

Softline's Anti-Corruption Policy

Summary

This Policy establishes the standards and describes the instructions to be followed by Softline's employees and business partners when doing business around the world in order to prevent official corruption and improper payments.

Softline responsibly declares that its business is carried out in strict compliance with the applicable legal regulations, including in the field of anti-corruption.

Softline exerts best efforts to eliminate (minimize) the causes and situations, which breed and feed corruption.

Such an activity is crucial to Softline's success. Softline expects that all its partners, contractors, customers and employees will similarly commit to and fully support the anti-corruption policies applied in private and public sector.

Scope

This Policy is applied to all employees and officers hired under the fixed-term employment contracts, top managers and members of Softline's Board of Directors ("Employees"), as well as to all contractors, consultants, distributors, resellers and other representatives acting on behalf of Softline ("Business Partners").

Terms and Definitions

The terms used herein shall have the following meanings:

Public Official means:

- Public official;
- Elected official;
- Employee or officer of public and/or local authority, including, but not limited to, educational, health care and military institutions, law enforcement and customs authorities, taxation and migration services, organizations that issue state licenses, sanctions and permits;
- Employee or officer of the company, enterprise, business organization or entity that is wholly or partly owned by the state;
- Employee or officer of international organizations, including, but not limited to, the United Nations Organization, International Olympic Committee, International Committee of Red Cross and Red Crescent;
- Leader and activist of a political party;

- Candidate for a political office.

Transfer of any tangibles or other valuables to public official's children, spouses or other immediate relatives should be treated as if such tangibles or other valuables were transferred to the official himself.

Tangibles or other valuables mean:

- Money;
- Gifts;
- Entertainment expenses;
- Job offers (including for public official's relatives);
- Promises of future employment;
- Discounts on products, which are not available to regular buyers;
- Payment of travel, living and entertainment expenses;
- Personal favors;
- Political donations;
- Charity donations.

Obligations

Employees are obliged to:

- Read, understand and follow this Policy and any other documents aimed at its implementation;
- Pass the anti-corruption briefing, including any required training and education;
- Notify Business Partners of the requirements hereof.

Managers are obliged to:

- Ensure that Employees and Business Partners follow the requirements and instructions hereof.

Compliance Service/Compliance Director is obliged to:

- Update this Policy and any other documents aimed at its implementation, as necessary;
- Provide Employees and Business Partners with advice and support in the matters of compliance with this Policy and legislation.

Basic Provisions

Employees and Business Partners, as well as third parties acting on behalf of Softline, are prohibited to make, support, offer or allow any payments as bribes; to transfer, directly or indirectly, any tangibles or other valuables to any public official or officer of any public and/or local authority, as well as any organization or entity owned or operated by the state.

In addition to the above, Employees and Business Partners, as well as third parties acting on behalf of Softline, are prohibited to make any facilitating and corrupt payments through provision of any tangibles or other valuables.

This prohibition shall be applied, regardless of whether Softline's funds are used to offer such a bribe or provide tangibles or other valuables and whether the bribes are given or offered, directly or indirectly, through third parties (such as agents, consultants, sales managers, distributors, resellers and subcontractors).

To ensure compliance with the requirements of legislation and this Policy, the following rules and instructions have been developed within the framework of anti-bribery management system and are to be followed by all Employees and Business Partners.

Any Employee or Business Partner is prohibited, directly or indirectly (including through third parties), to promise, pay, donate, transfer or provide tangibles or other valuables in whatever form to public officials. It is prohibited to make any facilitating and corrupt payments through provision of any tangibles or other valuables.

Expenses for the reception of public officials, including those for meals, entertainment and other benefits, may be paid only if approved by Softline's top management.

Only the gifts of low value (no more than RUB 500) designated for an advertisement (which usually bear printed logo of Softline or Business Partner) may be given to public officials.

Charitable donations in favor of third-party organizations may not be used to influence customer's decisions on the procurement. Charitable donations may only be made by registered charity funds.

Any Softline's employee who became aware of a bribe (in the form of any tangibles and/or other valuables/services, promises, schemes), or its possible giving or receiving, is obliged to escalate the issue, e-mail appropriate notice to Compliance@softline.com, and inform his immediate manager thereof (and in the absence of immediate manager, the manager's manager, up to Softline's top manager), including through virtual reception desk, and to get convinced that the manager has appropriately and with due care responded such message and taken actions required to avoid such possible bribe. Where the employee is not convinced thereof, he shall be obliged to escalate the issue and bring the information to the notice of Softline's top management. The way of how the employees respond to undue payments or precarious actions is crucial for Softline's ability to prevent such payments, hold harmless and preserve its ethical principles and reputation.

Softline's Employees and Business Partners are obliged to follow established accounting and reporting procedures in order to reflect accurately each transaction and support internal accounting control system. All the transactions are required to be properly, fairly and

accurately registered not only in general ledgers, but also in all original documents, including invoices, receipts and expenditure documents. These requirements are designed to prevent concealing by enterprises of bribes and to avoid frauds in reporting.

Softline is zero-tolerant to Employees and Business Partners who achieve results through violation of the law or dishonest actions. Softline's top management will provide comprehensive support to any of its Employees or Business Partners who refuse to make undue payments.

To protect Employees and Business Partners from possible consequences in the events where an undue payment is demanded, the Employee or Business Partner has to:

- Refuse to pay and explain that Softline does not make such payments, since it contradicts the provisions of applicable legislation, Softline's guidelines on compliance with business ethics and internal rules;
- Explain that such refusal is final;
- Use no nonverbal means of communication, including gestures, postures, etc., and no hints to implied mutual understanding in order to prevent any vaguest assumption about the possibility of actions that do not comply with this anti-corruption policy;
- Where it comes to a joint venture partner or Softline's representative, explain that they are not authorized to make payments on behalf of Softline and that the relationship with them will be terminated if such payment is made.

Liability for Policy Violation

Where Softline is informed of the corruption, it reserves the right to initiate an internal investigation thereof and involve law enforcement and other competent authorities, if necessary.

All Employees and Business Partners bear responsibility for the compliance with this Policy and any other documents aimed at its implementation. Failure to comply with the requirements of this Policy shall be the ground for disciplinary action up to dismissal. Moreover, persons who violate anti-corruption legislation may be charged with a penalty and imprisoned as a result of criminal prosecution.

Softline's top managers are entrusted with the control over compliance with the anti-corruption policy.

S.V. Chernovolenko,

Global CEO of Softline