

# MAIL.RU GROUP LIMITED

## CODE OF ETHICS AND BUSINESS CONDUCT

### INTRODUCTION

The Board of Directors of Mail.ru Group Limited (the “**Company**”) sets the “tone at the top” by formulating our values and ensuring that ethical business standards, as contained in this code, are integrated into the strategies and operations of the Company and its subsidiaries (the “**Group**”).

The Company’s board has delegated responsibility for regular review of this code to the Remuneration Committee of the board.

It is the Company’s Group’s policy to conduct its business dealings on the basis of respect for the law and proper regard for ethical business practices. The Group’s success in the markets in which it operates is built on integrity in its business affairs. We strive to prevent situations that may compromise these principles in our dealings with customers, suppliers, government and other business associates.

For the purposes of this code, the “Code of Ethics Contact Person” will vary for directors, executive management and employees. In the case of directors or executive management the “Code of Ethics Contact Person” will be the Company Secretary, and in the case of all other employees the “Code of Ethics Contact Person” will be as determined by the management of the employee’s individual operating company.

### SCOPE AND APPLICATION OF CODE

This code applies to all directors and employees of the Group and their immediate family members. We seek to persuade, where possible, operations such as joint ventures and associates over whom the Company does not have management control, to conduct their business along appropriate lines.

### GUIDELINES ON CONDUCT EXPECTED FROM DIRECTORS

Directors are required to act honestly, in good faith and in a manner which they believe is in the best interests of the Company. In addition, directors must exercise their powers for a proper purpose and shall not act, or agree to the Company acting, in a manner that contravenes BVI legislation or the Company's Memorandum of Association and Articles of Association.

### GUIDELINES ON CONDUCT EXPECTED FROM EMPLOYEES

As a rule, the Group expects employees not to have or acquire outside interests, whether directly or indirectly, which may affect the employee’s judgement and loyalty with regard to the Group’s interests, if so employees must act in the interests of the Group. In addition, employees must endeavour to avoid situations involving not only actual conflict, but also situations that give the appearance of conflict between personal interests and the interests of the Group.

In complying with this policy, it is expected of employees to observe the following principles:



- To be truthful and conscientious in their approach to, and the performance of their work.
- To avoid relationships or interests, whether direct or indirect, that could adversely influence or impair their capacity to act with integrity and objectivity.
- To treat clients, customers, colleagues, competitors and third parties with dignity, integrity and respect and to communicate courteously.
- To observe a high standard of business ethics in all commercial operations.
- To comply with laws, regulations and the Group's rules, if any, relating to dishonesty, corruption and/or breach of the employee's duty of good faith towards the Group.
- To respect the diversity of people and avoid victimisation, whether due to gender, class, race, creed, colour, sexual orientation, marital or family status, age, nationality, association or disability.

## **USE OF GROUP ASSETS**

The Group's funds and assets are to be used for lawful corporate purposes only, and directors and employees should reflect all transactions properly and accurately in the accounting and administrative records of the Group. Where a director or an employee is required to deal with the Group's funds, it is his/her responsibility to use good judgement on the Group's or the Company's behalf.

## **CONFLICT OF INTEREST**

The following points are to be noted in respect of conflicts of interest:

- Without prejudice to the relevant provisions of the Articles of Association of the Company, no agreement or transaction between the Company and one or more of its directors or any person in which any director has a financial interest or to whom any director is related (including as a director of that other person) shall be void or voidable for this reason only or by reason only that the director is present at the meeting of directors or at the meeting of the committee of directors that approves the agreement or transaction or that the vote or consent of the director is counted for that purpose, provided that the material facts of the interest of each director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith or are known by the other directors. Where a director becomes aware of any actual or potential conflict of interest, he should bring it to the attention of the Board.
- Employees shall not compete with the Group or have any interest in suppliers, customers, competitors or business associates of the Group, either directly or indirectly, unless they have the approval of CEO or COO and it is an obligation on each such employee to bring any actual or potential conflict of interest to the attention of CEO or COO. The only permitted exception is the holding of not more than one (1) percent of the total issued share capital of public companies listed on a stock exchange.
- Certain companies in the Group are listed on a stock exchange and embargoes may be placed on share transactions from time to time by the Company Secretary in accordance with the applicable law. In such circumstances, no shares in the relevant Group company/ies may be traded during the embargo period.
- No director or employee, regardless of position, shall directly or indirectly solicit gifts or any other favours from any firm or individual dealing with any company in the Group, or accept anything other than ordinary social invitations, reasonable business entertainment or reasonable items such as calendars, pocketbooks, or any other common corporate gifts generally regarded as advertising or

promotional material (“**Promotional Items**”).

- Directors and employees shall not, under any circumstances, directly or indirectly accept from suppliers, competitors or customers payment of any kind for discharging their responsibilities. This includes, but is not limited to, expensive entertainment, vacations or pleasure trips, except those that are customarily accepted as common courtesy associated with proper business practice in each relevant market.
- Personal favours or preferential treatment offered or given to gain an improper advantage, are not to be accepted when offered by virtue of the director’s or employee’s position, as this may tend to put such a director or an employee under an obligation.
- Directors and employees must endeavour to remain free from any influence, interests or relationships that could impair their objectivity or impartiality. Directors’ and employees’ objectivity could be compromised by, for example:
  - acting in a fiduciary capacity for such enterprises
  - making loans to and taking loans from such enterprises, other than a financial institution in the normal course of business.

If any director or employee has reason to believe that his/her conduct might be in conflict with this code, he/she should consult the applicable Code of Ethics Contact Person and inform the other directors.

## **COMPETITION AND FAIR DEALING**

The Group aims to outperform competitors fairly and honestly. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent, etc. is prohibited. Each director and employee must respect the rights of the Group’s customers, suppliers, competitors and employees. No director or employee should take unlawful advantage of anyone through misuse of their proprietary information, misrepresentation of material facts, or any other illegal trade practice.

No director or employee may engage in illegal price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

## **BRIBERY AND CORRUPTION**

It is prohibited to offer, promise, give, demand or accept any illegal payment or other undue advantage to or from anyone in government and the private sector in order to gain, retain or direct business or to secure any other improper advantage in the conduct of business (but the foregoing should not be confused with the giving or receiving of Promotional Items).

## **POLITICAL CONTRIBUTIONS**

Individual directors and employees are free to make personal political contributions as they see fit. Except, as approved in advance by the chief executive/chairman of the Company or persons appointed by them, political contributions (directly or through trade associations) by the Group are prohibited. This includes:



- Any contributions of Group/Company funds or other assets for political purposes.
- Encouraging individual employees to make any such contribution.
- Reimbursing an employee for any contribution.

## **HEALTH AND SAFETY**

The Group aims to provide employees and directors with a safe and healthy work environment in accordance with the applicable laws. To this end, employees must maintain safe and healthy workplaces by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Directors and employees are expected to perform their company-related work in a safe manner, free of the influences of alcohol or controlled substances. The use of illegal drugs, violence and threatening behavior in the workplace will not be tolerated.

## **ENVIRONMENTAL PROTECTION**

Directors and employees are expected to follow applicable environmental laws and regulations.

The Company recognises that sustainable development and economic, social and environmental protection are global imperatives that result in both opportunities and risks for business. The Group aims to position itself to meet such challenges.

As the Group expands its business it aims to contribute, to the extent commercially possible and required by the applicable law, to the communities in which it operates; develop its own people; contribute to general economic prosperity; and minimise its impact on the environment.

## **CONFIDENTIALITY**

A director or an employee, while working for the Group and thereafter, is required to keep confidential and not to disclose any of the Group's trade secrets, confidential documentation or other information specified in accordance with the applicable law, technical know-how and data, drawings, systems, methods, software, processes, client lists, programmes, marketing and/or financial information to any person other than to persons employed and/or authorised by the relevant Group company who are required to know such secrets or information for the purpose of their employment and/or association with the Group.

## **REPORTING CONCERNS**

Any employee, user, partner, client, officer or director who knows or believes that any other employee or representative of the Group has engaged in conduct that violates applicable law or this Code should notify the Group of such violation. In particular, any employee, user, partner, client, officer or director may communicate any concerns or complaints relating to accounting, internal controls, auditing matters, disclosure, fraud and unethical business practices including, but not limited to, the following:

- Fraud or deliberate deviation from complete and fair reporting of the Group's financial position, earnings and cash flows;
- Fraud or deliberate omissions and/or errors in financial statements, financial records, their evaluation,

review or audit;

- False statement or misinterpretation of financial information by a senior officer of the Group;
- Non-compliance with the Group's Code of Ethics and Business Conduct;
- Deficiencies in internal controls over financial reporting;
- Misappropriation or unauthorized use of the Group's tangible or intangible assets, cash funds by an employee, officer or director;
- Attempt to engage an employee, officer or director into inappropriate business practice of illegal payments, bribes, kickbacks or other illegal methods.

Any person may submit on an anonymous basis a notification of any of the above facts without fear of dismissal or retaliation of any kind. Reports may be made orally or in writing and, if preferred, anonymously. Any concerns of the Group's employees, users, partners, clients, officers or directors may be addressed with:

- a manager or supervisor;
- the Company's Chief Security Officer;
- the Company's Chief Executive Officer; or
- the Chairman of the Audit Committee

Any concerns may be addressed using the Group's "Service of Trust" accessible via Intranet.

Employees retain the right to bypass their supervisor and report directly to the Audit Committee Chairman. To facilitate the process of raising concerns the Company implemented a Whistle blowing policy, a copy of which is available to all employees, officers and directors.

## **GENERAL**

In case of any discrepancies between the Company's Memorandum of Association and Articles of Association and this Code, the provisions of the Memorandum of Association and Articles of Association shall prevail.