

Key definitions



Conflict of Interest



- A situation where your Personal Interest (direct or indirect), or the fact that you or your Related Persons occupy positions in the management bodies of other entities not being a part of MTS Group, affects or may affect proper, fair and impartial performance of your duties (exercise of powers) at the Company.

IMPORTANT: Additional employment (combining jobs) at the companies of MTS Group as a general rule **IS NOT** a conflict of interest.



Personal Interest

- A possibility for you and/or your Related persons to receive income (except for the income under employment agreements with the Company, being a fixed part of payroll payments) in the form of:
 - cash;
 - other property, including property rights, services of property nature, results of the works performed or any other benefits (preferences, including in the form of a waiver of debt).

Related Persons



- Family members: spouses (including divorced and/or unregistered (common-law) marriage), parents, children, adoptive parents and adopted children, guardians and trustees, grandfathers, grandmothers, grandchildren; full and half brothers and sisters (including cousins), as well as their children (including adopted children) and spouses; children (including adopted children) of spouses and spouses of children; brothers, sisters (including cousins) and parents (including adoptive parents, guardians), grandmothers, grandfathers and grandchildren of spouses, as well as other persons living and/or running a joint household together with them.
- Individuals or entities with whom you and/or your Family Members are related through property, corporate or other close relationships that cause a Personal Interest.

IMPORTANT: Related persons are not only relatives, but also entities, with whom you or your family members are related.

When is it the most often that a Conflict of Interest occurs (examples of typical situations)

- **Employment of family members or close relatives (Related persons) at MTS Group.** **Example:** Does any of your relatives occupy a managerial position at the same department where you work? Report it.
- **Employment at another company / holding managerial positions / delivering consulting or other services (freelance employment).** **Example:** Are you employed anywhere else, apart from MTS Group? Report it.
- **Business relationships with Related persons on behalf of MTS.** **Example:** Do you take part in making a decision as to hiring your relative? Report it.
- **Financial interest in an entity – Client / Counterparty / Competitor of MTS.** **Example:** If you are selecting a supplier and, among possible candidates, there is a company owned by your relative (1% and a greater stake), report it.
- **Employment of family members or close relatives (Related persons) at an entity – Client / Counterparty / Competitor of MTS / at state authorities that exercise supervisory and regulatory powers towards MTS.** **Example:** Is your relative employed at the Marketing Department of X, a competitor of MTS? Report it.

This list is not exhaustive. These and other situations, as well as ways of their resolution, are included in Policy Appendix 2, Typical Conflict of Interest Situations and Ways to Resolve Them.



Do not allow situations where there may be a conflict of interest

Example: Somebody gives you a valuable gift, hoping to receive a favourable discount in return.

X Refuse it!

Example: Are you familiar with the development strategy of MTS Group?

X Do not disclose it to others—it is confidential!

Example: Your relatives run business in the same sector as that of MTS Group. Have you received market research results and learned any trends?

X Do not disclose such information to your relatives!



Is there a conflict of interest?

Disclose it!

A fact of a conflict **IS NOT** a violation itself!
Concealing the fact of a conflict is a VIOLATION!

Do you have any doubts whether there is a conflict or not?

Ask your **direct supervisor** or a compliance manager or simply disclose it as a conflict.

They will help you to resolve it!
Your information is strictly confidential!

How to disclose?

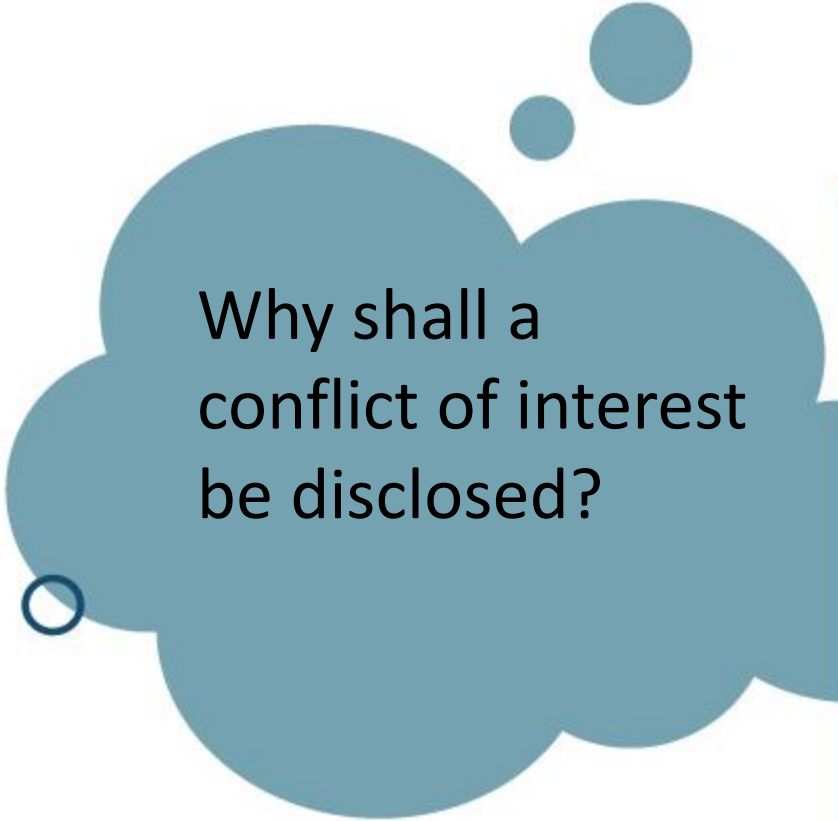
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Hard copy
Policy Appendix 1

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Electronic copy





Why shall a
conflict of interest
be disclosed?



Do business in good faith!

We all are different, yet we all are equal, and conditions shall be equal for all. Do not put yourself and the company at a risk of being held accountable for corruption violations.

If you become aware of any breach of the policy, report it via the Unified Hotline.

Who shall review my conflict of interest?

Your direct (immediate) supervisor obtains the disclosure forms (via e-mail or electronically), assesses the situation and takes steps to resolve the conflict.

The chosen settlement measures shall be sent to a compliance manager for approval.

How will I learn of the decision made?

Based on the results of a situation assessment, an employee who has filled out the disclosure form will receive a reply from their direct supervisor as to whether the disclosed situation is a conflict of interest or not, including the measures that will be taken if it needs to be resolved.

All the cases are reviewed based on the principles of confidentiality, fairness and balance of interests of the company and an employee.



Role of Managers

- ***Setting an example*** of due behavior; preventing and disclosing their conflicts of interest
 - ***Possessing knowledge*** of policies and in-house procedures of the Company; sharing their knowledge with subordinates
 - ***Encouraging their subordinates*** to disclose information on conflicts of interest
 - ***On their own, assessing and resolving conflicts of interest***
 - ***Quickly responding*** to violations
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