



MAYKOR'S ENVIRONMENTAL AND SOCIAL POLICY



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This environmental and social policy is aimed at ensuring the sustainable development of MAYKOR (the Company) over the long term through its participation in commercial projects, which, along with a focus on financial performance, is without prejudice to the ecological and social¹ environment.

The policy applies to all projects of the Company relating to the provision of services to support customers' infrastructure, installation works, design and implementation of software and hardware solutions, and other commercial activities.

The Company is not engaged in such activities, which directly or indirectly cause harm to the environment or population, or violate the relevant Russian and international law, universally recognized ethical and moral standards, including gambling, non-renewable deforestation and fishing, production of radioactive materials, weapons, tobacco and trafficking. Also, the Company is not involved in projects involving the use of forced and child labor.

The company avoids having excessive number of resources and projects in sectors capable of causing significant damage to the environment or have significant negative social consequences, such as in industries related to the production of petroleum products or alcoholic beverages.

The main activity of the Company is to support projects aimed at resource conservation, and efficient use of technology, human resources and other client resources.

In order to implement this Policy, the Company implemented a system for managing environmental and social risk management, approved by the order №43/1 from 03.18.2015.

THIS SYSTEM INCLUDES THE FOLLOWING ELEMENTS:

1. The Policy
2. A process for assessing and approving the environmental and social risks and impacts of projects
3. Risk management procedures
4. Organizational structure and competency of the personnel involved
5. Emergency preparedness and response procedures
6. Stakeholder relationship management
7. Controls to monitor and validate

Thus, all contracts have to pass a mandatory internal environmental and social assessment prior to being executed. Decisions on whether to move forward with projects are based equally on environmental and social factors as well as financial feasibility.

The results of the preliminary environmental assessment agreement with the client (and/or the relevant supplier) stipulate that one of the conditions for project approval is the inclusion of special conditions in the contract (measures) aimed at minimizing the environmental and social risks.

In implementing the environmental and social policy the Company is guided by Russian legislation requirements, the relevant international treaties the Russian Federation has, as well as recommendations for this area from international financial institutions (based on OHSAS 18001:2007 and ISO 14001:2004), the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation.

¹ The relationship with the staff of the Company is regulated by a separate policy.

THE SYSTEM FOR MANAGING MAYKOR'S ENVIRONMENTAL AND SOCIAL RISKS AS APPROVED BY THE ORDER N°43/1 FROM 03.18.2015.

This system includes the following rules and procedures for managing environmental and social risks in terms of the impact of the Company's projects and its clients to the external environment (external environment and social groups):

1. MAYKOR's Environmental and Social Policy (a standalone document)
2. A process for assessing and approving the environmental and social risks and impacts of projects
3. Risk management procedures
4. Organizational structure and competency of the personnel involved
5. Emergency preparedness and response procedures
6. Stakeholder relationship management
7. Controls to monitor and validate

PROCESS FOR ASSESSING AND APPROVING THE ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS OF PROJECTS

All projects must undergo a mandatory preliminary environmental and social assessment. Decisions on whether to move forward with projects are based equally on environmental and social factors as well as financial feasibility.

The results of the preliminary environmental assessment agreement with the client (and/or the relevant supplier) stipulate that one of the conditions for project approval is the inclusion of special conditions in the contract (measures) aimed at minimizing the environmental and social risks.

A. Assessment of the environmental and social risks for projects approved within the financial and economic feasibility (FEF) framework.

FEF (comprising an Excel file containing key economic parameters for the project) includes a separate section (page) which assesses the environmental and social risks. In particular, it states:

- the name and industry of the client
- the service provided
- type of equipment serviced
- and the name of the person(s) responsible for making the degree of risk decision

In order to assess the environmental and social risks of the project the Company developed a risk matrix. Risk ranking in the matrix are derived according to service category and type of equipment serviced.

For each type of equipment in the context of the service category, an expert opinion by the environmental and social risks manager is obtained (this function is performed by the Head of the Department of Health, Safety and Operations, or his representative) to assess the level of risk on a scale of low, medium, high. Simultaneously, for each risk a probability of its occurrence (absent, potential, low, medium, high) is determined. Depending on the combination of the level of risk and probability of its occurrence, the impact of the risk on the project is calculated.

All projects with a risk score of 1.5 (corresponding to an average level of risk with an average probability of occurrence) or higher are subject to environmental and social risks controls at the time of FEF approvals.

The FEF provides the following classification of projects according to risk:

1. Environmental and social risks are absent. The project is not subject to control by environmental and social risks manager;
2. Subject to control by environmental and social risks manager (for example those that fall under the list of controlled activities or technologies used as previously reported by project managers). The environmental and social risks manager might conclude there are environmental and social risks present, but are allowed under certain conditions, which are agreed upon by the Project Manager, included in the project budget and shall be followed during implementation (including through the inclusion of certain conditions in contracts with clients and contractors);
3. Projects worth more than 100 million rubles excluding VAT shall be subject to mandatory control by environmental and social risks manager, regardless of the effect of risk assessment;
4. In cases where there is disagreement between the Project Manager and the environmental and social risks Manager, the decision concerning project approval will be made by a commission composed of the General Manager, the legal director, the head of the legal department and Vice President of Corporate Finance. In cases where approvals are not given, the projects will be assigned a risk score of 5;
5. The environmental and social risks manager concludes that the environmental and social risks are high and the project will not be recommended for approval.

Project Manager and environmental and social risks manager are required to retain related emails.

B. Assessment of the environmental and social risks for projects approved outside the financial and economic feasibility (FEF) framework, for example, for newly acquired subsidiaries.

Risk assessment and classification for projects carried out by other unrelated legal entities are carried out within the parameters of a unified electronic

catalogue of preliminary environmental and social risks assessment, which contains the same information and classification as described above for the FEF projects.

According to the requirements and specifics of the Russian legislation and contractual obligations MAYKOR's environmental and social risks manager may establish additional control measures for projects approval and execution.

RISK MANAGEMENT PROCEDURES

It is forbidden to sign contracts with customers (and the relevant contractors) for projects that have a risk classification of 5 or 3, 4 without an implementation plan containing agreed upon conditions. This is the responsibility of the project manager. These conditions is a documented list covering operating procedures, action plans and legal obligations. The implementation of these conditions will allow the Company (as well as its contractors, if appropriate) and its customers to avoid or minimize to an acceptable level the environmental and social risks. Such project conditions are specified in the approval process and should be part of the project documentation.

The project manager is also required to inform the environmental and social risks manager if in the course of project implementation violations, lack of compliance or new circumstances that may lead to significant environmental and social risks arise and to take appropriate corrective action.

ORGANIZATIONAL STRUCTURE AND COMPETENCY OF PERSONNEL INVOLVED

Key decision makers in the implementation of monitoring of environmental and social risks have been mentioned above. The key specialist managing the Company's environmental and social risk is the environmental and social risks manager. That position is typically assigned to an experienced employee with specialized education and/or long-term practical experience in the field of environmental protection, compliance with the relevant legislation, usually the head of the Department of Health, Safety and Operations or his representative. As an environmental and social risks manager, the employee is guided by a detailed understanding of the relevant legislation of the Russian Federation

and international agreements including any relevant treaties, MAYKOR's obligations to investors and, in particular, activities to ensure environmental and social sustainability, namely Performance Standard 1. The environmental and social risks manager is assisted by subordinate employees from related department.

Project Managers may serve as different functional managers, in particular, within the FEF it may be as key sales managers (Key account managers), pre-sales specialists and technical project planning (presales), or project managers (project managers) responsible for the execution of the approved project. Their role can strictly be as Project Manager or they may take on a combination of the roles mentioned above. The choice of project manager depends on who will best understand the relevant project conditions that affect the degree of environmental and social risks.

The direct control of environmental and social risks assessment within the FEF documentation framework lies with the financial specialist who is responsible for the overall operation of the FEF process. He/She also monitors the selection of Project Managers in the context of environmental and social risks. In addition, he/she may initiate consultations with the environmental and social risks manager as required for individual projects.

EMERGENCY PREPAREDNESS AND RESPONSE PROCEDURES

At the core of the business is project management and, accordingly, the Company has implemented a system for monitoring the status of customer projects which is supported by the appropriate staff (project managers). The environmental and social risks manager is responsible for prompt and proper response to emergency situations related to environmental and social risks, as well as management of the relevant business units to make appropriate decisions.

STAKEHOLDER RELATIONSHIP MANAGEMENT

The company is open for cooperation with interested parties. The company's website publishes a unified contact phone numbers and e-mail reflects this.

Call center staff are trained to connect stakeholders with the appropriate person in the company (for example, this may be both an environmental and social risks manager and the marketing department). The Company has also established a system to register public appeals and complaints, evaluate them and adopt the appropriate corrective action.

The environmental and social risks manager together with the Project Manager, as well as, if appropriate, other Company specialists (the legal department, marketing department), determine which cases, in what form and to what extent the Company's should consult stakeholders before the adoption of a specific project.

CONTROLS TO MONITOR AND VALIDATE

The environmental and social risks manager monitors the risk management procedures of approved projects and, in particular, the implementation of the agreed project conditions for projects with classifications 3 and 4. Random inspection to determine the suitability of classification 1 assignments are also carried out, and at least once a year long-term projects with classifications 2-4 are inspected.

Through this monitoring, the senior management of the Company is able to obtain a report on the effectiveness of the systems to manage MAYKOR's environmental and social risks.