

Policy “Managing the Conflict of Interest”

1. DOCUMENT INFORMATION

Purpose of the Document	<ul style="list-style-type: none"> • establishment of a unified system for managing Conflicts of Interest within MTS Armenia; • determination of the rules of conduct in cases of Conflicts of Interest; • consolidation of measures aimed at preventing and minimizing the consequences of Conflicts of Interest; • increased trust in MTS Armenia on the part of stakeholders (shareholders, investors, Employees, Clients, Counterparties, etc.); • compliance of MTS Armenia with international standards and best practices in order to enhance the MTS Armenia goodwill, including internationally.
Document Overview	<ul style="list-style-type: none"> • establishes the principles for managing Conflicts of Interest in the Company; • identifies the most typical situations representing a Conflict of Interest (actual, potential); • determines the procedures and mechanisms for the prevention, detection, review, settlement and monitoring of Conflicts of Interest within MTS Armenia; • determines the ways and channels of communication for getting consultations on Conflicts of Interest; • determines the responsibility of the Employees for non-compliance herewith.
Access Restriction	None

Existing versions of the regulations are published in the internal portal of the Company in the “Regulations” section. Please make sure that you are using the valid version of the document.

2. RESPONSIBILITY AND AREA OF APPLICATION

This document regulates the activity of the following units and officials, including those fulfilling the following functions:

Unit/position/role
All subdivisions

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3. DEFINITIONS OF TERMS, ABBREVIATIONS AND ROLES

Definitions of terms and abbreviations

Term	Abbreviation	Term definition (abbreviation expansion)
Terms and Definitions (for entry or update in the Glossary):		
Conflict of Interest		A situation in which 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.
Personal Interest		A 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).
Potential Conflict of Interest		A situation in which Personal Interest of the Person covered by the Policy may lead to the emergence of an Actual Conflict of Interest in the future, or in which such a Conflict may arise in the future due to the holding positions in the management bodies of other organizations by this person or his/her Associates.
Managing the Conflict of Interest		A process that includes measures to prevent, identify, disclose, resolve and monitor a Conflict of Interest.
Actual Conflict of Interest		A situation in which the Person covered by the Policy, by virtue of his/her position (including in the management body) and (or) functions, makes a decision or acts (independently or as a member of a collegial body) in his/her own interests or in the interests of the Associates to the detriment of the interests of the Company, or influences the resolution of the collegial management body or its committees, or determines the terms of such resolutions (including the terms of the transactions reviewed).
Family Members		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.
Other terms and definitions:		
Public Official	PO	Any Armenian 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.
Public Organization		Any state and administrating authority of the RA 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

Term	Abbreviation	Term definition (abbreviation expansion)
		for the state, except for the fulfillment of legal requirements; international public organizations.
MTS Group		MTS PJSC, all Subsidiary Companies of MTS PJSC, as well as all the companies under direct or indirect control of MTS PJSC.
Business Opportunity		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.
Business Hospitality		The Company's expenses to welcome and serve representatives of other companies (including foreign companies), which participate in business events in order to establish and (or) maintain mutual cooperation, as well as similar expenses borne by another person for the Persons covered by the Policy. Business hospitality includes entertainment allowance and other entertainment expenses. Business hospitality of the Company includes the expenses for: <ul style="list-style-type: none"> • business breakfasts, lunches and dinners, including formal receptions, snacks and drinks; • travel and accommodation expenses related to business breakfasts, lunches, dinners, cultural and entertainment or professional events; • all forms of cultural and entertainment events, such as invitations (tickets) to sports, theater and cultural events or events organized under sponsorship of MTS Armenia (if such events are held outside the MTS Group); • expenses related to payment for visiting external (outside MTS group) professional events, such as conferences, trade exhibitions, training events, etc.
Subsidiary Company	SC	A Company, in respect to which MTS Armenia, by virtue of dominant participation in its charter capital, or in accordance with the agreement entered into by and between MTS Armenia and the company, or otherwise is capable of determining resolutions made by such company (including the companies where MTS Armenia or a group of persons of MTS Armenia is able to use third parties to actually control votes falling on voting shares of which more than 50% of the charter capital of the company consists).
Customer		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.
Company		MTS Armenia, including all structural subdivisions, affiliates and representations. MTS Armenia, all the subsidiary and affiliated companies of MTS Armenia, as well as all the companies under direct or indirect control of MTS Armenia
Competitor		An entity that sells or purchases goods (work, services) in those product markets where MTS Armenia operates, including in the markets for fixed-line and mobile communication, including data transfer.
Counterparty		Any legal entity or individual, including an individual entrepreneur, involved to perform actions on behalf of and/or in the interests of MTS Armenia or to deliver goods, perform works or provide services to MTS Armenia, 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 and other parties. As part of the inspection of counterparties, third parties that are recipients of payments shall also

Term	Abbreviation	Term definition (abbreviation expansion)
		be deemed to be the counterparties, regardless of whether such third parties are specified in the contract or not.
Gift		Anything of value transferred or received by the Company, as well as by the Persons covered by the Policy, at no cost.
Applicable Anticorruption Legislation		Armenian Criminal codethe FCPA (Foreign Corrupt Practices Act, passed by the US Congress in 1977), the UK Bribery Act 2010 (passed by the United Kingdom Parliament in 2010) and similar legislation of the states where the Company conducts its business activities.
Employee		Individuals, having concluded employment or service contract with the Company
Disclosure		Deed for Reporting a Conflict of Interest in the manner set out by Section 6.3 of the Policy.
Associates		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.
Valuables (anything of value)		All (tangible or intangible) things that have value for the recipient. Valuables may mean, including, but not limited to the following: cash; transfer of shares, bonds or any other property; payment of expenses; provision of services of any type; gifts; travel vouchers); business hospitality; employment; discounts, debt release; use of the desired telephone numbers (“nice-looking numbers”); job offers and offers of internships, including those for family members; donations to certain charitable organizations; any other transfer of goods, services, tangible or intangible assets that benefits the recipient. Any valuables of any value may be deemed illegal under Applicable Anticorruption Legislation.

Definitions of functions

Function name	Function definition
Compliance Manager (compliance manager)	CM
Legal Department	Employees of the Corporate Governance and Legal Department of the MTS Armenia
Direct Supervisor	Line Manager of the Employee
Corporate Secretary	Corporate Secretary of MTS Armenia

4. GENERAL PROVISIONS

The Policy contains the guidelines and sets out the reasonably necessary standards for managing the Conflicts of Interest in the Company. The Policy does not replace or supersede the legal provisions established by the Applicable Anticorruption Legislation, however, it may establish additional requirements. If the Applicable Anticorruption Legislation and(or) bylaws establish greater/other requirements as compared to the requirements set forth in this Policy, then greater/other requirements shall be followed.

The Policy is **binding on**:

- all Employees,
- members of the management bodies and other bodies of the Company (Board of Directors, Committees under the Board of Directors of the Company, the General Manager) ,
- 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”.

4.1. Managing the Conflicts of Interest is one of the most important ways to limit the influence of Personal Interest and the activities of the Persons covered by the Policy on the implementation of their functions (responsibilities) and business decisions made. Herewith, the Company respects the private interests of the Persons covered by the Policy and recognizes their right to engage in legal labor, management, financial, entrepreneurial and other commercial and non-commercial activities, if such interests and the personal advantage obtained do not and cannot affect their proper, objective and impartial performance of their official (corporate) or other duties in relation to the Company.

4.2. A Conflict of Interest per se does not constitute a violation of the legislation and (or) internal policies and procedures of the Company, if proper and timely management measures were taken in relation to this Conflict in accordance with the Policy requirements. However, an undisclosed and (or) unresolved Conflict of Interest may lead to non-compliance or undermining of the regulatory and ethical business foundations in MTS Armenia, affect the ability to make objective decisions, financial and reputational losses, as well as the liability of the Company and/or the Persons covered by the Policy.

4.3. Key Principles of Managing a Conflict of Interest:

- *immediate disclosure* of information about a Conflict of Interest by the Person covered by the Policy;
- *refusal to act (and in some cases – to fail to act) in a situation marked by a Conflict of Interest* before the Company makes a decision to resolve it;
- *delineation of powers* – the Company strives to clearly delineate the decision-making powers of members of management bodies, other bodies, committees and Employees of the Company to the extent of excluding any Conflict of Interest;
- *individual review* and assessment of risks in identifying each case of a Conflict of Interest and its settlement;
- *the four (4)-eye principle* when making decisions, when reviewing situations and choosing the measures to settle a Conflict of Interest;
- *fairness and independence* — the persons whose interests are or may be affected by a Conflict of Interest shall not participate in decision-making, consideration and settlement;
- *confidentiality of the process* of disclosing information about a Conflict of Interest and the process of its settlement;
- *observing the balance of interests* of the Company and the Person covered by the Policy when settling a Conflict of Interest;
- *protection* of the Person covered by the Policy *from prosecution* in connection with the disclosure of a Conflict of Interest;
- *responsibility for failure to take the measures provided for by the Policy* to disclose and (or) settle a Conflict of Interest, if it entailed the consequences listed in Section 4.2 of the Policy.



Following the key principles, 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 potential or actual Conflict of Interest.

4.4. Roles and responsibilities of the participants in the process of managing a Conflict of Interest are set out in Annex 3 hereto.

5. CONFLICTS OF INTEREST

The Persons covered by the Policy shall act objectively and impartially (including omission, when necessary), thereby maintaining the confidence of stakeholders in the Company integrity and its adherence to high ethical standards of business conduct.



- ✓ 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.

5.1. For the purposes hereof, **2 (two) types of Conflicts of Interest** are distinguished by the Company:

- ***Actual***
For example, an Employee makes a decision regarding the conclusion of a contract between the Company and a legal entity, in which he/she is a member holding more than 1% of shares (stakes).
- ***Potential***
For example, a relative of an Employee is a member (more than 1% of shares/stakes) of a legal entity that participates in the Company tender. Herewith, the Employee him/herself does not influence the vendor choice and does not participate in procurement.

5.2. Levels of Emergence for a Conflict of Interest:

- ***Between the Company shareholders***
a situation in which the strategic interests of some Company shareholders (including the majority shareholder) conflict with the interests of other Company shareholders or the Company itself;
- ***Between members of the management bodies of the Company and the Company itself***
a situation in which the strategic interests of the Company as a commercial organization adhering to the corporate governance and business ethics rules and standards conflict with the interests of members of the management bodies of the Company related, inter alia, to the fact that they (or their Associates) hold positions with the management bodies of other organizations;
- ***Between the Employees and the Company***
a situation in which the interests of the Employee as an individual, conflict with his/her interests as the Company Employee, who has to act in the interests of the Company when exercising their duties;
- ***Between the Client/Counterparty and the Company (its Employees)***
a contradiction between the property and other interests of the Company and its Clients/Counterparties due to the actions (omission) of the Persons covered by the Policy (including the use of confidential, insider information).

The Policy cannot foresee all possible types of Conflicts of Interest that may arise. When comparing your specific personal situation with the Policy rules, you shall be guided by common sense and the obligation to comply with the highest ethical standards stipulated by the Code of Business Conduct and Ethics of MTS Armenia CJSC.

If the Person covered by the Policy faces a situation not specified in the Policy, however, he/she has doubts (suspicions) of the existence of a Conflict of Interest, he/she shall seek advice from the Direct Supervisor and (or) Compliance Manager..

5.3. Basic situations of Conflict of Interest include, but are not limited to:

5.3.1. 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.

5.3.2. Using the Business Opportunity 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 Armenia CJSC activities, which would not have become known to the Person covered by the Policy due to his/her connection with MTS Armenia CJSC. 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.

5.3.3. 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 1% of stakes, shares or other financial instruments.

5.3.4. 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. Requirements for Gifts and Business Hospitality are set out in "On Gifts and Business Hospitality".

5.3.5. 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*¹:

- *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 1% of stakes, shares or other financial instruments;*

¹ Including the individuals performing business activities.

- *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 value².*

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.

5.3.6. Out-of-place employment/holding of management positions/ consulting and other services, also rendered free of charge

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 Armenia. 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 Armenia;*
- *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 outside the Company 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.

5.3.7. 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

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.

² Permissible limits for gifts, cultural and recreational activities or hospitality are determined by PT-049 “On Gifts and Business Hospitality”.

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.

5.3.8. Use of property of the Company for personal advantage

The Persons covered by the Policy shall not use or consent to use the Company 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 obtaining personal benefit. For the purposes hereof, the Company property includes: equipment, machinery, supplies, buildings (premises, areas), funds (including cash), technology, concepts for creating new products, business strategies (plans), confidential information about commercial activities and any other Company assets.

5.3.9. Financial liabilities

The Persons covered by the Policy shall not use the financial opportunities obtained in connection with the interaction with the Company for personal advantage (except for remuneration payments provided for by the relevant contracts). 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 (except for personal business relationships with banks and other financial institutions) is subject to mandatory disclosure to the Company for settling the Conflict of Interest.

5.3.10. 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 he/she:

- has a business relationship related to the lease, sale and purchase of property (movable/real estate), rights with Counterparties, Competitors of the Company, 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. The Persons covered by the Policy may buy something from the Company or sell something to the Company exclusively within the procedures valid at the Company (for example, to liquidate excessive (non-core or written off) assets of the Company).

5.4. Conflicts of Interest involving the members of management bodies and other bodies of the Company

Managing the Conflicts of Interest with the participation of members of the management bodies and other bodies of the Company shall be based on the applicable legislation, law enforcement practice, as well as the requirements for honesty and reasonable behavior, 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.

Good faith and reasonableness of the actions of the members of the management bodies and other bodies of the Company are assumed and may include the following:

- exercising due diligence, which implies making balanced business and/or corporate decisions based on reasonably available essential information;
- manifesting loyalty to the Company, which requires actions (omission) to the benefit of the Company and all its shareholders;
- exercising proper supervision over the compliance of the business and(or) corporate decisions made with the legislation and local regulations (hereinafter referred to as LR) of the Company.

Timely disclosure of Conflict-of-Interest situations is one of the manifestations of the “fiduciary duties” of members of the management bodies and other bodies of the Company and shall be performed annually or upon detection of such conflicts in accordance with the Policy. Examples of Conflict-of-Interest situations involving members of the management bodies and other bodies of the Company are provided in Annex 2 to the Policy.

6. STAGES OF MANAGING A CONFLICT OF INTEREST



Prevention Detection Disclosure Review Settlement Execution Monitoring Supervision

6.1. Prevention of Conflicts of Interest

The Persons covered by the Policy shall take measures to prevent (exclude) the 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) for personal advantage or for the advantage of the Associates.

The main measures to prevent a Conflict of Interest in the Company are (including, but not limited to):

- 1) timely disclosure of Conflicts of Interest (including potential ones);
- 2) strict compliance with the legislation and LR of the Company;
- 3) presence of an organizational structure clearly delineating the areas of responsibility and powers in such a way that one person may not simultaneously perform executive and control functions. If the above is not possible, then balancing mechanisms, procedures and controls are developed;
- 4) establishment of collegial bodies of the Company and holding their meetings taking into account the principle of minimizing the risk of a Conflict of Interest (including a potential one), as well as independence in decision-making and rejection by such members (in cases permitted by law) from participation in voting on the relevant issues for managing a Conflict of Interest;
- 5) establishment of rules and restrictions on carrying out the transactions with securities, derivative financial instruments, related party transactions, etc.;
- 6) double control principle (the four (4)-eye principle) and collegial decision-making on the most significant issues;
- 7) background check on the Counterparties, candidates for taking positions in the Company;
- 8) providing training on Conflicts of Interests;
- 9) continuous improvement of the internal compliance control system;
- 10) conducting audits (internal, external);
- 11) availability of mechanisms to hold the Persons covered by the Policy accountable for non-compliance with the requirements of the legislation, this Policy, the Charter, the LR of the Company, as well as the contracts (if applicable).

In order to prevent a Conflict of Interest, the Direct Supervisor and(or) compliance manager is entitled to initiate the procedure for disclosing a Conflict of Interest. All those who received such a request shall provide information in the Conflict of Interest Disclosure Sheet (part 1) specified in Annex 1 to the Policy within the timeframe specified in the request.

6.2. Detection of Conflicts of Interest

6.2.1. The Conflict of Interest shall be detected by the Persons covered by the Policy in relation to themselves and their Associates 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 the situations described in Section 5.3. hereof.

6.2.2. A Conflict of Interest may also be detected during internal audits and internal investigations, as well as in other circumstances, including by the Direct Supervisor. In order to detect a Conflict of Interest, the Company may use specialized software tools and information from other reliable information sources obtained legally, including public sources. In the said cases, when there are no restrictions on the disclosure of information on the detection of a Conflict of Interest, the person in regard of whom such a conflict was detected shall be notified so that he/she would disclose the relevant information about the Conflict of Interest.

6.3. Disclosure of Information on the Conflict of Interest

6.3.1. If a Conflict of Interest is detected (arose), the Person covered by the Policy shall disclose information about this to the relevant person specified in Annex 3 to the Policy by sending them a filled out Conflict of Interest Disclosure Sheet.

6.3.2. Situations for Disclosure of Information on the Conflict of Interest:

- at a time of hiring (internship)/appointment to a new position;
- during the entire period of performance of official duties in case of changes in the information contained in the Conflict of Interest Disclosure Sheet;
- on an annual basis as part of the certification of the Company management in the form approved by the relevant LR of the Company;
- By counterparties – when concluding (changing) the relevant contracts, as well as during the entire period of their validity in the event of a Conflict-of-Interest situation occurrence;
- in other cases.

6.3.3. It is necessary to disclose information about a Conflict of Interest immediately after its detection (occurrence) (in any case, no later than the next business day upon its detection (occurrence)).

6.3.4. The **Counterparties** may report on the Conflicts of Interest that are detrimental to the interests of the Company and/or violate the Applicable Anticorruption Legislation by sending information about them to the Unified Hotline (external.hotline.mts@ru.ey.com) and/or by notifying the contact persons of the Company authorized to interact with this Counterparty under the contract (hereinafter referred to as the “Contact Persons”) through the means of communication, according to the form and within the terms specified in the contract. When receiving information about the specified Conflicts of Interest from the Counterparties, the Contact Persons shall transfer it to their Direct Supervisor for making decisions.

6.3.5. 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 settle it and prevent similar situations in the future.

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

6.3.7. The personal data obtained in accordance with the Policy is subject to processing in compliance with the legal requirements.

6.4. Review of Conflicts of Interest

6.4.1. The information (documents) received shall be reviewed in order to establish the presence/absence of a Conflict of Interest, assess the risks arising for the Company and choose the best settlement method within the terms set out in Annex 3 to the Policy.

6.4.2. The information review can be carried out by the following persons (hereinafter referred to as the **Persons reviewing the Conflict of Interest**) in accordance with Annex 3 to the Policy:

- Direct Supervisor;
- Compliance Manager and together with Head of Department of Corporate Governance and Legal Department -on the situations of a Conflict of Interests of members of the management bodies and other bodies of the Company, as well as Heads of Departments of MTS Armenia.

6.4.3. In cases where the situation of a Conflict of Interest requires comprehensive assessment with the participation of the relevant Company units due to the situation features (complexity), the Persons reviewing the Conflict of Interest are entitled to send a corresponding request to any dedicated Company unit to get the expert examination required. The dedicated Company unit that received such a request shall prepare and send a response to it no later than 3 (three) business days upon receipt of the request.

6.4.4. Based on the results of reviewing 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.*

Herewith, the Persons reviewing a Conflict of Interest shall reliably establish the presence of at least one of the following circumstances in order to confirm it:

- presence of Personal Interest;
- actual authority to implement the Personal Interest;
- presence of a connection between obtaining (possibility of obtaining) income or benefits by the Person covered by the Policy and exercising (possible implementation) powers; for members of management bodies and other bodies – presence of the fact of holding a position outside MTS Armenia;
- presence of risks in connection with a Conflict-of-Interest situation.

6.4.5. The review of a Conflict of Interest results in filling out Part 2 of the Conflict of Interest Disclosure Sheet (Annex 1 to the Policy).

6.4.6. The Persons reviewing a Conflict of Interest shall inform the person disclosing information about such a Conflict of Interest about the results of the consideration pursuant to Annex 3 to the Policy.

6.4.7. Based on the results of reviewing a Conflict of Interest, the following measures may be taken additionally (including, but not limited to):

- internal investigation initiation;
- sending materials for review to the Discipline Committee to get recommendations on the application of disciplinary action³ (in case of violations of the Applicable Anticorruption Legislation and on the legally established grounds);
- sending materials to the IC&A (in case of revealing any signs of unlawful use of the Company property in the implementation of Personal Interest and other violations related to the competence of the /IC&A);
- sending materials for review to another functional unit or body of the Company in accordance with the competence, if other violations are detected.

6.5. Settling Conflicts of Interest

6.5.1. The Conflicts of Interest shall be settled in the manner and terms specified in Annex 3, in accordance with the key principles established in Section 4.3 of the Policy.

6.5.2. When detecting a Conflict of Interest requiring settlement, a **decision to choose** one or more **settlement measures** is made (including, but not limited to):

³ Regulations on the Discipline Committee of MTS Armenia CJSC.

- refusal to execute a contract/transaction;
- voluntary refusal (rejection) of the Person covered by the Policy, or his/her permanent/temporary rejection from participation in the discussion and (or) in the decision-making process and (or) from other influence on the issues that are or may be impacted by the Conflict of Interest.

Note: *if the Conflict of Interest is settled and exhausted by the specified measure, the relevant information on it shall be indicated in the minutes of the corporate event, the execution of which is provided for by the relevant Company LR. In this case, other procedures provided for by the Policy, including drawing up of a Conflict of Interest Disclosure Sheet, are not required.*

- revision and change in the scope of job duties and powers of the Person covered by the Policy;
- transfer of the Person covered by the Policy to a position providing for the performance of labor functions not related to the Conflict of Interest reviewed;
- refusal of the Person covered by the Policy from the subject matter of the Personal Interest that provokes a Conflict of Interest;
- restricted access of the Person covered by the Policy to specific information of the Company that may be related to his/her personal interests or the interests of the Associates;
- completion of additional training on business ethics, anticorruption compliance and Conflict of Interest management;
- termination of the relevant contract, if there are grounds and in accordance with the legislation;
- other settlement measures complying with the legal requirements, which may be developed, including as agreed upon by the Company and the Persons covered by the Policy.

6.5.3. If the Conflict of Interest may be settled, but the suggested measures require a managerial decision by the General Manager or the Board of Directors of the Company, the decision on their implementation shall be submitted by the Person reviewing the Conflict of Interest for consideration by the General Manager and the Board of Directors of the Company, respectively.

6.5.4. Any settlement of a Conflict of Interest shall result in filling out Parts 2 and 3 of the Disclosure Sheet (Annex 1) in terms of developing measures for settling the Conflict of Interests, as well as appointing the persons responsible for their implementation and specifying the timeframes for the relevant measures.

6.5.5. The Persons reviewing a Conflict of Interest, in accordance with Annex 3 to the Policy, shall inform the person who disclosed information about such a conflict, as well as the persons appointed responsible for the implementation of the relevant measures, about the measures developed and agreed.

6.6. Implementation of measures for managing the Conflicts of Interest

6.6.1. The Persons designated as responsible for the implementation of measures aimed at settling the Conflict of Interest pursuant to Section 6.5 of the Policy shall perform their duties properly by the deadline set in the Disclosure Sheet. Information about the need to implement the settlement measures shall be communicated to the persons in charge of the implementation of the settlement measures:

- by the Direct Supervisor;
- by the Compliance Manager/Head of Corporate Governance and Legal Department (in case of a Conflict of Interests of members of the management bodies and other bodies of the Company, Heads of Departments of MTS Armenia); or
- by the automated system.

6.6.2. Following the execution, the Persons appointed responsible for the execution of measures to settle the Conflict of Interest shall fill out Part 4 of the Disclosure Sheet (Annex 1).

6.6.3. The Conflict of Interest Disclosure Sheets of the Persons covered by the Policy are stored:

- With Compliance Manager;

- in the Employee's Personal File or in the automated system;
- they are attached to the card of the Counterparty in the Company's automated system (if technically feasible).

6.7. Monitoring

The Compliance Manager is entitled at any time to request up-to-date information on the status of implementation of measures from the Persons involved in the review and settling of the Conflict of Interest and conduct random inspections at least once (1) a year in relation to at least 25% of Conflict-of-Interest situations recorded for the previous calendar year.

6.8. Supervision

Control over management of the Company's Conflict of Interest is exercised by the General Manager.

7. REGISTER

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

7.2. The Company unit in charge of keeping, storing, completeness of reflection and correctness of data in the Register, as well as execution of the relevant reports for the management bodies of the Company, is Compliance Manager/Compliance Team.

7.3. Any documents, electronic images of documents, other data and information stored in the Register can be considered an integral part of the Employee's personal file and (or) the card of the Counterparty, whose data is entered into this Register, if it is impossible to attach these documents to the Employee's personal file and (or) the card of the Counterparty.

7.4. The Register shall be stored in soft copy for the timeframe provided for by the legislation and the Company LR for storing the specified type of documents.

8. ADDRESSES FOR SEEKING ASSISTANCE

8.1. If the Person covered by the Policy has any doubts about the correctness of his/her assessment of the presence (absence) of a Conflict of Interest, or about how to carry out such an assessment, as well as any questions regarding the interpretation of the Policy, they shall consult their Direct Supervisor, or Compliance Manager, or send a letter to compliance@mts.am.

8.2. Those 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:

- (1) to the Direct Supervisor or, if this report relates to the actions committed by the Direct Supervisor, to the superior manager (in any form);
- (2) by sending an e-mail to the Unified Hotline at: external.hotline.mts@b1.ru;
- (3) Fill in the "[Unified Hotline](#)" form on the official website of MTS Armenia CJSC,
- (4) to the Compliance Manager (in any form);
- (5) via the electronic form of the Unified Hotline on the OurPlanet corporate portal (anonymously or on its own behalf);

(6) by phone: **0 (800) 03011(RA)**.

The Counterparties can send a violation report in any of the following ways:

- (1) to the e-mail of the Unified Hotline at: external.hotline.mts@b1.ru;
- (2) by **0 (800) 03011 (RA)**;
- (3) via e-form of the Unified Hotline at official Viva-MTS web - www.mts.am (anonymously or on its own behalf).

The phone numbers of the Unified Hotline in another jurisdictions can be found at official Viva-MTS web –hotline-mts.b1.ru.

8.3. The Company provides an independent and comprehensive review of all reports of violations of the Policy requirements pursuant to the LR.

8.4. 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.

8.5. 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.

More detailed requirements for reporting violations are available in [“Handling of Messages of the Unified Hotline of MTS Group”](#), [“Official Investigation Conduct”](#).

9. FINAL PROVISIONS

9.1. The issues of managing the Conflict of Interest in SCs are regulated by the LR of such SCs.

9.2. The features of disclosing and settling the Conflict-of-Interest situations in certain types of the Company activities can be detailed and provided for by the relevant Company LR⁴ regulating the relevant activities, as agreed upon with the Compliance Manager of the MTS Armenia.

9.3. The Company provides training on Conflicts of Interest. If expressly provided for, the completion of such training may be mandatory for the Person covered by the Policy for whom it was designated. In case of untimely completion or failure to complete, the Company may apply measures in accordance with the LR of the Company and the applicable legislation in relation to the Person covered by the Policy.

9.4. The Company implements and maintains a training program for Persons covered by the Policy on the requirements of the Applicable Anticorruption Legislation and corporate compliance controls through a specially elaborated 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 at the OurPlanet corporate portal.

9.5. The Persons covered by the Policy shall be familiarized with the provisions hereof on a hard copy against signature or, if technically possible, on a soft copy using an analog of a handwritten signature, in accordance with the procedure effective in the Company.

10. POLICY EXECUTION

The Persons covered by the Policy, regardless of their position, are responsible for violating the principles and requirements of the Policy and Applicable Anticorruption Legislation, as well as

⁴ Company LR with the “regulation” status.

for improper control of the actions of their subordinates that resulted in the Policy violations, pursuant to the legislation.

11. ANNEXES

Amendment of appendices shall be approved and confirmed in accordance with the Simplified Procedure.

Annex 1. Sheet of Disclosure of Conflicts of Interest.

Annex 2. Basic Conflict-of-Interest Situations and the Ways to Settle Them.

Annex 3. Functions, Responsibilities and Terms.

Annex 1. Sheet of Disclosure of Conflicts of Interest.

Part 1: Disclosure of Conflicts of Interest*

Region:	Department:	Unit:
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Please answer the questions below based on the information available to You, including in relation to Associates**

(Full name, titles of positions, functional units and other shall be indicated without abbreviations)

1. Please list all organizations (name, TIN), except for MTS Armenia CJSC, where You and (or) Your Associates** are a founder (co-founder), shareholder, investor, director, member of the Board of Directors, Management Board, consultant, agent or other representative, and describe the nature of your affiliation with them.

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2. Please list all organizations except MTS Armenia CJSC in which you or your Associates have a financial interest (in the form of ownership (1% or more) in relation to stakes or shares (other financial instruments)).

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3. Please describe all business relationships (without specifying your full name) that Your Associates** or organizations (name, TIN) where they work had with MTS Armenia CJSC during the last 2 (two) years. Describe each of such links and your actual or potential interest arising from them.

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4. Do You know about any relations, arrangements, transactions or business, which may create a Conflict of Interest*? If so, describe them.

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5. Do you have any Associates** working for MTS Group or Competitor? If yes, specify the degree of kinship/relatedness, region, organization, department, division and position held.

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6. If Your Associate** holds a position with a Public Organization***, which performs monitoring, supervisory or regulatory functions in respect to MTS Armenia CJSC, specify the degree of kinship/relatedness, their job title and place of work (name, TIN (if any)).

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7. Specify any additional information, if you consider it necessary.

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Hereby I agree with processing of personal data specified in the present form and confirm that this form is filled in by me voluntarily, personally and the data provided by me in this form are full and reliable.

Full name	Position	Date	Signature
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***Conflict of Interest** means 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.

Personal Interest means 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).

**** Associates** – 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.

Family Members mean 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.

***** Competitor** - An entity that sells or purchases goods (work, services) in those product markets where MTS Armenia operates, including in the markets for fixed-line and mobile communication, including data transfer.

******Public Organization** means 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 fulfillment of legal requirements; international public organizations.

Part 2: Opinion

Fill in:

Of the **direct supervisor** (in case of a Conflict of Interests of an Employee)

Of the **Compliance Manager, Head of Corporate Governance and Legal Department** (in case of a Conflict of Interests of a member of a management body and other bodies of the Company, Heads of Departments)

Presence of a conflict	<input type="checkbox"/> None <input type="checkbox"/> Present, admissible <input type="checkbox"/> Present, requires settlement
Description of the content of the conflict of interest	
Parties involved in the conflict (including other employees, individuals and/or legal entities, TIN) (if any)	
Settlement measures	
Timing and persons responsible for the settlement measures <i>(dd/mm/yyyy), full name, position, department</i>	
Date of examination, full name, signature	

Part 3: Approval

Fill in:

Of the **compliance manager** (in case of a Conflict of Interests of an Employee)

Of the **Compliance Manager, Head of Corporate Governance and Legal Department** (in case of a Conflict of Interests of members of the management bodies and other bodies of the Company, Heads of Departments)

Resolution	<input type="checkbox"/> approved <input type="checkbox"/> approved with a comment ⁵ <input type="checkbox"/> not approved ⁶
Comments/notes ⁷	
<i>* For the cases of consideration of a conflict of interest involving the members of management bodies and other bodies of the Company⁸</i>	
Date of examination, full name, signature	

Part 4: Execution

(if the settlement measures were required)

Settlement measures	<input type="checkbox"/> completed <input type="checkbox"/> not completed
Comments/notes	
Date of examination, full name, signature	

⁵ The conclusions regarding the situation and (or) the choice of settlement methods are generally correct; however, they require minor clarifications/additions;

⁶ The conclusion regarding the situation and (or) the choice of the settlement method is incorrect and requires revision by the Direct Supervisor or the Compliance Manager, Head of Corporate Governance and Legal Department (in case of a Conflict of Interests involving a member of a management body and other bodies of the Company). These persons shall amend Part 2 and send it for renegotiating no later than the next business day.

⁷ To be filled out if the status is "approved with comments" or "not approved".

⁸ If the settlement measures require adopting a resolution by the General Manager or the Board of Directors of the Company.

Annex 2. Basic Conflict-of-Interest Situations and the Ways to Settle Them.
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.**

This list is provided for convenience and does not replace/cancel the Policy provisions. In case of doubt as to the action to take to rule out any such Conflicts of Interest, you shall contact your Direct Supervisor or Compliance Manager.

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	<i>Example:</i> An employee of MTS Armenia CJCS makes a decision on investing funds belonging to MTS Armenia CJCS. The company X owned by the Employee's spouse is the potential investment object. Conflict type: actual.	<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	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. <i>Example:</i> An employee of MTS Armenia CJCS, 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. Conflict type: potential.	<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	a) owning more than 1% of stakes, shares or other financial instruments. b) provision implying the receipt of benefits/advantages <i>Example:</i> a relative to an Employee of MTS Armenia holds or owns more than 1% of the shares of company X, which is a Client (Counterparty, Competitor) of MTS Armenia CJCS; herewith, the Employee may make decisions regarding such Client (Counterparty, Competitor) by virtue of his/her job duties. Conflict type: actual.	<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	Gift, monetary reward or service, incl. hospitality or cultural and recreational activities <i>Example:</i> An employee of MTS Armenia CJCS, whose work duties include monitoring the quality of goods and services provided to MTS Armenia CJCS by Counterparties, receives a significant discount	<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.

		<p>on the goods of the company X, which is the Counterparty of MTS Armenia CJCS.</p> <p>Conflict type: actual.</p>	
5.	<p>Business relationships with the Associates on behalf of MTS Armenia CJCS</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><i>Example:</i> 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><i>Example:</i> An employee of MTS Armenia CJCS performs part-time work with the company X, which is a Supplier of MTS Armenia CJCS. Herewith, the employment duties of the Employee at MTS Armenia CJCS 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><i>Example:</i> An employee of MTS Armenia CJCS 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><i>Example:</i> a relative of an Employee of MTS Armenia CJCS took the position of a PO performing monitoring and supervisory functions in relation to MTS Armenia CJCS 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.	<p>Using property, assets, information owned by the Company for personal advantage</p>	<p>Using working hours, IT infrastructure, office equipment, confidential information of the Company for personal advantage</p> <p><i>Example:</i> An employee, being a volunteer of a public and (or) political organization, prints leaflets to support the</p>	<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;

		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"> • 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). <i>Example:</i> An employee of MTS Armenia CJCS has loan liabilities to the company X, while the work duties of the Employee of MTS Armenia CJCS 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	<i>Example:</i> An Employee of MTS Armenia CJCS 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	<i>Example:</i> A member of the management body of MTS Armenia CJSC votes on the issue concerning the approval or consideration of a transaction (several interrelated transactions) between MTS Armenia CJSC or an MTS Group company, on the one hand, and the majority shareholder of MTS JSC 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 Armenia CJSC 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 Armenia CJSC , or in the management bodies of the majority shareholder of MTS Armenia CJSC , or the companies within its Group, on his/her own initiative or as recommended by the Company; <p>Other measures agreed upon in accordance with Annex 4 hereto.</p>
14.	Out-of-place employment/holding of management positions/	<i>Example:</i> 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. Conflict type: potential	<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; <p>Other measures agreed upon in accordance with Annex 4 hereto.</p>
15.	Out-of-place employment/holding	<i>Example:</i> An independent member of the Board of Directors of MTS Armenia wishes to take a similar position on the Board	<ul style="list-style-type: none"> • Obtaining permission from the Company's management bodies to do double duty;

	of management positions/	of Directors of a public issuer being a competitor of MTS Group in one of its target markets. Conflict type: potential	Other measures agreed upon in accordance with Annex 4 hereto.
16.	Business decision in relation to the Company made amidst holding a position in a company belonging to the Group of the competitor	<i>Example:</i> An independent member of the Board of Directors of MTS Armenia CJSC 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 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; • 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 measures agreed upon in accordance with Annex 4 hereto

Annex 3. Functions, Responsibilities and Terms.

Stages	Employees	First line of subordination to the General Manager	Members of the Management Board, General Manager*	Members of other bodies	Members of the Board of Directors, GM**
Disclosure <i>Sheet of Disclosure (1)</i>	<i>Disclosing person & Direct Supervisor – R</i> <i>Compliance Manager – I</i>	<i>Disclosing person & Compliance Manager – R</i>	<i>Disclosing person & Corporate Secretary – R</i> <i>IT system: Compliance Manager – R</i>		<i>Disclosing person & Corporate Secretary – R</i> <i>Compliance Manager, Head of Corporate Governance and Legal Department – I</i>
Review <i>Sheet of Disclosure (2)</i> <i>3 business days</i>	<i>Direct Supervisor – R</i> <i>Compliance Manager – I</i> <i>Disclosing person – I</i>	<i>Compliance Manager, Head of Corporate Governance and Legal Department – R</i>			
			<i>Disclosing person – I</i>		
		<i>GM – I</i>	<i>Corporate Secretary – I</i>		
			<i>Chairman – I</i>		
		<i>Corporate Secretary – I</i>			
Settlement <i>Sheet of Disclosure (3)</i> <i>7 business days</i>	<i>Direct Supervisor – R</i> <i>Compliance Manager – A</i> <i>Disclosing person – I</i> <i>Designated Person – I</i>	<i>Compliance Manager, Head of Corporate Governance and Legal Department – R</i>			
			<i>Corporate Secretary – I</i>		
			<i>Disclosing person – I</i>		
		<i>GM – A</i>	<i>Corporate Secretary – I</i>		
Enforcement of settlement measures <i>Sheet of Disclosure (4)</i>	<i>Direct Supervisor – A</i> <i>Designated Person – R</i> <i>Compliance Manager – I</i> <i>Disclosing person – I</i>	<i>Corporate Secretary – A</i> <i>Designated Person – R</i> <i>Compliance Manager – I</i> <i>Disclosing person – I</i>			
		<i>GM – I (R***)</i>	<i>Chairman – I (R***)</i>		
Monitoring		<i>Compliance Manager – R</i>			
Supervision <i>(in the form of reviewing Compliance Manager reports)</i>		<i>General Manager – R</i>			

R- Responsible employee, **A-** Approving employee, **C-** Consulting, **I-** Informed

PLEASE NOTE: If the structure of the management bodies of subsidiaries is different, the distribution of functions is subject to the relevant adjustment with the obligatory observance of the four-eye principle (compliance manager together with the Legal Department) and the approval of the higher authority.

*acting within the authority of the General Manager

**acting within the authority of a member of the Board of Directors

***additional approval or consulting, if the adoption of an executive directive of the GM or a resolution of the Board of Directors is required