

MTS AI LLC COUNTERPARTY CODE OF BUSINESS CONDUCT

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1. INTRODUCTION

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

MTS Center for Artificial Intelligence LLC (hereinafter the “Company”, “MTS AI” and the company (companies) of MTS AI Group¹) has a very dynamic corporate behavior. MTS AI seeks to build partnership relations, first of all, among the companies regardless of any changes to their management or employees. All MTS AI employees are striving to achieve the best result and realize that success in business depends on the contribution made by each person at his/her workplace.

MTS AI supports such principles of cooperation as fair competition, adherence to good business practices, progressive development, quality, respect for law and rules of conduct, commitment to the highest standards. MTS AI consumers expect any persons/entities the Company deals with and especially our Counterparties² to behave the same way.

This MTS AI Counterparty Code of Business Conduct (hereinafter – the “Code”) is publicly available on the Company’s website. The Code provisions set out minimum standards that are expected to be complied with by MTS AI Counterparties. However, MTS AI imposes no restrictions on the Counterparties in following higher standards than those stated herein.

MTS AI implements and maintains a risk-based program to train the Counterparties of MTS AI in the requirements set forth in the Code by way of a specially developed training system: on a regular basis in face-to-face, electronic or any other available format.

1.2. Whom does the Code apply to?

The Code provisions apply to all counterparties of MTS AI, as well as any third parties engaged by the Counterparty to act on behalf and/or for the benefit of MTS AI Group.

By entering into business dealings with MTS AI, the Counterparty acknowledges that it has read and accepts the provisions of this Code, as well as agrees to follow the provisions hereof in all existing and future agreements and business relations with MTS AI. The Company also expects that the Counterparty will procure compliance with the provisions hereof by its subsidiaries and affiliates, management, employees, contractors, intermediaries, agents, suppliers, and other parties engaged to perform obligations to MTS AI.

1.3. Amendments and additions to the Code

The Code is regularly reviewed and may be amended to reflect applicable law and supplemented, *inter alia*, with individual regulations at any time without prior notice.

Since the Code is a public document, you can read it on the Company’s official website <https://aicenter.mts.ru/>.

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.

1.4. Ethics of Decision Making

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

If you’re not sure how to proceed, ask yourself the following questions:

- Is it lawful?
- Is it fair and honest?
- Does it serve the interests of MTS AI?

¹ MTS AI Group includes MTS AI LLC, all the Subsidiaries of MTS AI LLC and all the companies controlled, directly or indirectly, by MTS AI LLC.

² The Counterparty is any legal entity or individual, including a self-employed entrepreneur, engaged to perform actions on behalf of and/or for the benefit of MTS Group or to supply goods or render services to MTS Group, including the procurement categories and the categories not related to procurement, including, but not limited to, sellers and suppliers; dealers and distributors; real estate owners and/or holders; professional services providers; consultants; agents, mediators, subcontractors, and other third parties.

- Does it comply with the Company's rules?
- Am I authorized to do 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 any questions about the topics covered in the Code, have doubts about whether a situation is regulated by the Code or whether it is a violation hereof, you should discuss this situation via the communication channels specified in Section 5 of this Code.

2. RESPONSIBLE BUSINESS PRACTICE

2.1. Cooperation in pursuing MTS AI strategy

It is the **STRATEGY OF MTS AI** to develop products and services based on artificial intelligence, this implies giving the customer access to smart technologies, services and devices.

MTS AI aims to provide excellent customer experience, add functionality improving competitiveness of our current products, launch complementary products that offer new options to the users and partners of our ecosystem.

As a result, MTS AI will be able to launch state-of-the-art solutions on the market thus facilitating the rise in living standards and development of the digital economy in Russia.

MTS AI expects that the Counterparties' actions will be aimed at assisting MTS AI in achieving the strategic goals set.

2.2. Management of conflict of interest and other business practices

The Counterparties can report the conflicts of interest by sending information to the Unified Hotline in accordance with Section 5 of the Code and/or by notifying the Company's contact persons who are authorized under the contract via the channels, in the form and within the time limits specified in the contract.

In the Company, it is permissible to give and accept gifts and gestures of business hospitality, including invitations to events, if they meet the following criteria: have a legal business purpose and comply with good business customs, are not aimed at providing unlawful benefits and preferences; are occasional and reasonable in terms of cost; are not extravagant (luxurious). The Counterparties undertake not to offer gifts, gestures of business hospitality, directly or indirectly, to the Company employees or representatives in order to exert influence on them or in the course of negotiations, tendering procedures, concluding a contract, making a business decision.

Whenever the Company employees are not permitted to accept a gift, MTS AI hopes for the Counterparties' understanding and guarantees that returning the gift will have no impact on further cooperation and will not affect management decisions made regarding the selection of and interacting with the Counterparty.

2.3. Contractual relations and due diligence

MTS AI prohibits any non-contractual relations, specifically, any written or oral arrangements not permitted by the current legislation. Any agreements or contracts concluded between MTS AI and the Counterparties must be made in writing as envisaged by the legislation and MTS AI internal procedures.

MTS AI expresses hope that all Counterparties are interested in full, timely and proper fulfillment of the terms and conditions set forth in a contract/agreement/addendum to an agreement/order.

MTS AI expects the Counterparties to participate in the Counterparty selection procedures as provided for by the Russian legislation, specifically: keep its proposal valid after the Counterparty is approved as the winner of the tender; promptly sign the agreement/contract/addendum to the agreement/order and assist in maintaining the culture that does not tolerate any illegal or unethical behavior.

MTS AI sets out requirements regarding trustworthiness of parties that are both potential and current Counterparties of MTS AI. The Counterparties are subjected to a comprehensive risk-based due diligence prior to concluding a contract. When deciding whether to start or continue further interaction with the

Counterparty, the risk-based approach is applied. MTS AI expects the Counterparties to assist in the due diligence and provide, if necessary, reliable information as requested at any stage of interaction.

MTS AI expects that the Counterparties will inform MTS AI about engaging third parties to act on behalf and/or for the benefit of MTS AI Group, to adhere to good business practices when selecting such third parties, to apply the principles set out in this Code to them and report any possible risks associated with working with them in order to develop cooperative measures to minimize potential adverse effects.

2.4. Good business practices

MTS AI hopes that the Counterparty also seeks to develop a partnership relationship in solving both strategic and current interaction issues. MTS AI expects the Counterparties to provide information on any potential hazards, risks or possible lost profit of MTS AI that may be known to them.

According to the Company's requirements, MTS AI employees may only be contacted as part of performing their work-related duties and for the benefit of MTS AI only. The Company strongly disagrees with any undue influence on its employees with a view to make them act for the benefit of any Counterparty to the detriment of MTS AI or for any other purpose by offering them any monetary (or other financial) compensation, by way of threats or any other wrongful acts.

Commitment to the principles of business ethics forms the basis for MTS AI corporate culture. The Company has a valid MTS AI Code of Business Conduct and Ethics that is publicly available on the MTS AI website³ where the basic principles, standards and rules for interaction with colleagues, customers, partners, and outside audiences are set out. MTS AI expects that Counterparties' actions will never be contrary to the Code of Business Conduct and Ethics.

2.5. Protection of MTS AI's and third parties' assets

The Counterparties that have been granted access to the Company's confidential information in the course of business dealings must not share such information with anyone unless duly authorized by MTS AI. If the Counterparty believes that it was mistakenly granted access to the Company's confidential information, such Counterparty must immediately notify the MTS AI contact person and refrain from further distributing such information.

MTS AI protects its intellectual property and has respect for the intellectual property of other market participants.

The Company does not use intellectual property of third parties without their authorization and expects its Counterparties to respect copyright and to comply with laws and regulations related to intellectual property.

If a Counterparty finds out that any items of the MTS AI intellectual property are used unlawfully by it or by parties engaged by it to perform obligations to MTS AI, the Counterparty must immediately notify the employee who acts as an MTS AI contact person. The Company expects that if a Counterparty becomes aware of any unlawful use of MTS AI intellectual property by other parties, such Counterparty shall also notify the Company.

MTS AI expects that the Counterparty who was granted access to the information about any items of the MTS AI intellectual property being created or developed and legally unprotected yet will consider such information as confidential, will not share such information with anyone else unless duly authorized by MTS AI, and will refrain from using such information if such use may cause harm or be undesirable in terms of protecting and serving the interests of MTS AI.

2.6. Artificial Intelligence

While developing and integrating autonomous, intelligent systems or other similar technology, including artificial intelligence systems and machine learning technology (collectively referred to as "AI Technology"), the Company undertakes to act on a reasonable and transparent basis, as well as comply with security standards, and expects the same from its Counterparties. The Counterparties must guarantee that AI Technology to be developed for or jointly with the Company is in conformity with the internationally recognized ethical standards. The results of such AI Technology development must not be used for any unethical or unlawful purposes.

³ Code of Business Conduct and Ethics of MTS AI

3. COMPLIANCE

3.1. Compliance with laws

The Company's Counterparties shall carry out their activities in accordance with the laws applicable in the countries where they do their businesses.

3.2. Prohibition of corruption and bribery in any form

The Company has zero tolerance for any forms of bribery and corruption⁴.

MTS AI expects its Counterparties to carry out their activities, including interaction with government organizations and government officials, in strict compliance with the provisions of the applicable anti-corruption legislation and requirements related to business ethics and anti-corruption compliance⁵, as well as to refrain from any actions that may violate the rules of such legislation or cause such violation by MTS AI.

The Company expects the Counterparties to deploy and implement an adequate and efficient anti-corruption compliance program.

3.3. Combatting money laundering

The Company fulfills its anti-money laundering obligations and those related to combating the financing of terrorism in the manner prescribed by applicable law and expects the same from its Counterparties.

3.4. Antitrust compliance

MTS AI prohibits any agreements with Counterparties aimed at restricting or eliminating competition. MTS AI expects that the Counterparties will not attempt to entice MTS AI employees to enter into such agreements.

MTS AI expects the Counterparties will adhere to the principles of fair competition in all areas of cooperation, inter alia, when selecting a Counterparty, including procurement procedures (tenders, requests for proposals etc.).

MTS AI expects the Counterparties to prevent any anticompetitive actions (entering into a cartel, other anticompetitive agreements, prohibited "vertical" agreements, collusion on the market, acts of unfair competition) aimed at restricting competition and infringing on the interests of MTS AI or its customers, partners or other Counterparties, including on the issues of pricing, including tender prices, market division, refusal to enter into agreements with certain purchasers, as well as regarding other issues as stipulated by antitrust legislation.

3.5. Trade restrictions

MTS AI strictly complies with the applicable laws and regulations in international trade. MTS AI expects the Counterparty to provide assistance in maintaining the culture that prevents any violation of rules of international trade while doing business with MTS AI, including when acting on its behalf or for its benefit, by way of providing the required representations and warranties.

3.6. Transparent accounting and provision of reliable information

MTS AI is doing its best to maintain its accounting records, reports, accounts and financial statements with an adequate degree of detail and properly reflecting the Company's operations in accordance with the applicable law and internal control system and expects the same from its Counterparties. Business information provided by the Counterparty, including information furnished pursuant to the requirements set

⁴ Corruption means an action undertaken by an individual or a legal entity that is related to offering funds, any financial benefits, advantages or values in the forms of giving and/or taking a bribe or commercial bribery, mediation in bribery or commercial bribery, abuse of power and in any other forms that are recognized as corrupt, in order to influence any action (omission) of the bribe taker and to induce performing his/her work-related duties in an inappropriate way and/or to obtain any improper commercial or other advantage or benefit and/or to obtain reward for the improper performance of such duties.

⁵ Anti-corruption compliance (anti-corruption compliance program) is a system of actions and procedures developed by the Company in order to ensure compliance with the requirements set forth in the applicable anti-corruption legislation.

forth in procurement documentation and contracts, must always be accurate, timely, complete, fair, and clear. MTS AI prohibits any falsification of documents, distortion of the true nature of any operations.

4. RESPONSIBLE LEADERSHIP FOR SUSTAINABLE DEVELOPMENT

4.1. Environmental protection

MTS AI welcomes environmental friendliness of the Counterparties. MTS AI recommends that the Counterparties apply a preventive approach to environmental issues, implement initiatives promoting environmental responsibility and facilitate the spread of technologies promoting environmental protection and use of rational methods for product life cycle implementation.

4.2. Human rights

The Company itself observes and seeks to cooperate with the Counterparties that observe the following standards:

- scrupulously paying taxes and all insurance contributions towards mandatory pension, social and health insurance;
- providing equal opportunities for employees at all levels, irrespective of their skin color, race, sex, gender identity, age, ethnicity, national origin, sexual orientation, marital status, religious affiliation, disability or other features that are not related to their professional competencies;
- remuneration that is sufficient to satisfy at least the basic needs of employees;
- providing employees with the opportunities for advanced training;
- adhering to the working hours prescribed by law and overtime compensation in accordance with the local statutory regulations;
- having respect for the lawful freedom of associations for employees;
- recognizing all lawful rights to hold negotiations and to enter into the collective bargaining agreement;
- development, implementation and maintenance of the occupational safety policy, analysis and control of the risks associated with occupational safety and caused by the organization's activities.

MTS AI has zero tolerance for abusive child labor, forced labor, debt dependence, human trafficking, and all forms of exploitation. MTS AI does not cooperate with any Counterparties that are known to apply unacceptable methods of treatment of their employees, such as physical punishment, humiliating treatment, forced labor or any other forms of unacceptable treatment of employees. MTS AI expects its Counterparties to take appropriate measures to prevent their own Counterparties from applying such treatment of employees.

5. REPORTING VIOLATIONS

MTS AI reserves the right to verify compliance with this Code, among other things, by requesting documents and clarifications as part of contractual relations with the Counterparty subject to confidentiality requirements and personal data security and expects the Counterparty to continue interaction in the course of such verification.

If the Counterparty fails to comply with the provisions hereof, as well as with the relevant laws and regulations, MTS AI reserves the right to suspend or terminate the cooperation in accordance with the applicable legislation, which may include termination of contracts, and to make adequate conclusions as to any future cooperation.

The Company expects that the Counterparties will report any suspected violations of these standards, applicable law, regulations on finance, accounting, auditing, as well as any alleged and actual cases of corruption or fraud in the Company and other situations affecting material interests of MTS AI or related to ethical conduct or physical safety of the Company's employees.

The Counterparties may submit violation reports in any of the following ways:

- (1) to the Unified Hotline e-mail: external.hotline.mts@b1.ru;
- (2) to phone number 8 (800) 234 44 18 (Russian Federation) or use toll-free telephone lines from a number of foreign countries;
- (3) via the feedback form hotline-mts.b1.ru published on Our MTS corporate portal (anonymously or signed with your name);

Phone numbers of the United Hotline in other jurisdictions are available on the official website of MTS PJSC – www.MTS.ru.

The Company ensures an independent and comprehensive review of all reports of violations of the requirements set out in this Code.

The Company prohibits any forms of victimization (retaliation) against those Counterparties that reported a violation in good faith, facilitated investigations, refused to take part in activities that are contrary to the principles or requirements hereof.

MTS AI hopes that the above principles of interaction will contribute to the creation, development and maintenance of partnership business relations that ensure mutually beneficial cooperation.