as decisions of the Top Management taken on the basis of periodic reports on CPMF performance.

5 Directions of the Policy


5.1 IPRs development and implementation

In addition to CPMF components that are integral to the Company business processes, based on which a scheduled review is carried out with account of a systematic analysis, and, if necessary, changes are made in order to improve CPMF operation, the Company performs anti-corruption expertise of the key corporate Internal Policies and Regulations and their draft versions to identify provisions contributing to Corruption (corruption-causing factors), and work out proposals for their elimination.

5.2 Conflict of Interests

Under CPMF, the Company has adopted procedures to manage a Conflict of Interests. Management of conflicts of interests is one of the major anti-corruption mechanisms; in this regard, the Company pays great attention to prevention of realization of Corruption Risks and their mitigation.

Any Employee in the course of performing his/her duties shall be guided by the interests and goals of the Company and avoid situations or circumstances in which his private interests would contradict the interests and purposes of the Company. In the event of a

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Conflict of Interests (or a possibility of thereof), an Employee shall report this to the Company so that relative responsive measures could be taken.

5.3 Gifts, business hospitality and entertainment expenditures

Gifts and business hospitality, including performance of works, provision of discounts, rewards and other benefits, shall not put the receiving party in a dependent position. Employees may accept from third parties and offer business gifts and business hospitality, if those gifts comply with all of the following principles:


- they meet the requirements of the applicable law and internal regulations of the Company;
- they cannot be deemed as commercial bribe or an attempt to bring influence on proper and unbiased performance by the Parties of their duties;
- they are not received or offered on a regular basis;
- they do not create reputational or other risks for the Company in the event of disclosure of information about gifts or hospitality expenditures;
- they are not offered or received in the course of procurement procedures and/or during direct talks when making contracts with the Company business partners.

Employees shall under no circumstances accept gifts from business partners and other third parties in the form of money, either in cash or non-cash, regardless of the currency, or ask for any gifts or personal benefits of any kind, inter alia, on behalf of the Company, its employees or representatives.

It is not allowed to give any gifts to Public Officials, with the exception of gifts stipulated by applicable law of the Russian Federation. An Employee giving a gift to a Public Official shall study the basic documents confirming the value of the gift, and be ready to confirm the purpose and reason for giving the gift to avoid any suspicions of bribery. In accordance with the Russian applicable law, any gift, regardless of its value, business hospitality or entertainment, provision of money-related services can, under certain circumstances, be regarded as a Bribe or Illegal Remuneration if the gift is given for an action (omission) of a Public Official or business representative or as a general favor or oversight as regards performance of his/her professional duties related to the occupied position. If there is any doubt about giving or receiving a gift, an employee may contact the APD for guidance.

5.4 Training

The Company provides both distance and full-time training to Employees on the Code of Ethics of PJSC "Rostelecom" and requirements of the Anti-corruption Law. Employees newly hired by the Company shall take the introductory distance-training course "The Code of Ethics of PJSC "Rostelecom", which includes, *inter alia*, requirements for compliance with the Anti-corruption Law. In addition to this training, Employees holding high-rank positions or positions suggesting a high bribery risk, shall take a mandatory profound course on Corruption Prevention in a general distant or face-to-face learning format.

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5.5 Comprehensive and corporate audit

One of the most important CPMF elements is a comprehensive audit carried out in relation to the Company Employees, Business Partners, as well as individual projects, works, transactions or relationships. The comprehensive audit aims to check the correctness, actuality, accuracy, sufficiency, transparency and information capacity of implemented business processes in terms of compliance with the Anti-corruption law, CPMF and this Policy.

The Company refrains from cooperation with Business Partners or staff if such cooperation results in violation of the principles and requirements of this Policy or provisions of the Anti-corruption law.

The Company shall make reasonable efforts to minimize the possibility of realization of Corruption Risks in relation to its Business Partners that may be involved in corruption activities, as well as with regard to Employees whose duties are also subject to corruption risks, for which end a comprehensive audit is performed before starting interaction.

In order to comply with the principles and requirements set forth in this Policy, the Company shall include anti-corruption provisions (clauses) in contracts or agreements made with its Business Partners and employment contracts of Employees whose duties are subject to Corruption Risks, and shall reserve the right to terminate the contracts in the event of detection of any corruption activities on the part of a Business Partner or Employees whose duties are subject to corruption risks.

In case of realization of a risk of violation of CPMF requirements, this Policy, provisions of the Anti-corruption Law or detection of instances of Corruption, measures shall be taken to evaluate these events and, if necessary, corporate audits are performed. Appropriate measures shall be taken based on the results of the corporate audit.


5.6 Participation in Charity and Sponsorship activities

The Company, as a socially responsible member of Society, carries out Charity activities. The Company does not finance charitable and sponsorship projects in order to obtain or keep commercial benefits, nor does it make donations to political activities.

The Company controls intended use of the funds provided in the course of Charity and Sponsorship activities.

Information on Charity and Sponsorship activities is available at the Company website in the Internet information and telecommunications network - <https://www.company.rt.ru>, or is disclosed in another way, *inter alia*, through mass media.

Employees are entitled, in accordance with the Russian Federation applicable law, to be members of public associations, such as political parties, public organizations, citizen groups, public funds, and other non-profit organizations, which do not aim to obtain or keep an advantage for the Company as regards commercial activities.

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5.7 Interaction with intermediaries and third parties

The Company and its Employees are not allowed to engage or use intermediaries, partners, agents or any other third parties to perform any activities that contradict the principles and requirements of the Anti-corruption Policy or provisions of the Anti-corruption Law.

The Company ensures the existence of verification procedures with respect to intermediaries, partners, agents, and other third parties to mitigate or prevent risks of involvement of the Company in corruption activities.

To implement the principles and requirements envisaged by the Policy the Company includes anti-corruption terms (reservations) and provisions in contracts made with intermediaries, partners, agents and other third parties.

5.8 Financial and non-financial control

CPMF procedures include financial and non-financial control. All financial and business operations shall be entered in the Company book and tax records, documented and made accessible for an audit.

Provision of inaccurate information on the financial situation and material position as a result of violation of the established procedure for bookkeeping and tax accounting and misrepresentation of accounting, statistical, tax and financial statements is not allowed.

As part of the Company business processes system, anti-corruption control measures are integrated into the main processes. No distortion of information related to non-financial control measures is allowed either.


5.9 Handling violations reports

Under CPMF employees have an opportunity, acting with good intent or by reasonable assumption, to report suspected or committed cases of corruption offenses or other violations, as well as CPMF failures through the use of feedback channels. These channels can also be used by Business Partners and other persons.

An employee that became aware of a violation of this Policy, the Anti-Corruption law or internal regulations by another employee, business partner or any other person, as well as of a coming or alleged violation, shall immediately report this openly or anonymously in one of the following ways:

- personally inform an employee of Asset Protection Department of the Company;
- dial the **8-800-1-811-811** "Lines of Trust" number of PJSC "Rostelecom";
- fill out a feedback form for receiving violation reports at Rostelecom anti-corruption portal - www.nocorruption.rt.ru;
- send a report to the following email address: ethics@rostelecom.ru.

Employees, Business Partners and other persons (hereinafter - the "applicants") may report their suspicions of violation of the requirements of this Policy or Internal Policies and Regulations anonymously without disclosing their personal data. Nevertheless, if an applicant introduces himself, the Company will be able to cooperate with him/her in the

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course of an internal audit and give him/her feedback on its results, which will increase the effectiveness in elimination of the violation.

By submitting personal data, the applicant confirms his/her consent to their processing pursuant to applicable law.

The Company guarantees that the applicant's personal data, as well as information provided, will be used on a confidential basis only for the purpose of conducting a corporate audit and only by those directly involved in carrying out the necessary activities.

The Company agrees not to allow any sanctions against bona fide applicants reporting such violations. Any harassment or pressure on applicants reporting violations and/or participating in corporate audits is prohibited.

5.10 Audit and control

The Company regularly performs internal and external audits of financial and economic activities, monitors the completeness and accuracy of the data entered in the accounting and tax records and controls compliance with the requirements of the Anti-corruption Law and internal regulations, including the principles and requirements established by this Policy.


As part of the internal control procedures, the Company carries out the check of:

- efficiency and effectiveness of activities, including meeting financial and operational values, the safety of assets;
- the accuracy of the accounting (financial) and other statements and their timeliness;
- compliance with applicable law while performing financial and economic activities, bookkeeping and tax accounting;
- CPMF operation, compliance with this Policy and CPMF requirements in the Company.

6 Corruption Prevention

Corruption Prevention in the Company is ensured by the following measures:

- applying a single Corruption Counteraction Policy at the Company level, forming the culture of zero tolerance of corruption by staff members;
- cooperation of the Company with government authorities, state-owned and commercial organizations, civic institutions with regard to combating corruption;
- taking measures aimed at a wider involvement of staff members in combating corruption, development in the Company of a negative attitude towards corrupt behavior;
- improvement of the Company's internal control system in terms of compliance with the requirements of the Anti-corruption Law;
- ensuring transparency, fair competition and neutrality in the course of financial and business activities of the Company and its cooperation with Business Partners;

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- improvement of the procedures governing the use of the Company's property and resources and mechanisms of transfer and disposals of property rights;
- training and consultation of employees with regard to combating corruption;
- introduction into Company's HR practices of certain compliance requirements for the Company executives and candidates for the Company senior management;
- implementation in the Company's HR practices of rules according to which long-term, impeccable and effective performance by an Employee of his/her duties in compliance with this Policy shall be taken into account when making a decision on employee's promotion;
- improvements in the anti-corruption portal nocorruption.rt.ru aimed at making Employees, Business Partners and other persons more knowledgeable in law.

7 Reports

Based on the outcome of effort to control and monitor compliance with provisions of this Policy and CPMF requirements, the Anti-corruption Law, as well as on the analysis of their effectiveness and sufficiency, relevant reports are generated on a regular basis. The reports are submitted to the Top Management to confirm that CPMF is adequate for management of identified Corruption Risks, compliance with the requirements imposed on CPMF by the Company, and its effective and efficient application. Based on the results of reporting, the Top Management will make decisions related to the possibilities of CPMF improvement.

8 Liability

The Company Employees, regardless of their position shall be held liable according to applicable law and/or the terms of a labor contract for violation of the principles and requirements of the Policy, CPMF, the Anti-corruption Law as well as for the actions (omissions) of their subordinates resulting in violation of these principles and requirements.

Persons failing to meet requirements of the Anti-corruption Laws may be subject to disciplinary, administrative, civil or criminal liability at the initiative of the Company, law enforcement agencies or other third parties in the manner and on the grounds provided for in the legislation of the Russian Federation, internal documents of the Company and labor contracts.

9 Final provisions

Rostelecom Anti-corruption Policy is subject to approval by the Company Management Board.

At any time Rostelecom Management Board is entitled to make amendments and additions to this Policy based on the interests of the Company, its shareholders, investors and other stakeholders.