

**Code of Business Conduct and Ethics  
of  
MTS Center for Artificial Intelligence  
Limited Liability Company**

Moscow  
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## FOREWORD FROM THE MANAGEMENT BOARD OF MTS

Dear Colleagues,

Here in front of you is the Code of Business Conduct and Ethics of MTS AI LLC<sup>1</sup> - an MTS<sup>2</sup> group company (hereinafter the “Code”). This is a set of main principles of conduct and business practice of our team.

MTS is a company of action and creation. Over the last few years, we have grown to become a digital ecosystem. It unites the cultural diversity of our businesses by common philosophy **#ThisIsMTS** and common goals of MTS business strategy oriented towards long-terms relations with clients by focusing on their needs, loyalty increase and provision of better terms for using product packages.

To better feel the spirit of the Code, it is essential to understand the principles behind **#ThisIsMTS** that inspire our team, encourage us to achieve the highest result and become the best in everything we take on.

When developing the products **#ForTheCustomer**, communicating internally and externally **#FastInEssence**, expressing an active position **#TakeAnAction** and **#DoltCool**, we **#Together** prove by our daily conduct and results that MTS is **#MoreThanAJob**.

At the same time, irrespective of the strategy that is a living tool driving our high-profile organization towards success and despite the unique opportunity offered by our environment, MTS consistently maintains responsible business practices and zero tolerance for any violations of business conduct rules and ethics in any part of our ecosystem

Ethics, honesty and fairness are the cornerstones of our behavior and mandatory requirement to managers, employees and members of the governing bodies of MTS. The commitment to basic values of the company – ethics, responsible business practice, conscious and responsible attitude towards the company resources, proactivity and openness, wish to do more to exceed expectation of the client, colleague or the business partner in every touch point – is the key to sustainable business growth and MTS gain of competitive advantage in long-term perspective.

We as members of the MTS Management Board see our role not only in strict adherence to the Code but rather in explanation and support of the Code proper understanding to all the employees and stakeholders of the ecosystem. And we as all the MTS team will do our best to secure our direction embodying the Code principles in all aspects of daily work.

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<sup>1</sup> MTS Center for Artificial Intelligence Limited Liability Company, hereinafter “MTS AI”.

<sup>2</sup> Mobile TeleSystems Public Joint Stock Company, hereinafter “MTS”.

## **1. INTRODUCTION**

### **1.1. What is the Code and why do we need it?**

The Code contains the principles, standards of conduct and business practices adopted by MTS AI, which guarantee honest and fair treatment of our team members, partners, customers, and compliance with the applicable laws and internal regulations of the company.

Employees and directors of MTS AI, when performing their duties on behalf of MTS AI, must act lawfully, honestly, in compliance with ethical standards and for the benefit of the company. The Code will help to recognize the situations at the right time that do not comply with the ethical principles of MTS AI. All the employees and directors of MST AI must read the Code and take a training course in it.

MTS AI implements and maintains a risk-based training program for its employees and directors on the requirements of the Code through a specially prepared training system: on a regular basis, but in no event less than once per 2 (two) years in face-to-face, remote or other available format according to the Annual Training Plan available on the internal portal or the Intranet<sup>3</sup>.

### **1.2. Whom does the code apply to?**

The provisions of the Code apply to all employees and directors of MTS AI, regardless of position, duties, length of service and place of work, including all subsidiaries, affiliates and joint ventures that we control.

We support and strive, whenever possible, to ensure that affiliates not controlled by MTS AI, as well as partners and counterparties, conduct their activities in accordance with the standards established in this Code. If you engage third parties to work with MTS AI, make sure that the business partner has a proper image and shares the ethical standards set forth in the Code.

### **1.3. Amendments and contradictions**

The Code may be amended and supplemented to reflect the applicable law, inter alia, by individual regulations at any time without prior notice. The Code is a public document published on the Pulse internal portal in the Internal Regulations section.

If any part of this Code is in conflict with local laws or regulatory legal acts, only those sections of this Code that are consistent with the applicable laws and regulatory legal acts will apply.

## **2. ETHICS OF DECISION MAKING**

Only fair business is sustainable. Actions of each of us can directly affect the business standing and financial position of the company, which means that it is the responsible and deliberate ethical behavior of each employee that guarantees business continuity of the entire company.

### **2.1. Principles of decision making**

The Code sets forth basic principles for behavior and decision-making, however, it is impossible to foresee every situation that may arise.

If you are not sure how to act, ask yourself the following questions:

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<sup>3</sup> When the Intranet is created.

- Is it lawful?
- Is it fair and honest?
- Does it serve the interests of MTS AI?
- Does it comply with the company’s rules?
- Do I have the authority for it?
- Will I feel comfortable if the information about my actions is published in the media?

If the answer to any of these questions is “No”, you should not do what you were going to do.

If you have questions about the topics covered in the Code, doubts about whether a situation is regulated by the Code or whether it is a violation hereof, you should discuss this situation with your immediate or senior manager or send a question to the compliance manager (Compliance.AI@mts.ru).

## **Responsibility of managers**

Company managers and directors have an additional responsibility to create and maintain a work environment, which guarantees that members of your team know and understand their responsibilities, feel confident and can freely express their concerns, and listen carefully to such concerns and take appropriate action.

## **3. RESPONSIBLE BUSINESS PRACTICE**

### **3.1. Comfortable work environment**

MTS AI strives to provide decent and safe working conditions.

The ethical imperative of our Company is to respect human rights, create a productive work environment; manage such issues as occupational health, safety and psychological well-being of our employees properly.

In accordance with the Code, MTS AI employees and directors will do their best to create a supportive work environment in which everyone has the opportunity to reach his/her full potential and not be subjected to oppression, prejudice and discrimination of any kind. MTS AI suppresses unacceptable behavior both in relation to employees and directors and on their part. Additional information on this topic is disclosed in the *internal labor regulations*.

### **Management of conflict of interest and other business practices**

We cannot allow personal interests, such as personal relationships with a customer, supplier, competitor, business partner or other MTS AI employee, to have an actual impact on the ability of our employees to make fair and objective decisions while working for MTS AI, or to allow such a semblance.

Not every conflict of interest is a problem, but if not properly communicated and resolved, it can have negative consequences for the employees, directors and the company itself. The best rule for any conflict-of-interest situation is to “refrain” and “disclose”: if participation in an event or activity that creates a conflict of interest cannot be avoided, report it and refrain from participating in appropriate decision-making until the conflict is resolved.

The rules for conduct in the event of a conflict of interest, including in the course of external business relations, membership in boards of directors, investment activities, are described in more detail in the *management of conflict-of-interest policy*.

Besides, MTS AI has developed and supports the principles of responsible ***giving and receiving of gifts and gestures of business hospitality***, and has established criteria for their acceptability in the relevant ***policy***. MTS AI does not allow gifts to be used in bad faith, for example, in order to obtain an unlawful advantage.

### **Protection of assets and third parties**

Each employee must protect MTS AI assets, including material and intellectual property, confidential information, personal data, against theft, damage, misuse and improper disposal. This duty also applies to assets entrusted to us by third parties.

- Any transfer of **state secrets or other classified information** must be strictly in conformance with required security procedures.
- MTS AI employees and directors only use **MTS AI confidential information** for business purposes and must always store and dispose of such information in accordance with the requirements of the ***information security arrangements***.
- To enable you to perform work, MTS AI can provide you with access to **personal data** of customers, employees, business partners, counterparties, etc. This data requires particularly careful and responsible handling and strict adherence to ***policies regarding processing of personal data***: their protection is the priority of the same importance as business continuity.
- **Intellectual property** is one of the most valuable assets of MTS AI. We protect our intellectual property items and respect the intellectual property of other market participants.

Always keep in mind that misuse or disclosure of such information, even within MTS AI, can seriously damage the business standing of the company, its customers, business partners and the professional community, subject MTS AI to liability and damage its business operations. Immediately report any actual or suspected incident, or improper use of MTS AI assets through the communication channels about violations available to you.

### **Fair trade**

MTS AI builds **long-term relationships with customers** by providing high quality and safe services and products of the MTS AI, and comfortable service conditions. Not a single client message must go unanswered.

MTS AI uses **fair practices to promote services** that exclude their perception as unethical or capable of causing harm to customers, partners or third parties.

We do not gain competitive advantage through illegal and unethical practices, including through collusion and corrupt practices. MTS AI employees and directors may not negotiate prices or enter into any formal or informal agreements with any competitor regarding prices, discounts, business conditions or market segments and channels in which the Company competes if the purpose or result of such discussion or agreement does not comply with the applicable laws.

## **4. COMPLIANCE**

Employees and directors of MTS AI must comply with applicable laws and regulations of MTS AI, regardless of the place of their business.

### **4.1. Prohibition of corruption and bribery in any form**

Employees and persons acting on behalf of or for the benefit of the company, are not allowed by MTS AI, either independently or through intermediaries, to offer, promise, make, approve, require or accept any illegal payments and other illegal benefits from any public or private persons for the purpose of obtaining or maintaining a business or managing it, or to gain other unlawful benefits in the implementation of their activities.

MTS AI does not make facilitation payments and does not participate in political activities, including funding parties and candidates for political office.

Any transactions associated with potential corruption risks (including gifts, entertainment allowance, interactions with government officials or government agencies, sponsorships and charities, etc.), due to the risk of influencing a business decision, are subject to the **anticorruption policy** and internal compliance controls of MTS AI.

## **Accounting and information disclosure**

### **Transparent accounting**

We want our customers, employees, business partners, shareholders and investors to have sufficient information about our activities. We strive to be open and active in our communications. Information disclosure is undertaken in a way ensuring a reasonable balance between the informational transparency and protection of the company's commercial interests.

### **Disclosure of information**

MTS AI does its best to ensure that its accounting records, reports, accounts and financial statements are maintained with a proper degree of detail, properly reflect the company's operations in accordance with the applicable law and the internal control system. Everyone needs to remember that accurate reporting is important, not only because regulators mandate it, but also because the data helps the company to remain competitive in the marketplace. Therefore, the business information you provide must always be accurate, timely, complete, fair and understandable. MTS AI prohibits any falsification of documents, distortion of the true nature of any operations.

We also ensure the transparency of our activities by openly interacting with our various stakeholders.

### **Public communications**

The reputation of MTS AI is one of our most valuable assets, and the company's position in the market depends largely on its protection and promotion.

MTS AI has defined the authorized persons entitled to represent the company in open sources.

Employees need to remember that any expression of their subjective opinion on social media or other public resources is interpreted by the public as the official position of the company. In view of the above, MTS AI warns against participating in discussions on topics commenting on which is prohibited in the public setting and/or may harm the business standing of the company and its capitalization.

### **Use of insider information**

MTS AI is not a publicly listed company and is not required by law to implement measures aimed at preventing, identifying and stopping any unlawful use of insider information. However, in the

course of his/her work, each employee may become aware of material non-public information (sometimes about other organizations) that may be insider information. The use of such insider information to obtain personal benefits for an employee or third parties violates the legal requirement and is not acceptable for MTS AI.

For example, until announced publicly, information concerning any public company's financial results is insider information, and its use, even in the form of advice to a related party, would be a violation.

Employees and directors of MTS AI are not allowed to make transactions with securities of companies in respect of which they have insider information, or recommend to third parties to perform such transactions, or transfer material non-public information to other persons without the explicit permission given by the company.

## **5. RESPONSIBLE LEADERSHIP FOR SUSTAINABLE DEVELOPMENT**

It is impossible to imagine the life of a modern society without digital technologies. The above imposes a special responsibility on MTS AI, whose activities can affect the economic, social and environmental development of the regions where it operates.

### **5.1. Responsibility for decisions made**

We acknowledge that the innovations we use to improve business efficiency and to raise the level of customer satisfaction are a global factor that opens up not only new business opportunities, but also pose risks for MTS AI. Therefore, MTS AI tries to adhere to the principles of sustainable development: it conducts business in compliance with ethical standards, takes responsibility for the consequences of decisions made and its activities, as well as for the impact of these consequences on society.

#### **Impact on local community**

We strive to contribute to the economic development and social well-being of local communities and territories in every region where the company operates by establishing partnerships with local stakeholders and organizations.

MTS AI also encourages employees to invest their personal time and resources in supporting communities, performing charitable acts, and providing them with opportunities for development.

#### **Environmental protection**

In our work, we support the principle of environmental efficiency, striving to minimize the impact of MTS AI activities on the environment.

## **6. REPORTING VIOLATIONS**

MTS AI maintains a culture where concerns can be reported, supporting an open and trust-based dialogue with employees at all levels.

### **6.1. Reporting**

If you have information or suspicions about a possible violation of the Code, company regulations or the applicable law – report it!



MTS AI has developed and maintains special procedures for employees and any other parties wishing to report violations. You may choose any form convenient for you:

- inform the direct supervisor or, if this report relates to the actions committed by the direct supervisor, a more senior manager (in any form);
- inform the compliance manager (in any form including Compliance.AI@mts.ru);
- send a message to the Unified Hotline e-mail address: external.hotline.mts@b1.ru;
- fill in the feedback form hotline-mts.b1.ru published on Our MTS corporate portal (anonymously or signed with your name);
- via Our MTS AI app (including anonymously);
- call 8 800 234 44 18\* for free calls from Russia or use toll-free telephone lines from a number of foreign countries, or via the Unified Hotline website.

Any person who violates the Code can be subject to disciplinary action, up to and including dismissal or termination of contract based upon contract terms and legislation.

## **6.2. Prohibition of retaliation**

MTS AI provides for an independent and comprehensive review of all communications and protects those who duly and in good faith report problems and concerns, facilitate investigations, and refuse to take part in activities that contravene the principles or requirements of the Code.

If you believe that retaliatory measures have been taken against you after you have notified us about a problem or a violation, contact the compliance manager.

## **7. SUMMARY**

MTS AI strives to be an open and prudent company. It is impossible to describe all the ethical scenarios that we may face. Instead, we use good judgment, rely on commitment and personal responsibility of every person, in order to maintain high standards of ethics for ourselves and our company. We expect that all employees and directors of MTS AI, counterparties and any other participants in our work processes will be guided by both the letter and the spirit of this Code.

## PRINCIPLES OF MTS AI

|                        | Description   |
|------------------------|---|
| <b>#MoreThanAJob</b>   | I love what I do and do it to the fullest. I do not follow the formal limits of working hours because the key indicator of my work is the result, but not the effort or time.   |
| <b>#ForTheCustomer</b> | The main goal of my work is to solve my customer's problems and exceed their expectations. I respect the customer and do not cheat or manipulate them.  |
| <b>#FastInEssence</b>  | I save my colleagues' time and take care of them. I always give the context of the task, speak succinctly and objectively, deal with facts and reduce bureaucracy. I am looking for a solution, not an explanation of why it cannot be done. If criticizing, I suggest.   |
| <b>#TakeAnAct</b>      | I start with myself and do not wait for others' actions. I take responsibility and act. I track the result, think outside the functional framework and am responsible for the overall process. I solve problems and do not complain. If the problem is not in my area of responsibility, I do not ignore it but report it to my colleagues and help them.                       |
| <b>#DoltCool</b>       | I am responsible for the quality of my work and do not create something mediocre. I try new things, not afraid to take risks, and learn even through failures. I am honest with myself and can admit mistakes.  |
| <b>#Together</b>       | I contribute to building the MTS AI digital ecosystem, appreciate the diversity of business cultures, and believe that our strength increases greatly when we work together as a team. I am open to opinions and ideas of my colleagues, trust their competence, help them and share ideas and experience to achieve our common goal – to make people's lives better every day. |