

**“Code of Corporate Conduct and Business Ethics of
“MobiDram” Closed Joint Stock Company**

ABOUT THE CODE

What is the Code of Conduct and Business Ethics?

The present Code of Conduct and Business Ethics (hereinafter referred to as the “Code”) is the basic document of "M-Dram" Closed Joint Stock Company (hereinafter referred to as “M-Dram”, the “Company”), containing the key principles of conducting business, and the set of standards and requirements adopted in our Company for the purpose of complying with applicable laws, facilitating honest and ethical business practices and preventing violations.

The Code sets out the rules and standards to which the employees are expected to adhere in their daily work. The Company does not apply any business practices that contradict these rules and standards. In the cases that demand compliance with higher standards than those commonly accepted in commercial practice, or that fall under regulatory act of greater legal force pursuant to the effective law, M-Dram will adhere to and observe them.

Why do M-Dram and its employees need the Code?

M-Dram adheres to the principles of good faith and business ethics in order to:

- **comply with the requirements of applicable Armenian and foreign law and other binding normative documents;**
- **observe the interests of concerned parties;**
- **maintain a good business reputation.**

This is called “compliance”.

The Code helps the employees to make conscientious and reasonable decisions. It suggests where it is necessary to turn for advice in case of uncertainty about decisions or in case of violation of the provisions of the Code.

The purpose of the Code is to reinforce and demonstrate that the Company follows best ethical business practices and inform all concerned parties about this position of M-Dram.

Concerned parties are clients, suppliers, competitors, the mass media, Armenian and international regulatory agencies, and other third parties who might influence M-Dram, and whose activity might, in turn, be influenced by M-Dram.

Who shall be guided by the provisions of the Code?

The Code applies to:

- members of the Board of Directors;
- managers of subdivisions;
- all other M-Dram employees (hereinafter, the term “employee” shall be understood to mean all individuals to whom the Code applies).

The standards of corporate conduct and business ethics presented in the Code also extend to other individuals acting on behalf of or in the interests of the Company.

What is expected from me according to the Code?

The Company expects that all employees will work conscientiously and fairly. This requires that the employees:

- become thoroughly familiar with the Code and abide by the principles and procedures set forth herein;
- perform their duties pursuant to the local normative acts of M-Dram and the requirements of applicable law;
- prevent conflict of interest situations (for more details, read the section “Conflict of interests management”);
- bear responsibility for decisions made;
- inform the Company immediately about all identified or potential cases of dishonest behavior or unfair business practices;
- behave ethically in all cases where the employee is acting on behalf of the Company or may be associated with it.

We are confident that only a conscientious business is sustainable!

Situations arise in our work in which it is not always possible to determine clearly which decision to make in order to demonstrate honest and fair behavior. The code is not an exhaustive set of rules that can be applied to every ambiguous situation. If you do not know what to do, ask yourself the following questions:

- 1. Is it legal?**
- 2. Is it honest and fair?**
- 3. Is it in the Company's interests?**
- 4. Does it comply with the Company's rules?**
- 5. Is it in line with the Company's reputation?**
- 6. Am I authorized to do it?**
- 7. Would I feel comfortable if information about my actions were published in the mass media?**

If the answer to any of the foregoing questions is "no", you should not proceed with what you were about to do.

What does violation of the Code entail?

The employment agreements with employees include provisions about their compliance with the Code and applicable law.

Behavior running contrary to the norms of the law or this Code may result in disciplinary action, including dismissal/termination of the employment agreement, based on the actual circumstances of each specific case and pursuant to the law.

We should know that the actions of each of us might have a direct impact on the Company's reputation and financial position, and in the final result, affect us and thousands of our colleagues working at M-Dram.

What the Company does in order to inform its employees about the provisions of the Code?

All Company employees are informed about the provision of the Code with signed acknowledgment when hired. Additionally, in order to ensure proper understanding and execution of the Code's requirements, all employees pass an e-course of training and are tested on issues of observance of its provisions within three months from the start of work and then once every two years.

M-DRAM AND ITS EMPLOYEES

Working Conditions

M-Dram promotes a friendly corporate culture and an atmosphere of gratitude, care and recognition towards those who help to grow our business — our colleagues! The Company undertakes to abide by all effective laws and norms dealing with labor law, to ensure the social protection of employees, and to observe the principle of equal opportunities for all employees, based on their professional merits. This applies to all aspects of employment, including hiring, training, promotion, compensation, discipline and dismissal.

M-Dram totally shares the generally accepted world approach to observing human rights and recognizes human importance and universality. The Company is guided by the following principles in its activities:

- Equal opportunities and treatment in work and employment;
- Freedom of association;
- Refraining from despotic and forced labor;
- Refraining from child labor;
- Not tolerating discrimination, including disability regarding all issues on all forms of employment;
- Protection, support of family, maternity, paternity and childhood;
- Safe working environment;
- Right to education.

The Company prohibits discrimination and harassment, violence or threat of violence, as well as any and all inappropriate behavior towards any employee. M-dram strictly adheres to the principle of equal, respectful treatment towards all its employees, regardless of their personal background: race, skin color, gender, ethnicity, nationality, religious beliefs, citizenship, age, physical capabilities, marital status, sexual orientation, culture and other legally protected individual characteristics. All employees are responsible for observing these principles.

Role of Managers

An important task of managers at M-Dram is to form a culture and work atmosphere that promotes making correct and reasonable decisions – the basis for the Company’s successful operation. A manager includes not only the top managers, but also any other M-Dram employee with subordinates.

M-Dram expects that each manager shall:

- through their conscientious behavior be an example of adherence to the Company’s values, including when interacting with clients, government agencies and suppliers, be aware of the requirements of legislative acts, policies and internal procedures of the Company applicable to their scope of activities, and share their knowledge with subordinates;
- explain the issues of labor law and other legal norms to the employees;
- encourage the employees not only for efficiency, but also for ethical, conscientious relationships among themselves, with the partners and suppliers;
- be open to issues and suggestions of colleagues, including corporate ethics and decency issues;
- respond quickly to identified violations of the Code and other M-Dram policies and procedures.

Workplace Behavior

The Company strives to ensure a safe, comfortable work environment for its employees, however, the maintenance and preservation of a healthy work atmosphere also depends on employees’ adherence to the rules of work behavior.

Labor discipline is mandatory subordination of all employees to the requirements established by the internal code of labor conduct, by employment agreements, job descriptions and local regulatory acts. In the event of violation of the labor discipline (commission of a disciplinary offense), i.e., non-performance or improper performance by the fault of an employee of the work duties assigned thereto, M-Dram may impose disciplinary sanctions.

Question: What types of behavior are categorically prohibited at the Company?

Answer: The Company prohibits any behavior posing a risk to human health in the workplace, for example:

- arriving to work in a state of alcoholic, narcotic or toxic intoxication, as well as the consumption of alcoholic beverages or narcotics;
- intentional causing of harm to the health or property of other employees;
- interfering with the work of other employees;
- smoking in prohibited areas on the territory and within the premises of M-Dram.

All employees are obliged to observe the labor safety requirements and fire safety rules established by the legislation of the Republic of Armenian and the Company’s normative acts.

The Company calls the employees to treat their colleagues with respect, provide assistance to newcomers, follow the business ethics rules and help foster a friendly work atmosphere, not to use vulgar language when communicating with other employees, counterparties and clients of the Company.

We communicate daily by e-mail with our colleagues, partners, counterparties and other concerned parties. It is important to focus on the content of sent messages, maintain a professional, corporate style, state information as briefly, clearly and unambiguously as possible. Remember that careless statements in e-mail could carry potentially significant reputation, financial and legal risks for our Company.

Question: Why must I observe the correspondence rules and be precise about the content when corresponding with a colleague?

Answer: Because under certain circumstances, the message that you send could fall into the hands of someone for whom it was not intended. Additionally, messages sent from the Company's e-mail system are its property and may be used to harm the Company in conflict situations as arguments, including in external instances. For example, at first glance, such harmless phrases as "assist", "motivate clients" or "thank you for swift cooperation" may be perceived ambiguously and not play in your favor.

Dress Code and Personal Appearance

Dress code stipulated a set of rules which define the valid dress code style. The present policy of wearing casual clothes is enforced to ensure professional image of employees and the corporate brand. MobiDram employees are required to dress respectively, albeit casual.

The personal appearance of the employees who have regular contact with the public (both internal and external) is to be governed by the rules of professional dress code:

- depending on the nature of work (employees of Service Centers, Floor clerks, Drivers, laborers and others), shall wear the uniform provided by the Company, which shall always be clean and ironed;
- it is necessary to have clean and arranged hair, the color and style of which shall not attract extra attention;
- it is necessary to have clean and cared hands; maintain strict body hygiene and avoid any acute-smelling perfume;
- it is not permissible to wear any kind of hats, torn jeans, sweatpants (ankle boots, sweatshirts), t-shirts displaying advertising writing,
- it is not permissible to wear slippers, beach sandals, athletic shoes.

Additional Requirements for Women:

The following are strictly forbidden:

- long nails, manicure with bright colors,
- excessive (long and heavy, noisy) jewelry,
- heavy, excessive make-up,
- shaggy, unkempt hair,
- any kind of see-through dress or pants,
- short tops, which bare both the shoulder, back,
- summer dresses (sarafans), short dresses and skirts (4 cm above the knee),
- high hills (not exceeding 8 cm).

Additional Requirements for Men:

Men employees must always be shaved or have a tidy, well-trimmed beard, also wear clean shirts and suits. At business meetings wearing ties is mandatory.

Line managers are responsible to evaluate the personal appearance of employees under his/her supervision. If an employee is not dressed appropriately, the manager should take the following steps:

- on the first occasion, immediately send the employee home to change clothes and give verbal warning.
- on the second occasion, the employee should be given a written warning.

Management of Conflict of Interest

M-Dram expects all of its employees to take a conscientious attitude towards the performance of their respective job duties and prohibits seeking of personal gain from the positions thereby to the detriment of the Company's interests.

Conflict of interest - a situation where M-Dram's employee's personal interests contradict or may contradict M-Dram's corporate interests, which influences or may influence execution of their job responsibilities, including objective decision-making, as well as may harm the rights, legal interests, property and/or business reputation of M-Dram.

Employee's personal interests –personal, social, proprietary, financial, political and other commercial or non-commercial interests of an employee and/or their related parties.

Why is it so important to protect our Company from conflicts of interest?

1. in order to prevent possible financial losses and damage to the Company's reputation,
2. in order to prevent biased decisions to the detriment of the Company's interests,
3. in order to prevent situations in which the existence of business interests outside the Company could hinder the employees in the proper performance of their duties.

The Policy entitled "Management of Conflict of Interest" provides a detailed description of the terms and conflict of interest situations, as well as the sequence of employee actions that need to be taken to prevent a conflict of interest.

Upon being hired, new employees are familiarized with the "Management of Conflict of Interest" Policy, and complete and sign a special form, entitled "Disclosure of Conflict-of-Interest Information".

Certification of the management is performed annually in order to prevent conflict-of-interest situations.

All employees are obliged, to the extent possible, to avoid situations in which a conflict of interest may arise. If a conflict of interest cannot be avoided, the employees must promptly inform the Compliance coordinator and their immediate supervisor, participate actively and assist in settling the conflict of interest, and urgently take measures to eliminate the conflict of interest, where so required by the Company. M-Dram, like any employee, is interested in the promptest settlement of the conflict-of-interest situation with an outcome beneficial to all parties.

Question: My relative is an employee of "MobiDram" CJSC, just like I am, but he works at another subdivision of the Company. Is this considered a conflict of interest?

Answer: This situation is a potential conflict of interest. You need to disclose information pursuant to the "Management of Conflict of Interest" policy.

Question: The company where I or my relatives serve as co-founders is a M-Dram supplier. Would that situation be a conflict of interest?

Answer: Yes, if your direct job duties involve the authority to make decisions with respect to that company.

Question: My spouse is an employee of a M-Dram competitor. What should I do?

Answer: In this case, you must divulge information about a conflict of interest in the form and as per the procedure established by the "Conflict of Interest Management" Policy to develop an optimal solution.

Gifts and Entertainment

The giving and receiving of gifts, as well as attending official and entertainment events is a common business practice, yet in certain situations, this practice exposes the business of M-Dram to a serious risk.

Within the scope of its anticorruption policy, the Company has adopted a separate Provision "On Gifts and Entertainment at "MobiDram" CJSC" to PL-MBD-020 Policy, which states the rules and standards, establishes expense limits, restrictions establishing the circumstances for the giving and receiving of gifts and event invitations, as well as the requirements for their approval procedure.

Gifts in cash or their equivalent (gift cards, vouchers, certificates) are prohibited at M-Dram.

As a rule, it is permissible for an employee to give gifts or invitations to entertainment events to certain clients and contractors or receive gifts therefrom (as per the Provision "On Gifts and Entertainment at "MobiDram" CJSC"), provided that this could not be interpreted as an inducement or reward for a particular business decision. Whereby, all costs of gifts and entertainment events must be reflected in the expense reports.

Using gifts (just as other types of hospitality) to anyone for the purposes of gaining commercial benefit and in exchange for information, favorable attitudes or business opportunities in M-Dram is unacceptable.

Receiving a gift must in no way influence a M-Dram employee's ability to make fair and impartial business decisions.

If a gift does not comply with the foregoing norms, it should be politely refused. Each of us is responsible for a healthy approach to these issues.

<p>Question: A client has invited me to attend an out-of-town conference, and is offering to pay for all related travel and accommodation expenses. Can I accept such invitation?</p> <p>Answer: Such a proposal cannot be accepted.</p> <p>Acceptance of such a proposal will be considered a violation.</p>
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If you are in doubt as to whether it is appropriate to give a gift or invite a client to an event, or you are worried that a gift that has been presented to you cannot be accepted under the rules of the Company, you should contact your immediate supervisor or the Compliance Coordinator to make the correct decision jointly.

Confidential or Proprietary Information of the Company

In the process of working at the Company, an employee is exposed to information and data of a confidential nature. Their safeguarding against unauthorized access is vital to the success of Company operations and could be of essential value for preservation of job positions of all employees.

Upon being hired by the Company, a new employee assumes the ethical and legal obligation to refrain from disclosing confidential information or information constituting a commercial secret, even if the employee subsequently decides to leave the Company.

All of the Company's employees must comply with M-Dram information security (confidentiality) procedures, namely:

- ensure the integrity of confidential data in the employee's possession;
- transfer confidential data to other employees according to the rules established in the Company;
- not transfer confidential data to any third parties and not disclose such data to the public;
- meet the requirements of local regulatory acts related to data protection;
- should any unauthorized persons attempt to obtain protected data or any facts of disclosures of confidential data to be revealed, immediately inform the line manager or an employee from the Information Security Unit;
- keep confidential official secrets of ministries and agencies, which became known in connection with civil law relations, and also confidential information of companies with which M-Dram has business (partner) or legal relations;
- after the termination of civil law relations with M-Dram, hand over all media containing confidential information, that is, scripts, rough copies, documents, USB-drives, external hard drives, CD-R disks etc/, which were in the employee's possession in connection with the performance of contractual obligations towards M-Dram, with a certificate issued, to the employee responsible for confidential records management and in the absence of such employee, to the head of the structural subdivision;
- immediately inform the line manager or the employee of Information Security Management Unit of loss or shortage of media containing confidential information, or loss or shortage of identity documents, passes, ID-cards, personal seals, keys to data rooms, storages, safes (metal cabinets) and any other facts that may result in the disclosure or leak of protected data.

Other employees of "MobiDram" CJSC, including your work colleagues, should not have access to your work computer, laptop or mobile device. It is recommended to always lock your computer when leaving your workplace.

<p>Take care to safeguard documents containing confidential information, and do not leave them at your workplace. Use a paper shredder to destroy discarded documents containing confidential information.</p>

<p>Question: My colleague while on a business trip asked me to send to his personal e-mail some presentations for work. Can I send them from my work address? After all, this is necessary for work.</p>

Answer: This is not worth doing. The presentation might contain confidential information about the Company, therefore there is always the risk that such material, sent to external servers, could fall into the hands of third parties. Such action could become the grounds for a disciplinary sanction against you and your colleague. The Company has provided for the possibility of remote access to your work e-mail.

Each employee is personally responsible for complying with M-Dram information security (confidentiality) regime.

Protection and Use of Company's Assets

The employees should be careful with the Company's property, which, in addition to material items (movable and immovable property, securities, money, etc.) includes the results of intellectual work of the Company's employees (commercial products, programs, trademarks, etc.), as well as property rights and property obligations. In this respect, all documentation, written correspondence, as well as information transmitted via telecommunication networks and stored in the Company's systems is deemed as the property of M-Dram.

Employees are obliged to ensure the efficient use of the Company's property for business purposes and not to use the property or funds of M-Dram for any illegal or improper purposes. Theft, negligence, recklessness and waste can have a direct impact on Company's profitability.

In order to ensure the protection and proper use of M-Dram property, every employee should:

- take due care to prevent the theft, destruction or misuse of the property of "MobiDram" CJSC;
- use the property of M-Dram only for legal business purposes specified by the official obligations;
- immediately report actual or suspected instances of theft, destruction, careless treatment or misuse of M-Dram property to the immediate supervisor, office manager and the General Manager;
- use telephones, other electronic communication devices, written materials and other property of M-Dram for work-related purposes;
- protect all electronic programs, data, communications and written materials against accidental third-party access.

M-DRAM AND CLIENTS

We at M-Dram believe that life is a space of possibilities for all, and everyone has the potential from their birth to translate these possibilities into realities for their benefit and the world around them. We believe that every individual is a potential hero who can face the challenges and cope with any situation.

Potential heroes - these are people who inspire M-Dram and ones for whom we create our products. Using the possibilities provided by the products, technologies or services of M-Dram, individuals overcome obstacles on the way to their goal and unlock their potential.

Customer Requests

Every Company employee knows that M-Dram works for its customers.

All the employees interacting with the customers pass special training to get to know the products offered by the Company, to find the necessary information and competently inform the customer about it.

M-Dram strives for its customers:

- to create the most convenient servicing conditions. We are constantly looking for new servicing systems and improving the existing ones;
- develop self-service systems and encourage their use;
- support the customers via "live contact". All the customers contacting the M-Dram branches or Contact Center can receive reliable, complete and transparent information.

No customer request should be left unaddressed.

Amid the changing environment, we instill confidence in everybody, help people to unlock their potential and move towards new possibilities. M-Dram is a source of possibilities.

Each employee should demonstrate an interest in the Company's products. Moreover, employees should remember the sources of information that can be accessed at any time, such as: the website, the Customer Service Center and the "MobiDram" mobile application — these can and should be recommended to your friends and acquaintances. This will create a favorable impression of you as an employee and of the entire Company.

When responding to a customer request, always be sure that the customer has been offered all possible solution options for the question and is satisfied with the service provided.

Conscientious Marketing

M-Dram strives to build long-term relationships with its customers.

The complete list of services is posted on the corporate website www.mobidram.am

We make every effort to ensure that our customers receive secure, high-quality services. We do not send spam to our customers and do not allow anyone else to do it.

M-Dram sends informational advertising messages only to the customers who have provided consent, and takes care that the volume and frequency of the messages received by the customer is in strict line with the M-Dram contact policy in place.

M-Dram does not do business with content service providers who send messages containing misleading information to M-Dram customers.

M-Dram strives to use fair and ethical methods of promoting its own services.

M-Dram takes care to ensure that any information about products and services is true and complete and does not misrepresent true product features and is communicated to the customer in an accessible and understandable manner.

M-Dram does not use any methods of advertising its products and services, which can be perceived as unethical or do harm to competitors or consumers.

We track the quality and cost of services.

M-Dram does not pursue the launch of content services for commercial use that have not been subjected to proper quality and billing-accuracy testing as per the stipulated order.

We leave no customer complaint unaddressed.

Every complaint from an M-Dram customer (whether submitted verbally or in writing) must be reviewed within the established time frame, and a substantiated decision shall be made thereon.

M-Dram regularly analyzes incoming customer complaints for the purposes of identifying the real causes of their emergence, and develops and implements appropriate corrective measures aimed at eliminating these causes to prevent (minimize the possibility) their repeated occurrence.

If friends contact the Company employees with a complaint, this signal should not be ignored under any circumstances. They should be invited to contact the Customer Service Center by calling 444, where the situation will be analyzed and the problem will be solved.

Personal Data Protection

M-Dram is also a personal data carrier, for which the confidentiality of customer information is of highest priority.

The main principles of working with personal data are:

- personal data must be processed exclusively for the purposes defined by the employee's official duties;
- the basis for processing personal data in the Company's operations is the contract concluded with the customer whereto the subscriber is considered a party, the employment agreement with the employee, as well as the subscriber's consent to processing of their personal data;
- the transfer of personal data to third parties must be undertaken solely on the basis of a contract or other legal grounds with mandatory guarantee of the confidentiality and

protection of such data against unauthorized access through the use of data security facilities;

- processing of special categories of personal data is prohibited at M-Dram, with the exception of some cases provided for by the law of the Republic of Armenia.

Question: What is personal data?

Answer: Personal data is any information related to a specific individual (customer, employee, visitor, etc.).

Question: What is personal data processing?

Answer: Personal data processing means any action (operation) or combination of actions (operations) with personal data taken with, or without the use of automatic means, including the gathering, recording, systematization, accumulation, storage, refinement (update, modification), retrieval, transfer (dissemination, provision, access), anonymization, blocking, deletion and destruction of personal data.

Question: What is encompassed by a special category of personal data?

Answer: A special category of personal data is information concerning racial and/or national background, political views, religious or philosophical beliefs, health or relationship status, private life and certain other categories of data.

M-Dram strives to assure its customers of Company's reliability and guarantees the confidentiality of their personal data. The RA Law "On protection of personal data" outlines the principles, procedure and terms governing the processing of the personal data not only of customers, but also M-Dram employees and other individuals whose personal data are processed by the Company, as well as by third parties at the instruction of M-Dram.

M-DRAM AND SOCIETY

Interaction with Partners and Suppliers

M-Dram strives for genuine partnership interrelationships with its counterparties. We expect our partners and suppliers to adhere to high standards of conducting business and use an effective, legal, honest and conscientious approach in their activity because our customers expect the exact same behavior from us.

M-Dram expects the following from its partners and suppliers:

- cooperation in completing the M-Dram mission statement;
- conscientiousness and honesty in commercial activities;
- striving to find a mutually advantageous solution;
- protection of confidential information;
- adherence to responsible conduct of business, including concern for the environment, ensuring a worthy work environment, transparency and accountability, and observance of human rights.

M-Dram employees must not receive property dishonestly through manipulations, intentional concealment of known facts, improper use of confidential information, use of corrupt schemes, leading astray regarding facts of significant importance, or any other practice that does not meet the values and approach of M-Dram towards business practices.

M-Dram expects the following from its employees regarding partners and suppliers:

- observing the established purchasing procedures of the Company;
- interacting with conscientious partners and suppliers, whose work methods should not damage the reputation of M-Dram;
- reflecting the principles of the Code and applicable M-Dram policies in the contracts;
- encouraging partners and suppliers to apply our standards and assist in this;
- honest and just attitude towards the partners and suppliers.

Both the M-Dram employees and the Company's partners and suppliers can report their suspicion regarding the lack of observance of the standards, policies and procedures of M-Dram or about other dangers related to finances, bookkeeping, audit, corruption or fraud in the Company, or other serious situations affecting the interests of M-Dram or its employees to the Hot-Line hotline@mts.ru.

Protection of Intellectual Property

M-Dram acknowledges that intellectual property is one of the most valuable assets of the Company. Unauthorized use of intellectual property could result in its loss or reduction in its value, as well as entail criminal and civil-legal liability for the violators.

We protect our intellectual property and respect the intellectual property of other market participants.

No one has the right to use the intellectual property of M-Dram without prior permission from M-Dram.

The Company does not use the intellectual property of third parties without their permission. In particular, M-Dram does not use, copy or transfer third-party materials protected by copyright such as music, videos, programs, etc. without a license or permission of the proprietor.

Every M-Dram employee and third parties are obliged to observe copyrights and regulatory legal acts regarding intellectual property.

Public Appearances, Statements and Interaction with the Mass Media and Social Networks

Official announcements, mass media comments are made solely by the General Manager of the Company.

In the event that an M-Dram employee is approached by the mass media with the questions which directly or indirectly affect M-Dram, they should be redirected to the General Manager of the Company.

Corporate Social Responsibility

Corporate social responsibility (CSR) is the responsibility of the organization for the impact of its decisions and operations on society and the environment through transparent and ethical conduct. Our primary goal is to improve the quality of life and safety of human and society by developing innovations and offering a broad spectrum of services to our customers. We are responsible for our own actions, and we see this as the guarantee of the Company's sustainable development.

M-Dram addresses the requests of society, consumers, shareholders, its employees, the state, partners and suppliers.

M-Dram activities regarding CSR involves working in the following areas:

- improving the quality of life of the subscribers;
- concern for the employees and their development;
- responsible business practice;
- information security and data protection.

Ecology

- In the scope of ecology events each employee undertakes to: Rationally use natural resources, preserve and utilize them,
- enhance personal responsibility for water saving, saving forest resources, collecting and correct recycling of batteries and old phones, and care for the environment.

M-DRAM AND LAWS

The activities of M-Dram are governed by a number of laws and various regulatory requirements. It is very important for the employee to know the rules and requirements applicable to their area of responsibility.

The Company's success and its reputation depend on strict observance by each employee of the law, both national and international, as well as the timely and correct response to the regulatory requirements.

M-Dram attributes great importance to the development and introduction of a system of measures to prevent violations of applicable law.

Interaction with Government Agencies

During its operation M-Dram interacts with governments agencies. This interaction must occur exclusively in compliance with prevailing law and internal Company requirements, regardless whether M-Dram provides services to this government agency or not.

Legislation regulates the strict procedure for the provision of services to government agencies. When participating in tenders held by government agencies, Company employees must be exceedingly cautious and strictly adhere to the requirements of all M-Dram bylaws, including the requirements of the "Anticorruption Legislation" and "Competition and Antitrust Legislation" clauses of this code.

A similar interaction procedure should be followed in cases where the government agency is issuing any sort of permit, license or approval.

While the Company has always strived to cooperate with government agencies in the performance of their official functions, including the holding of scheduled audits and investigations, it should be recalled that the information given at the request of the government agency must be relevant, accurate and complete.

Any employee receiving an inquiry from a government agency in the course of an audit or investigation should immediately contact the appropriate legal department of the Company.

M-Dram position regarding government agencies must be clear and true to avoid financial and reputational risks of damage to the Company.

Question: I got a call from someone I used to go to school with who now works in the tax inspectorate, and he asked me to privately give him some information on a particular M-Dram deal. He said that the tax inspectorate has the right to request such information. What should I do?

Answer: You must immediately contact your legal department and tell them about the situation so that the competent employees can ensure observance of legal rights and obligations of M-Dram are honored.

Anticorruption Legislation

M-Dram adheres to the principles of compliance with anticorruption legislation in all types of business relations, regardless of the country in which the Company pursues its economic activity.

Corruption is not part of our business!

Pursuant to the anticorruption legislation applicable to the Company, employees and persons, acting on behalf or in the interests of M-Dram, are prohibited, whether directly or through an intermediary, from rendering, offering, promising or approving payments in the form of monetary funds or any other valuables, as well as from proffering any financial or other gain or advantage to any third parties with the intention, by virtue of the official position occupied thereby, of exerting influence on their actions (or ensuring their inaction) or inducing or rewarding their improper performance of the official or otherwise legally-envisioned duties entrusted thereto.

Furthermore, all Company employees are prohibited, whether directly or through an intermediary, from demanding, approving the acceptance, or accepting any financial or other benefit or advantage, including payments in the form of monetary funds or any valuables.

Applicable anticorruption legislation means RA anticorruption legislation, the US Foreign Corrupt Practices Act, the UK Bribery Act, and similar anticorruption legislation in the countries where the Company is engaged in economic activity.

The Company has adopted a policy entitled “Anticorruption Legislation Compliance”, which is binding on all members of the Management, subdivision managers, employees of M-Dram, as well as on all the parties acting on behalf or in the interests of the Company.

In order to prevent corruption violations, M-Dram has developed and introduced an anticorruption compliance system. The system establishes measures to control regulatory risks, prevent and protect the Company from any manifestations of corruption, both within the Company and attempts to involve the Company in corrupt activity from the outside, improve the Company’s corporate culture, introduce and develop in the Company the best corporate management practices, as well as standards of responsible business behavior. The corporate anticorruption compliance system is under constant development and improvement based on the applicable legislative statutes, regulatory agency recommendations, industry specifics and the best practices in this area.

Question: Why does the anticorruption legislation of the United States and Great Britain apply to M-Dram operations?

Answer: The sole shareholder of “MobiDram” CJSC is “MTS-Armenia” CJSC which in its turn is the subsidiary of “MTS” PJSC, and MTS is a public company the securities of which have been traded on the New York Stock Exchange since 2000. Registration in the US Exchange entails that foreign companies assume the obligation to comply with a number of requirements provided for by the local legislation. Thus, aside from requirements mandating the existence of an internal control system, ensuring the reliability of financial reporting and others, MTS operations are governed by the requirements of the US Foreign Corrupt Practices Act (FCPA), which prohibits US companies and foreign companies the securities of which are traded on the American stock exchange from engaging in any corrupt activity whatsoever with respect to public officials abroad.

Similarly, MTS operations and those of its primary shareholder are also bound by the requirements of anticorruption legislation of Great Britain. MTS is a subsidiary of a company the securities of which have been placed on the London Stock Exchange, which, in conjunction with a host of other factors, may serve as grounds for the application to its operations and the operations of MTS of the requirements of the UK Bribery Act.

Anti-Money Laundering, Combatting the Financing of Terrorism and Financing Dissemination of Weapons of Mass Destruction.

The Company fulfills its obligations for monitoring operations of customers in order to detect operations subject to mandatory monitoring and suspicious operations related to money laundering, financing of terrorism and financing dissemination of weapons of mass destruction (CML/TF) per the procedure specified by law.

M-Dram takes a risk-oriented approach when meeting the requirements of the law regarding CML/TF in order to minimize the involvement by the Company and its employees in money laundering.

Pursuant to the requirements of prevailing law, the Company identifies the customers allocated to the players on the “List of Organizations and Individuals for Whom There Is Information about Their Affiliation with Extremist Activity or Terrorism” in order to take measures to freeze (block) their funds. For implementation for these process, an employee has been appointed in M-Dram.

M-Dram adheres to the customer identification requirements and makes an additional study of customers when they perform operations through the mobile commerce platform, as well as after return of an advance after dissolution of a contract for rendering communications services.

M-Dram provides the CBA with information as required by law, in a timely manner.

Competition and Antitrust Legislation

The Company complies with antitrust legislation and adheres to the principles of fair competition in all types of business relations, regardless of the region of presence.

The most dangerous violations are the formation of a cartel between competitors and concerted actions on the market. M-Dram employees must refrain from actions that are aimed at a uniform behavior towards competitors, this applies, inter alia, to the sharing of information about commercial plans, whether

directly or through an intermediary, negotiating, signing or oral approval of antitrust arrangements in any form whatsoever.

M-Dram makes decisions regarding its business, including price setting, independently and without regard for activities of other companies.

Question: Bumping into each other at an industry conference, two of my colleagues from competing companies started a conversation about industry difficulties and suggested coordinating our rate policies in order to support sector profitability. What should I do in this situation?
Answer: You must tell your conversation partners that it is impermissible to negotiate such matters with M-Dram, stop the conversation and at the first opportunity report the incident in detail to the General Manager of the Company.

M-Dram does not use its market position to prevent, restrict competition or violate somebody's legal interests, and always strives to treat its clients and contractors, including prospective, in a fair and equal manner in all aspects of its business.

M-Dram does not utilize methods of unfair competition, is respectful of competitors on any markets and strives for fair and lawful competition.

The underlying principles and requirements concerning the compliance with the provisions of antitrust legislation applicable to the Company are set for in the RA Law "On economic security"

Business Transparency and Disclosure of Information in Financial Statements

Employees responsible for administering accounting records and submitting data for report compilation must guarantee that all business operations are reflected in the Company's financial statements and that accompanying explanations are delivered fully, precisely, promptly and in a format that is easily understood by the user.

Employees must inform their supervisor per the procedure specified by the Code, about any and all known instances of the non-disclosure of assets or liabilities and/or the indication of false or falsified information in order to avoid the onset of legal, financial or other repercussions for M-Dram and the causing of serious harm to the Company's business reputation.

Question: I heard from my colleague who works at a company, which is an M-Dram supplier, that they are having business issues and will not be able to meet their contractual obligations. Do I have to disclose this information publicly?
Answer: No, you must immediately pass the information to the General Manager of the Company.

Company Accounts and Records

Accounting documents reflect fully and precisely the business transactions conducted by the Company, and serve as the basis for the compilation of various types of reports and information disclosures in accordance with the requirements of prevailing law and based on generally accepted practice.

Accounting records are the source of data supporting the adoption of important managerial decisions concerning further Company development.

Question: What do accounting documents include?
Answer: Accounting documents include financial and management statements, the operating chart of accounts, accounting policies, bookkeeping ledgers, primary accounting documents confirming the conclusion of business transactions, sales invoices, documents on the auditing of financial and economic activity, payroll accounts and much more.

M-Dram is governed by RA Law "On accountancy" in the management of accounting documents and requirements concerning their compilation, submission, storage, archiving and destruction.

COMMUNICATING AND REPORTING CODE VIOLATIONS

In the event that an employee is uncertain about how to proceed appropriately in a given situation, or they think their actions could lead to a violation of the Code, they should discuss the situation with their immediate supervisor, the senior manager or Compliance Coordinator.

If a Company employee witnesses or learns of a violation of the Code, legislation or the Company bylaws by other Company employees or third parties acting on behalf of in the interests of M-Dram, then it is their duty to report the issue so as to assist M-Dram in dealing with the problems that could arise.

Any employee wishing to report a violation should send a message to hotline@mts.ru hotline, using the available mail servers and the services placed on the MTS Armenia corporate portal. Employees can also contact their immediate supervisor personally or any senior manager.

Please note that the priority method for reporting violations is a message on hotline@mts.ru hotline. This is especially important when identifying violations of human rights compliance at the workplace.

The hotline of has been set up to improve the efficiency of the processes involved in preventing and combatting the associated risks and detecting possible instances of fraud, misuse and violations in the following areas:

- accounting, tax accounting and reporting;
- internal control and audit;
- asset management and property usage;
- financial operations, procurement and logistics, sales and client services, contractual relations, third-party payments and other processes essential to business and operating activities;
- compliance with commercial secret policies;
- compliance with the requirements of applicable law (including anticorruption, antitrust and labor law);
- compliance with the Code of Conduct and Business Ethics;

The Company will review all credible information concerning Code violations. All messages concerning known or possible Code violations will be considered thoroughly and confidentially, and the individuals providing the information may do it anonymously.

M-Dram strictly prohibits to apply any repressive measures against any employee who honestly seeks assistance and informs about known or possible violations.

CONCLUSION

It should be recalled that each of us, regardless of our position, region of work or function, bears personal responsibility for observing the Code, and thus contribute to the overall success and strengthening of the leadership position of M-Dram.

The responsible and conscientious conduct of the employees maintains M-Dram' status as a company operating in accordance with the highest standards of ethical business practices and the best international practices.

M-Dram reserves the right to make amendments and additions to the Code at any time, without prior notice.
The Code is a public document, which can be read by all stakeholders on the Company's official website: www.mobidram.am.