



PUBLIC JOINT-STOCK COMPANY "SOFTLINE"

Conflict of Interest Management Policy in Softline Group

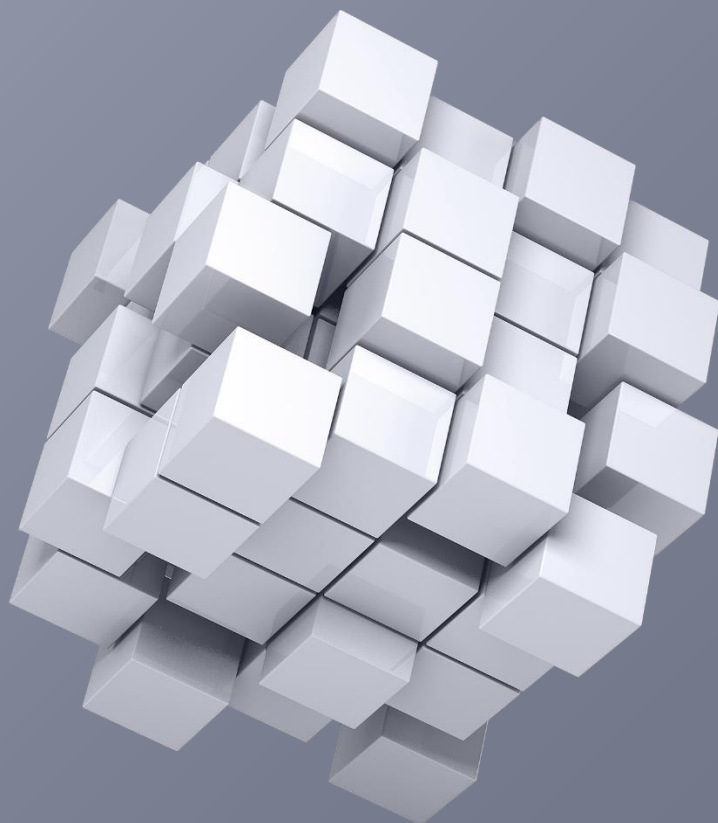


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1. Purpose of this Policy

Relationships between the Softline Group of Companies (hereinafter referred to as "Softline"), its Employees, and Business Partners must be based on mutual trust. Employees and Business Partners must, in accordance with this Policy, strive to avoid any relationships, influence, or activities that:

- interfere (or may interfere) with their ability to perform their job functions;
- interfere with the making of fair and objective decisions in the performance of their work;
- are detrimental to the interests of Softline.

This Policy sets forth the standards and procedures that Softline Employees and Business Partners must follow when conducting business in order to prevent actual or perceived Conflicts of Interest.

2. Scope of application

This Policy applies to all Employees and Business Partners of Softline.

3. Concepts and definitions

The terms used in this Policy have the following meanings:

A conflict of interest means any situation in which an individual or family member has a personal or outside interest that could affect the objective performance of official duties at Softline, regardless of whether it actually affected their performance.

Conflicts of interest can take many different forms, including, but not limited to, the following:

- Use of their position in Softline by Employees for personal gain.
- Carrying out activities by Employees aimed at obtaining direct or indirect profit, benefit or advantage for Competitors.
- Ownership by Employees of securities (shares in the authorized capital) of a Competitor.
- Use by Employees of connections or contacts obtained through Softline for personal purposes.
- Use of Softline assets by employees for developing third-party business.
- The presence of a personal (including romantic) relationship between a Softline Employee and another Softline Employee, including those in the same department or direct subordinate.
- The Employee has family members working at Softline, in particular on the same team or in direct subordination.

The listed forms of Conflict of Interest fully apply to Business Partners.

The Chief Ethics and Compliance Officer is the Chief Compliance Officer.

Employee – a manager, worker or official hired by Softline on a permanent basis or under a fixed-term employment contract, civil law contracts, including any Softline agency workers, temporary workers working part-time or full-time, and interns.

Business Partner means any person who is a counterparty of Softline or acting on behalf of and/or on behalf of Softline, including suppliers, clients, consultants, advisors, contractors, distributors, agents, commercial and other intermediaries.

Softline, Softline Group, Softline Group – Softline PJSC and affiliates.

A family member (or relative) is a person who is part of the Employee's family. This relationship may be temporary or long-term. This includes, but is not limited to: children, stepchildren, grandchildren, parents (mother, father), stepfather, grandparents, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunts, uncles, cousins, nephews and nieces, as well as in-laws or any other person living in the same household.

Close/personal relationships involve regular and ongoing connections between people, such as romantic, familial, or financial.

Examples may include:

- Employees who are married, in a romantic relationship, in a partnership, in a cohabiting relationship (or in other similar relationships) regardless of their position or role within Softline.
- Family members (relatives).
- Employees who have other relationships with any other persons with whom a Personal Relationship exists (e.g. friendships or business relationships).
- A situation where a Softline Employee has a Personal Relationship with an employee of an organization with which Softline has a partnership, and both of these persons have a working relationship related to this partnership.
- A financial interest means anything of material value, including, but not limited to, wages or other compensation for services (work), equity interests, and/or the value of intellectual property rights. Such an interest exists when an Employee, directly or indirectly through a business, investments, or Family Members:
 - Has ownership or interest in any legal entity/organization with which Softline has a transaction or agreement.
 - Receives payment or other funds from a legal entity or individual with whom Softline has a transaction or agreement.
 - Has a potential ownership interest or stake in, or receives payment or other funds from, an entity or individual with whom Softline is negotiating a transaction or

arrangement. Payment includes direct and indirect remuneration, as well as gifts or favors that are not insignificant.

A direct competitor is another organization that offers the same services for similar customer needs and in the same market as Softline.

Outside/External Interest refers to additional income, outside business, or arrangements to provide services to outside parties. This includes any additional (second) job, situation, or activity where an employee performs activities in addition to their Softline work to increase their income or contribute to society. This may include ownership of or participation in other organizations, as well as paid or unpaid consulting or other services (including freelancing), charitable and/or community service, and any other outside activities.

Business courtesy means a gift, reward, hospitality, or favor from individuals or organizations with whom Softline maintains or may establish a business relationship, the fair market value of which is not paid by the recipient.

Public officials include any of the following persons:

- a public servant or any person authorized by law to perform any public function;
- an elected or appointed official;
- an employee or official of state and/or local government bodies, including, but not limited to, educational, medical and military institutions, law enforcement and customs agencies, tax and immigration services, organizations issuing state licenses, sanctions and permits;
- an employee or official of a company, enterprise, agency, business organization or legal entity that is wholly or partly owned or controlled by the government;
- an employee or official of an international organization, including, but not limited to, the United Nations, the International Olympic Committee, the International Committee of the Red Cross and Red Crescent;
- leader and activist of a political party;
- candidate for political office;
- members of royal families;
- honorary civil servants; and
- other persons holding any legislative, administrative, military or judicial office.

The Compliance Service is a division of Softline that performs functions to ensure compliance with this Policy and the anti-corruption requirements applicable to Softline.

4. Preventing Conflicts of Interest

Employees and Business Partners shall not engage in any actions that are not in the best interests of Softline or that may undermine the confidence of Employees, customers, vendors, suppliers, shareholders and others in the integrity of Softline or its procedures.

In order to ensure maximum integrity in the conduct of Softline's business, and in view of the expansion of Softline's business (including the acquisition of new organizations), each Employee and Business Partner must promptly and fully disclose information about an Outside Interest, commitment or relationship, as well as any known or potential Conflict of Interest when it arises or when they become aware of its actual or potential existence.

To prevent potential external/internal Conflicts of Interest, Employees must not:

- Engage in any business that may distract him/her from performing his/her work and achieving his/her goals in accordance with the Employee or Business Partner agreement;
- Maintain a financial interest in legal entities or organizations that directly compete with or provide services to Softline, whether as founders or managers. The decisions and actions of an Employee or Business Partner cannot be influenced by their participation in the share capital of any other organization through their own shares or bonds. Therefore, Softline will not request disclosure of this information.
- Work or collaborate directly with Family Members or with individuals with whom an Employee or Business Partner has a close personal relationship, directly or indirectly influencing each other. Softline may, under certain circumstances, limit the situations in which Family Members or Employees with Close/Personal Relationships may work together.

5. Duty to Disclose Conflict of Interest

Softline expects its Employees and Business Partners to openly disclose any existing or potential Conflicts of Interest with other Softline Employees and/or their involvement or interests in other commercial organizations. This is especially required when these External Interests are significant enough to influence (or be perceived to influence) their decisions or in any way hinder them from acting in Softline's best interests.

Disclosure of Conflicts of Interest must be reported to the immediate supervisor, the Director of Ethics and Compliance, or the Compliance Service. Softline also requires disclosure of any potential or current Conflicts of Interest at any time through the implemented Softline tools (platforms) for the purpose of officially recording the facts required for disclosure.

Immediate managers and superiors should also be aware of potential Conflicts of Interest among their subordinates and report them accordingly.

Even if you are confident that your judgment and decision-making ability will not be affected by a Third-Party Interest, or if you doubt the existence of a Conflict of Interest, you should always disclose the information. The Compliance Service will help you determine whether a Conflict of Interest exists and help you find an appropriate solution to mitigate or resolve it. Failure to disclose a potential or actual Conflict of Interest may result in termination of employment.

6. Identification and resolution of conflicts of interest

An employee is obliged to report every event or fact that may affect the proper performance of his duties, regardless of whether it actually affected (affects) their performance.

Upon receipt of information regarding a potential or actual conflict of interest, an internal investigation is conducted in accordance with Softline's established policies, involving responsible employees and departments, including the Chief Ethics and Compliance Officer and the Compliance Service. During the investigation, all necessary information is collected and stakeholders are interviewed. All cases of conflict of interest are considered on a case-by-case basis.

When an existing Conflict of Interest is established, measures are taken to resolve it as provided for by internal rules and applicable legislation.

7. Reporting violations

If you have any questions about this Policy or have witnessed a violation (including a potential violation), you may contact the Director of Ethics and Compliance or the Compliance Service by email at compliance@softline.com in accordance with the Whistleblowing Policy.

Vladimir Lavrov,
General Director of PJSC Softline

