

**Policy**  
**“Managing the Conflict of Interest”**

Moscow, 2025

This Policy establishes the minimum standards for managing the Conflicts of Interest at Limited liability company «MTS Artificial intelligence center» (hereinafter referred to as the “Company”) and MTS AI Group, and also defines the process of disclosure and management of Conflicts of Interest

By implementing this Policy, the Company sets the **following goals:**

- enhancement of trust to the Company and MTS AI Group;
- establishment of a unified system for managing Conflicts of Interest within MTS AI Group;
- determination of the rules of conduct in cases of Conflicts of Interest;

**TABLE OF CONTENTS**

- 1. DEFINITIONS OF TERMS, ABBREVIATIONS AND ROLES .....4
- 2. GENERAL PROVISIONS .....5
- 3. CONFLICTS OF INTEREST .....5
- 4. STAGES OF MANAGING A CONFLICT OF INTEREST .....6
  - 4.1. PREVENTION OF CONFLICTS OF INTEREST .....6
  - 4.2. DETECTION OF CONFLICTS OF INTEREST .....6
  - 4.3. DISCLOSURE OF INFORMATION ON THE CONFLICT OF INTEREST .....7
  - 4.4. CONSIDERATION OF CONFLICTS OF INTEREST .....7
  - 4.5. CONFLICT OF INTEREST MANAGEMENT .....7
  - 4.8. SUPERVISION .....8
- 5. REGISTER .....8
- 6. ADDRESSES FOR SEEKING ASSISTANCE .....8
- 7. POLICY EXECUTION .....8
- 8. REFERENCE DOCUMENTS .....8
- 9. ANNEXES .....9

# 1. DEFINITIONS OF TERMS, ABBREVIATIONS AND ROLES

## Definitions of terms and abbreviations

Name of the term	Abbreviation	Term definition (abbreviation expansion)
<b>Applicable definitions:</b>		
<b>Conflict of Interest</b>		A situation in which a Personal Interest (direct or indirect) of the Person covered by the Policy, or the fact that such a Person or their Associates occupy positions in the management bodies of other organizations not being a part of MTS Group, affects or may affect proper, objective and impartial performance of their duties (exercise of powers) in the Company.
<b>Personal Interest</b>		The possibility for the Person covered by the Policy and (or) their Associates to receive income (except for income under employment agreements with the Company, which is a constant part of the wage) in the form of money, other property, including property rights, monetized services, work deliverables or any other benefits (advantages, including in the form of debt cancellation).
<b>Family Members</b>		The persons being in close relationship or property, namely 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 the spouses, as well as other persons living together and (or) running a joint household with them.
<b>Public Official</b>	PO	Any Russian or foreign, appointed or elected person holding or filling any position in the legislative, executive, administrative or judicial body or international organization; any person performing any public role for the state, including roles for a governmental institution; leading politicians, officials of political parties, including candidates for political posts, ambassadors, influential functionaries in nationalized industries or natural monopolies; managers and employees of state institutions, including doctors, military personnel, municipal employees, etc.; persons who are known to be related to a state official by kin or in terms of friendly or business relationships, and (or) acting on behalf of and (or) for the benefit of a public official.
<b>Public Organization</b>		Any state and administrating authority of the Russian Federation and foreign states, their constituent entities (including government ministries, services, agencies, government departments and their structural units) and local authorities; any political party; all legal entities directly or indirectly controlled by the state (Russian or foreign); legal entities whose activities are perceived by society as the exercise of a public function for the state, except for the fulfilment of legal requirements; international public organizations.
<b>Customer</b>		An individual or a legal entity, as well as an individual entrepreneur, serviced by the Company in terms of acquiring telecommunication and other services, goods or work.
<b>Company</b>		MTS IA LLC (MTS AI), including all structural divisions, branches and representative offices.

Name of the term	Abbreviation	Term definition (abbreviation expansion)
<b>Competitor</b>		An entity that sells or purchases goods (work, services) in those product markets where MTS AI LLC operates, including in the markets for fixed-line and mobile communication, including data transfer.
<b>Counterparty</b>		Any legal entity or individual with whom the contract is being or has been signed.
<b>Applicable Anticorruption Legislation</b>		Russian anticorruption legislation (Federal Law dated December 25, 2008 No. 273-FZ “On Counteraction to Corruption”, the Criminal Code of the Russian Federation, the Civil Code of the Russian Federation, the Code of the Russian Federation on Administrative Offenses, as well as other Federal laws and by-laws of the Russian Federation providing for combating corruption), and similar legislation of the states where the Company conducts its business activities.
<b>Employee</b>		An individual who has employer – employee relations with the Company.
<b>Associates</b>		Collectively referred to as Family Members and individuals or entities with whom the Person covered by the Policy and (or) Members of their family are linked by property, corporate or other close relationships that provide for the Personal Interest to appear.

## 2. GENERAL PROVISIONS

**2.1.** A Conflict of Interest occurs when personal interests of Persons covered by the Policy conflict with their responsibilities to act in the interests of the Company. The purpose of the Policy is to identify situations of Conflicts of Interest and principles for their management.

The Policy **is binding on:**

- all Employees,
- members of the management bodies (Board of Directors) and other<sup>1</sup> bodies of the Company (hereinafter referred to as the members of the management bodies and other bodies of the Company);
- Counterparties – to the extent provided for by contracts concluded with such persons/entities.

For the purposes hereof, all those listed shall be hereinafter collectively referred to as the **“Persons covered by the Policy”**.



The Persons covered by the Policy shall not act, make decisions or directly or indirectly influence the Company’s decision-making process in case of a Conflict of Interest.

**2.2.** Roles and responsibilities of the participants in the process of managing a Conflict of Interest are set out in Annex 3 to the Policy PT-AI-021 «Managing the Conflict of interest»<sup>2</sup>.

## 3. CONFLICTS OF INTEREST

No single document can cover all possible situations of Conflicts of Interest. The Policy provides a transparent approach to managing Conflicts of Interest, establishes the basic principles of regulation and describes the most typical situations.

<sup>1</sup> Other bodies are the Company’s bodies that perform advisory, consultative, control and other functions (committees, commissions, councils, etc.).

<sup>2</sup> Version for internal use by employees of MTS AI LLC.

Basic principles of managing the Conflict of Interest:



- } Avoid any situations or circumstances that create or may lead to a Conflict of Interest;
- } Timely disclose the Conflict of Interest arisen (actual or potential);
- } Contribute to the assessment and settlement of the Conflict of Interest arisen.

**3.3. Basic situations of Conflict of Interest** are provided in the Annex 2 to the Policy. In case of doubt, whether there is a Conflict of interest, please contact the Compliance manager: [compliance.ai@mts.ru](mailto:compliance.ai@mts.ru).

### **3.4. Conflicts of Interest involving the members of management bodies and other bodies of the Company**

The basis for Conflict of Interest management with participation of members of the management bodies and other bodies of the Company is the applicable legislation, law enforcement practice, as well as the requirements for good faith and reasonableness, which are essentially similar to the institution of “fiduciary duties”.

The members of management bodies and other bodies of the Company are expected to perform their official and corporate duties impartially, reasonably and in good faith being guided by the highest professional and ethical standards, legal norms and best corporate governance practices.

The good faith and reasonableness in activity carried out by members of the management bodies and other bodies of the Company is assumed and may include:

- exercise of due diligence, which implies making informed business and (or) corporate decisions based on reasonably available essential information;
- manifestation of loyalty to the Company, which requires actions (omission to act) to the benefit of the Company and all its shareholders;
- exercising proper supervision over the compliance of the business and (or) corporate decisions taken with the legislation and local regulatory acts (hereinafter – LRA) of the Company.

Timely disclosure of situations associated with a Conflict of Interest is one of the manifestations of the “fiduciary duties” of members of the management bodies and other bodies of the Company which is carried out according to local regulations of the Company.

## **4. STAGES OF MANAGING A CONFLICT OF INTEREST**

### **4.1. Prevention of Conflicts of Interest**

Persons covered by the Policy shall take measures to prevent (exclude) Conflicts of Interest. These specified measures are aimed at excluding obtaining of material or any other benefit from the use of one’s official position (powers) in the Company for personal advantage or for the advantage of the Related Parties.

### **4.2. Detection of Conflicts of Interest**

**4.2.1.** The Conflict of Interest shall be detected by the Persons covered by the Policy in relation to themselves and their Related Persons at the time of its occurrence and on an ongoing basis by comparing facts and circumstances with the essence of the definitions (for

example, “Conflict of Interest”, “Personal Interest”, “Related Persons”), as well as situations described in the Annex 2 of the Policy.

**4.2.2.** A Conflict of Interest may also be detected during internal audits and internal investigations, as well as in other circumstances.

### **4.3. Disclosure of Information on the Conflict of Interest**

**4.3.1.** In case of detection (occurrence) of a Conflict of Interest, the Person covered by the Policy is obliged to disclose information by fill out the Sheet of Disclosure of Conflicts of Interest in the Annex 1 or by using the automated system.

**4.3.3.** It is necessary to disclose information about a Conflict of Interest immediately after its identification (occurrence) (in any case, no later than the next working day from the time of its identification (occurrence)).

**4.3.5.** Disclosure of information about a Conflict of Interest does not relieve the Persons covered by the Policy from the obligation to maintain and ensure measures to resolve it and prevent similar situations in the future.

**4.3.6.** When conditions arise that may result in termination of a Conflict of Interest that was previously reported to the Company, the Person covered by the Policy shall report this in a manner similar to the procedure for disclosing a Conflict of Interest.

**4.3.7.** Personal data obtained in accordance with the Policy is subject to processing in compliance with the requirements of the law.

### **4.4. Consideration of Conflicts of Interest**

**4.4.1.** Consideration of Conflicts of Interest is carried out in accordance with Annex 3 to the Policy PT-AI-021 «Managing the Conflict of interest»<sup>3</sup>.

**4.4.2.** Based on the results of consideration of the information, **one of the following decisions** is made:

- 1) *No Conflict of Interest detected;*
- 2) *The Conflict of Interest is present, admissible;*
- 3) *The Conflict of Interest is present, requires settlement.*

**4.4.3.** Persons considering a Conflict of Interest shall inform the person disclosing information about such a Conflict of Interest about the results of the consideration.

### **4.5. Conflict of Interest Management**

If a Conflict of Interest that requires management is identified, a decision shall be made on the choice of the management procedures, followed by informing the person who disclosed information about such Conflict of Interest about the developed and agreed measures, as well as the persons responsible for implementation of the relevant measures.

Persons designated as responsible for implementation of measures aimed at the Conflict of Interest management shall perform their duties properly.

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<sup>3</sup> Version for internal use by employees of MTS AI LLC.

#### **4.8. Supervision**

Control over management of the Company's Conflict of Interest is exercised by the Board of Directors of MTS AI through review of periodic reports prepared by Compliance Manager.

### **5. REGISTER**

All cases of a Conflict of Interest are recorded in the Company Register.

### **6. ADDRESSES FOR SEEKING ASSISTANCE**

**6.1.** Employees, members of the management bodies and other bodies of the Company who became aware of or have reason to believe that the principles or requirements of this Policy and Applicable Anticorruption Legislation are violated, shall immediately report this in any of the following ways listed on the [link](#) (including anonymously).

**6.2.** The Company provides an independent and comprehensive review of all reports of violations of the Policy requirements pursuant to the LRA.

**6.3.** The Company prohibits any form of prosecution (retaliation) against the Persons covered by the Policy, who reported a violation in good faith, assisted in investigations and refused to participate in the activities contradicting the principles or requirements hereof and of the Code of Business Conduct and Ethics.

**6.4.** Any Person covered by the Policy who has violated its requirements may be subject to retaliation up to dismissal and (or) termination of contracts in accordance with the provisions of these contracts and applicable legislation.

### **7. POLICY EXECUTION**

The Persons covered by the Policy, regardless of their position, are responsible for violating the requirements of the Policy and Applicable Anticorruption Legislation, as well as for improper control of the actions of their subordinates that resulted in the Policy violations.

### **8. REFERENCE DOCUMENTS**

The Policy was developed on the basis of the requirements and principles of Russian and international regulatory documents, as well as guidelines and methodological guidelines of regulatory bodies and best practices. Main sources used:

- Federal Law dated December 25, 2008 No. 273-FZ “On Counteraction to Corruption”;
- “Criminal Code of the Russian Federation” dated June 13, 1996 No. 63-FZ;
- “Code of the Russian Federation on Administrative Violations” dated December 30, 2001 No. 195-FZ;
- Recommended Practice for the Development and Implementation of Actions to Prevent and Combat Corruption (Ministry of Labor and Social Security of the Russian Federation);



- Measures to Prevent Corruption in Organizations, (Ministry of Labor and Social Security of the Russian Federation).

Development of this Policy used recommendations and recommended practices contained in manuals of specialized international organizations, as well as best practices in the field of compliance function building.

## **9. ANNEXES**

**Annex 1. Sheet of Disclosure of Conflicts of Interest.**

**Annex 2. Basic Conflict-of-Interest Situations.**

**Annex 2.1. Examples of basic Conflict-of-Interest Situations and the Ways to Settle Them.**



ДОКУМЕНТ ПОДПИСАН  
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