

## **Policy “Managing of Conflict of Interest” Annex 2. Basic Conflict-of-Interest Situations**

### **Basic Conflict-of-Interest Situations**

This Annex contains the most typical and frequent examples of Conflicts of Interest. Examples are provided to illustrate possible situations and are intended to assist in identifying these situations in an activity. The examples are not exhaustive and do not change the provisions of the Policy. It is necessary to read the Policy to understand the defined requirements of the terms.

#### **1. A business decision in relation to the Company made in the personal interests or the interests of the Associates**

The Persons covered by the Policy shall not act or make any business decisions based on their personal interests or the interests of any other companies, organizations or persons, except for the Company, when performing their professional activities in the Company. The Persons covered by the Policy are required to disclose information if they or their Associates are in a position where they get personal advantage (financial or non-financial) from a business decision or from a policy (strategy), a specific transaction or arrangement related to the Company activities.

#### **2. Using the Business Opportunity<sup>1</sup> in the personal interests or the interests of the Associates**

If the Person covered by the Policy becomes aware of a Business Opportunity, he/she has to disclose it immediately prior to using it in his/her personal interests or the interests of the Associates. This requirement applies to all information related to the MTS Group activities, which would not have become known to the Person covered by the Policy due to his/her connection with MTS Group. The Company decides to use such Business Opportunity. Only if the Company refuses to seize the Business Opportunity and after taking sufficient measures to minimize the risks of a Conflict of Interest, the Person covered by the Policy can use it to his/her advantage.

#### **3. Financial interest in the company-Client/Counterparty/Competitor**

The Persons covered by the Policy shall strive to exclude any financial or other interest that may influence or appear to be influencing their business decisions or actions in the Company, or minimize the influence of the corresponding interest on such decisions, or – if none of the above is possible – disclose such interest. A Person covered by the Policy and having a direct or indirect financial interest in an organization that is or may be a Client/Counterparty/Competitor or other person interacting with the Company may be in conflict if he/she makes a decision or tries to influence its making or concludes a transaction with such an entity. In order to avoid negative consequences of the conflict, the Person covered by the Policy shall disclose his/her direct or indirect (through the Associates) financial interest in the aforementioned entities to the Company, if he/she owns more than 20 % of stakes, shares or other financial instruments.

#### **4. Gifts and Business Hospitality**

The Company's business is based on open relationships in good faith with its Clients/Counterparties, other persons interacting with the Company (third parties). The Company policy in relation to Gifts and Business Hospitality organized for or by these persons is elaborated to exclude the possibility of privileged or unfair treatment by the Persons covered by the Policy of third parties, or vice versa. It is forbidden to the Persons covered by the Policy or their Associates to offer, accept, solicit to transfer or extort (directly or indirectly) anything of value, if it can influence or be perceived as influencing proper performance of their job duties.

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<sup>1</sup> Any opportunity that may lead to the emergence of Personal Interest, which becomes known to the Person covered by the Policy by virtue of his/her position or because of the information received by him/her from the Company/MTS Group. In particular, information about the Client, Counterparty or the possibility of working with them, information about the purchase/sale of assets, transactions of mergers and acquisitions, reorganization, etc., which the Person covered by the Policy would not have become aware of, if he/she was not an Employee of the Company or a member of its management bodies

## **5. Business relationships with the Associates on behalf of the Company –**

1) In procurement and transactions.

If the Company enters into and (or) extends (renews) a contract with the Counterparty and the Employee initiating or approving such procurement or transactions is aware of the Conflict of Interest, such Employee has to disclose this information in order to settle the Conflict of Interest.

For example, when the following individuals or legal entities are potential Counterparties of the Company<sup>2</sup>:

- Associates of a Company Employee;
- an organization where a Company Employee or his/her Associates are employees, directors or senior executives;
- an organization where a Company Employee or his/her Associates own (directly or indirectly) more than 20 % of stakes, shares or other financial instruments;
- a person who strives to provide or has already provided a Company Employee or his/her Associates with a gift, monetary reward, service, cultural and recreational or entertainment event of significant value<sup>3</sup>.

2) When hiring the Associates for work (internship) in the Company/working as a manager of the Associate/contacting the Client/Counterparty/Competitor with a request for assistance with hiring for work (internship) for himself or herself or the Associate.

The Company takes measures aimed at excluding situations when any Employee is in the position of a direct supervisor, Head of a unit or a controlling (inspecting) person in relation to the Associate or has any influence concerning the issues of hiring for a job (internship), retention (promotion), performance evaluation, labor remuneration or the provision of bonuses, benefits (compensations) to any Associate, regardless of whether such Associate is an Employee of the Company or a SC. The Persons covered by the Policy shall disclose any such relationship with Associates in order to determine whether a Conflict of Interest is present and the ways it may be settled.

## **6. Out-of-place employment<sup>4</sup>/holding of management positions/ consulting and other services, also rendered free of charge outside of the MTS Group<sup>5</sup>**

The Persons covered by the Policy are expected to dedicate their entire working day to the Company business. Work outside the Company can only be performed outside working hours and at their own expense, except for double duty within MTS Group. Herewith, the Persons covered by the Policy shall make sure that there is no Conflict between their employment outside the Company and their duties in the Company, as well as that their duties in the Company are of primary importance.

For example, a Person covered by the Policy may be in a situation of a Conflict of Interest if he/she (including, but not limited to):

- holds any position with a Counterparty/Competitor or an organization that is reasonably likely to become one;
- renders consulting or other services outside the Company;
- holds (both paid and unpaid) managerial positions, positions in the management bodies of other organizations (including non-commercial) outside MTS Group;
- is engaged in entrepreneurial activity and enters into transactions for personal advantage based on the information belonging to or created within the position held in the Company.

Prior to accepting any job offers or beginning to perform such kind of work (on a paid or unpaid basis) in the organizations operating in the same (or similar) market segment or area of activity in which the Company or the Person covered by the Policy operates, the latter needs to disclose information about it. If a Person covered by the Policy engages in any activity outside the Company, he/she shall also make every effort not to create the impression of acting on behalf of the Company, unless the Company specifically authorized such Person to do so.

## **7. Taking a position, as well as performance of duties on behalf of/in the interests of the PO, presence of a PO among the Associates**

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<sup>2</sup> Including the individuals performing business activities.

<sup>3</sup> Allowable limits for gifts, entertainment and cultural events are determined by Policy "Gifts and Business Hospitality".

<sup>4</sup> Excluding research, teaching and creative activities.

<sup>5</sup> Combination of positions within the MTS Group by Employees is not considered a conflict of interest.

Presence of a PO among the Associates, as well as among the Persons covered by the Policy, may result in a situation of Conflict of Interest. Working in the Company and simultaneously holding a position in Public Organizations being Clients/Counterparties of the Company and (or) perform control (supervisory) functions in relation to the Company may expose the Company to corruption risks.

The Company expects that the Persons covered by the Policy disclose any such relationships and situations in order to determine whether a Conflict of Interest is present and the ways it may be settled.

#### **8. Use of property of the Company for personal advantage**

Persons covered by the Policy shall not use or consent to the use of the Company's property, including information obtained in the course of their activities in the Company (regardless of whether it is formally and (or) explicitly classified as confidential or not), for personal advantage, for the purpose of obtaining personal benefit. The property of the Company for the purposes of this Policy includes: equipment, machinery, supplies, buildings (premises, areas), funds (including cash), technologies, concepts for creating new products, business strategies (plans), confidential information about commercial activities and any other assets of the Company.

#### **9. Financial liabilities**

Persons covered by the Policy shall not use financial opportunities obtained in connection with the interaction with the Company for personal advantage (except for remuneration payments provided for by the relevant agreements). Information on the provision/intention to provide personal loans (credits) to the Counterparties or Competitors of the Company, as well as information on personal debt obligations to them (with the exception of personal business relationships with banks and other financial institutions) is subject to mandatory disclosure to the Company for the purpose of conflict of interest management.

#### **10. Acquisition/lease of property, property rights in which the Company may be interested**

A person covered by the Policy may have a Conflict of Interest when:

- it has a business relationship with Counterparties, Competitors of the Company related to the lease, sale and purchase of property (movable/real estate), rights, and (or)
- acquires or leases property (movable/real estate), rights in which the Company may be interested.

A Person covered by the Policy is required to disclose such information for the purpose of conflict of interest management. Persons covered by the Policy have the right to buy something from the Company or sell something to the Company exclusively within the framework of the existing procedures established by the Company (for example, within the framework of disposal of excess (non-core or written off) property of the Company).



ДОКУМЕНТ ПОДПИСАН  
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