

Policy “Managing of Conflict of Interest”
Annex 2.1. Examples of basic Conflict-of-Interest Situations
and the Ways to Settle Them

Examples of basic Conflict-of-Interest Situations and the Ways to Settle Them

The table below provides a non-exhaustive **brief overview of basic Conflicts of Interest and the possible ways to settle them.**

Item No.	Basic conflict	Description	Possible ways to settle
1.	A business decision in relation to the Company made in the personal interests or the interests of the Associates	<p>Example: An employee of MTS PJSC makes a decision on investing funds belonging to MTS PJSC. The company X owned by the Employee's spouse is the potential investment object.</p> <p>Conflict type: actual.</p>	<ul style="list-style-type: none"> • removal of the Employee from making a decision that is the subject matter of the Conflict of Interest; • change in the Employee's work duties.
2.	Using the Business Opportunity in the personal interests or the interests of the Associates	<p>Using any opportunity that becomes known due to the position held or information received from the Company/MTS Group. In particular, information about the Client, the Counterparty, the possibility of working with them, information about the purchase/sale of assets, mergers and acquisitions, reorganization, etc.</p> <p>Example: An employee of MTS AI LLC, by virtue of their work duties, has access to information of commercial value for a Competitor being the company X, where a Member of the Employee's family is the Head of a unit with similar functionality.</p> <p>Conflict type: potential.</p>	<ul style="list-style-type: none"> • changed scope of duties or transfer of the Employee to a position not related to a specific Conflict-of-Interest situation; • removal of the Employee (permanently or temporarily) from participation in the discussion and decision-making on the issues that can create a Conflict of Interest; • recommendation to the Direct Supervisor of the Employee to monitor the situation and exclude the possibility of interaction between the Employee and the Counterparty; • preliminary approval by the Company.
3.	Financial interest in the organization – Client/ Counterparty/ Competitor	<p>a) owning more than 20 % of stakes, shares or other financial instruments;</p> <p>b) provision implying the receipt of benefits/advantages.</p> <p>Example: a relative to an Employee of MTS AI LLC holds or owns more than 20 % of the shares of company X, which is a Client (Counterparty, Competitor) of MTS AI LLC; herewith, the Employee may make decisions regarding such Client (Counterparty, Competitor) by virtue of his/her job duties.</p> <p>Conflict type: actual.</p>	<ul style="list-style-type: none"> • preliminary approval by the Company; • restricted access of these persons to specific information that may become the subject matter of the Conflict of Interest; • suspension of the Employee or his/her voluntary refusal to participate (permanently or temporarily) in the discussion.
4.	Gifts, cultural and recreational activities or hospitality	<p>Gift, monetary reward or service, incl. hospitality or cultural and recreational activities</p> <p>Example: An employee of MTS AI LLC, whose work duties include monitoring the quality of goods and</p>	<ul style="list-style-type: none"> • removal of the Employee from making a decision that is the subject matter of the Conflict of Interest;

		<p>services provided to MTS AI LLC by Counterparties, receives a significant discount on the goods of the company X, which is the Counterparty of MTS AI LLC.</p> <p>Conflict type: actual.</p>	<ul style="list-style-type: none"> • change in the Employee's work duties.
5.	<p>Business relationships with the Associates on behalf of MTS</p>	<p>a) procurement or commercial transactions;</p> <p>b) hiring the Associates for work (internship), working as a manager of the Associate or asking the Associate for assistance with getting a job/internship.</p> <p>Example: An employee holding the position of the Head of a unit (department/division) contacts his/her colleague from the unit in charge of HR administration and organization of internships in the Company and recommends his/her nephew for internship in his/her unit.</p> <p>Conflict type: potential.</p>	<ul style="list-style-type: none"> • preliminary approval by the Company; • removal of the Employee from making a decision that is the subject matter of the Conflict of Interest; • transfer of the Employee (their subordinate) to a different position and (or) to a different Company unit, and (or) change in the range of their duties; • admission of an intern on general competitive conditions to the unit that is most suitable in terms of the Company requirements for the competency and skills of the intern (except for the unit headed by a Family Member of the intern); • engagement of an independent official of the Company in making personnel and other decisions in relation to such a subordinate/unit where a Family Member works.
6.	<p>Out-of-place employment/holding of management positions/provision of consulting and other services</p>	<p>Consent to take a position or work as a director, employee, consultant or expert outside the Company (including work with Competitors, in NGO, etc.)</p> <p>Example: An employee of MTS AI LLC performs part-time work with the company X, which is a Supplier of MTS AI LLC. Herewith, the employment duties of the Employee at MTS AI LLC are not associated with any control powers in relation to the company X.</p> <p>Conflict type: potential.</p>	<ul style="list-style-type: none"> • establishment of additional control in terms of preventing the Employee from getting control functions or the possibility of making decisions in relation to the company X.
7.	<p>Taking a position, as well as performance of duties on behalf of/in the interests of the PO</p>	<p>Example: An employee of MTS AI LLC intends to take the position of an advisor to the PO and perform this work concurrently.</p> <p>Conflict type: potential.</p>	<ul style="list-style-type: none"> • preliminary approval by the Company is required; • recommendation to refuse the part-time job.
8.	<p>Presence of a PO among the Associates</p>	<p>Example: a relative of an Employee of MTS AI LLC took the position of a PO performing monitoring and supervisory functions in relation to MTS AI LLC on the issues within the area of responsibility of the Employee.</p> <p>Conflict type: actual.</p>	<ul style="list-style-type: none"> • transfer of the Employee to a different position and (or) to a different Company unit, and (or) change in the range of their duties; • restricted access of the Employee to specific information that may become the subject matter of the Conflict of Interest.

9.	Using property, assets, information owned by the Company for personal advantage	Using working hours, IT infrastructure, office equipment, confidential information of the Company for personal advantage Example: An employee, being a volunteer of a public and (or) political organization, prints leaflets to support the activities of the organizations that he/she is a member of using the Company paper and (or) office equipment. Conflict type: actual.	<ul style="list-style-type: none"> • establishment of control (monitoring) means (including technical) over the use of the Employee's working hours and (or) the use of the Company office equipment and consumables; • dismissal of the Employee for violating work discipline (on the grounds and in the manner prescribed by the current legislation).
10.	Financial liabilities	Provision of loans (credits) to Clients/Counterparties/Competitors, as well as borrowing from them (except for credit and other financial institutions). Example: An employee of MTS AI LLC has loan liabilities to the company X, while the work duties of the Employee of MTS AI LLC include making decisions on raising borrowed funds from the company X or another company. Conflict type: actual.	<ul style="list-style-type: none"> • preliminary approval by the Company; • removal of the Employee from making a decision that is the subject matter of the Conflict of Interest; • change in the Employee's work duties; • helping the Employee perform financial or property obligations, for example, by providing a loan or credit from the employing company.
11.	Acquisition/lease of property (movable, real estate), rights	Example: An Employee of MTS AI LLC makes a decision to purchase the intellectual activity results (technological solutions, etc.) with the patents for them belong to him/her as well. Conflict type: actual.	<ul style="list-style-type: none"> • preliminary approval by the Company; • removal of the Employee from making a decision that is the subject matter of the Conflict of Interest; • establishment of additional control in the form of involving the relevant in-house functions and/or senior management in decision-making.
12.	Other	There is or may arise a conflict between the personal interests of the Employee and the Company interests	Consultation of the Direct Supervisor or Compliance Manager and (or) prior approval of the Company are required
13.	Business decision in relation to the Company made amidst holding a position in a company belonging to the Group of the majority shareholder	Example: A member of the management body of MTS AI LLC votes on the issue concerning the approval or consideration of a transaction (several interrelated transactions) between MTS AI LLC or an MTS Group company, on the one hand, and the majority shareholder of MTS AI LLC or a company within its Group, on the other hand. Herewith, such a member of the management body concurrently holds a position in the management bodies of the majority shareholder of MTS AI LLC or the companies within its Group. Conflict type: actual	<ul style="list-style-type: none"> • abstaining from voting by a member of the management body on his/her own initiative or as recommended by the Company; • getting recommendations of the Audit Committee or the Special Committee (if applicable); • suspension from voting due to personal interest (if applicable by law); • suspension from discussion and expression of opinion on the agenda item (if applicable); • termination of participation in the management bodies of MTS PJSC, or in the management bodies of the majority shareholder of MTS PJSC, or the companies within its Group, on his/her own

			initiative or as recommended by the Company; <ul style="list-style-type: none"> • other actions.
14.	Out-of-place employment/holding of management positions/	<p>Example: A member of the management body, who is not an independent director, wishes to take a managerial position in a company being a competitor of MTS Group in one of its target markets.</p> <p>Conflict type: potential</p>	<ul style="list-style-type: none"> • refusal to participate in the management bodies of a competitor on his/her own initiative or as recommended by the Company; • other actions.
15.	Out-of-place employment/holding of management positions/	<p>Example: An independent member of the Board of Directors of MTS AI LLC wishes to take a similar position on the Board of Directors of a public issuer being a competitor of MTS Group in one of its target markets.</p> <p>Conflict type: potential</p>	<ul style="list-style-type: none"> • obtaining permission from the Company's management bodies to do double duty; • other actions.
16.	Business decision in relation to the Company made amidst holding a position in a company belonging to the Group of the competitor	<p>Example: An independent member of the Board of Directors of MTS AI LLC holds a similar position on the Board of Directors of a public issuer being a competitor of MTS Group in one of its target markets and votes on the issue related to the transactions with the competitor's Group or to the activities of MTS Group in the market of the competitor's operation</p> <p>Conflict type: actual</p>	<ul style="list-style-type: none"> • abstaining from voting by a member of the management body on his/her own initiative or as recommended by the Company; • suspension from discussion and expression of opinion on the agenda item; • termination of participation in the management bodies of the competitor on his/her own initiative or as recommended by the Company; • other actions.



ДОКУМЕНТ ПОДПИСАН
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