


IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 1 out of 9

APPROVED
DIRECTOR GENERAL'S ORDER
No. 47 of "13" May 2024.

1 PURPOSE OF THE INSTRUCTION

The purpose of this instruction: to establish norms and rules of business conduct and ethics for the Enterprise's employees.

2 SCOPE OF ACTION

This instruction defines the code of business conduct and ethics (hereinafter referred to as the "Code"), which applies to the actions of all Employees of the Enterprise. Compliance with the norms of conduct defined in this Code is mandatory for each employee of the Enterprise and all persons acting on behalf of the Enterprise.

Compliance with the requirements of this Code and adherence to the Enterprise's values in the performance of their duties by employees is extremely important for the successful achievement of the Enterprise's goals, as well as for maintaining and promoting the Enterprise's reputation as an honest participant in the business community. The Enterprise also expects its contractors, subcontractors and other persons who perform work or provide services on behalf of the Enterprise (hereinafter referred to as "Third Parties") to comply with the applicable requirements of this Code. Employees, when interacting with Third Parties, must make efforts to communicate to them the requirements of this Code applicable to them, the Enterprise's values and the Enterprise's adopted standards of ethical business conduct.

3 TERMS AND DEFINITIONS

The following terms and definitions are used in this Code:

Enterprise – PRIVATE JOINT-STOCK COMPANY "STALKANAT".

Private interest – any interest of the Employee that involves a benefit of a material or non-material nature, including that resulting from relationships between Family Members, close friendships or other relationships with individuals or legal entities, in particular, an interest arising in connection with membership or activities in public, political, religious or other organizations.

Family members – married persons, children, parents, persons under guardianship or care, any other persons who live together or have any other family relationship, including persons who are connected by a common life, have mutual rights and obligations, as well as persons who live together but are not married.

Conflict of interest – a situation where Private Interest, interests of Family Members, influence or may influence the objectivity or impartiality of decision-making by an Employee while performing his/her duties in the Enterprise. A conflict of interest may be:

- a) real (when Private Interest directly influences the exercise of powers);
- b) potential (when Private Interest may affect the exercise of powers);
- c) imaginary (when an informed third party may have a reasonable assumption that a Private Interest influences or may influence the exercise of authority, regardless of whether such conclusion is true).

Gift – any value, such as money and its equivalents (gift certificates, coupons or vouchers, etc.), other property, benefits, privileges, services, intangible assets, which is provided/received free of charge or at a price below the minimum market price.

Corruption – a person who carries out any activity related to the performance of state or local government functions in accordance with the Law of Ukraine "On Prevention of Corruption", or who is knowingly closely associated with a civil servant to such an extent that the influence on such person is or may be considered a potential or actual influence on the influence himself. Such persons may be

close relatives (husband, wife, children, parents, brothers, sisters, or the spouse of a child, brother or sister, etc.).

4 COMPANY MISSION AND VALUES

The mission and values of the Company are regulated in clause 2 of the Quality Manual. Namely:

MISSION

A shared path to prosperity is the mission we embody in each of our partnerships.

Our experience is measured in centuries, reliability in the loyalty of a large staff of employees, and professionalism in thousands of satisfied customers around the world.

Customized solutions are what we work on every day to realize the best business development opportunities for our clients, the Enterprise, and each employee in countless industries.

VALUES

Team integrity is the foundation of our corporate value system. The sincere interest of each employee in achieving the overall result, our motivation, involvement and mutual assistance in the team, as well as dedication to the beloved cause are the key to achieving goals and the well-being of the team.


Responsibility. We fulfill our obligations and agreements. We are responsible for the quality of work and adherence to high standards of business conduct, among which personnel safety and working conditions of employees occupy a special place.

Professionalism. We pass on experience and skills from generation to generation through mentoring and the best traditions of ropemaking. We improve processes, value progressive ideas and initiatives, develop and strengthen leadership. We are willing and ready to change in order to accept any market challenges.

Reliability of partnership. We build long-term relationships with partners, clients and employees based on trust and mutual benefit, confidently building stability and readiness to provide the necessary support.

5 BUSINESS PARTNERSHIP CODE OF THE ENTERPRISE

RELIABILITY	In our relations with partners, we apply honest, fair and open methods of cooperation, offering a high level of service in all areas of professional activity. We strive to fulfill our commitments and adhere to agreements. If we cannot fulfill our promises on time, we promptly inform you, our colleagues and partners, and offer possible solutions.
ETHICS RELATIONSHIP	We treat our partners, customers and suppliers with respect. We do not accept insults and humiliation of employees and partners in any form: incorrect, offensive, rude, degrading statements, or the use of psychological pressure. We do not accept or offer gifts, favors, services or offers to participate in entertainment programs if they place or may place the receiving party in a position of dependence. We strive to avoid potentially conflicting situations, including those in which an employee of our Company performs paid activities for the benefit of customers, suppliers or competitors.
STANDARDS	We perform our work in compliance with health and safety regulations and strive to ensure environmental protection.
SECURITY	We ensure the protection of personal information about our employees, partners, and clients and adhere to our commitments to maintain confidentiality in accordance with the requirements established by applicable law.

IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 3 out of 9

6 GENERAL PROVISIONS

6.1 Questions and suggestions regarding the Code

The Enterprise encourages Employees to ask questions regarding compliance with the requirements of this Code, as well as to make suggestions for improving the ethical environment at the Enterprise, if necessary. You can address such questions and suggestions to the HRD and DFES.

6.2 Violation report

An Employee, in the event of discovering facts or receiving information about a suspected violation by other Employees of this Code or the norms of anti-corruption legislation, must immediately notify DFES:

- by sending a message (including anonymous) via a letter to the complaints and suggestions box located at the factory entrance and in the workshops, or
- by making a call to the phone number: 3-77, or
- by sending an email to: sdynskii@stalkanatsilur.com.ua

The Enterprise guarantees a thorough study of each report of a violation of this Code, an impartial assessment of the information provided in accordance with this Code and the law, and the taking of measures to hold violators accountable.

6.3 Protection from persecution

Any Employee who reports in good faith a violation of this Code or anti-corruption legislation by another Employee or a Third Party shall not be subject to disciplinary or other sanctions. The Enterprise also guarantees protection of such Employees from harassment by management and colleagues, including aggression, discrimination, improper performance evaluation, unfair denial of promotion, salary freeze or reduction, overtime, or specific work assignments in connection with such reports.

6.4 Responsibility

6.4.1 The General Director declares zero tolerance for violations of the requirements of this Code and the restrictions provided for by anti-corruption legislation. Violation by Employees of the requirements of this Code (in частности, unscrupulous reports of the actions of other Employees) entails appropriate disciplinary measures (including dismissal). Violations of some provisions of this Code may result in the employee being held administratively, civilly or criminally liable.

6.4.2 Failure to comply with the requirements of this Code by a Third Party may result in the termination of cooperation with it by the Enterprise.

6.4.3 The Enterprise declares complete intolerance to offering, giving, demanding, agreeing to receive or receiving improper benefits (bribes), both in the public sphere and in relations with private Enterprises.


6.4.4 Employees are not permitted to directly or indirectly make any unofficial payments, regardless of their amount, in response to a proposal from a Government Official or at the initiative of the Employee, in order to secure and/or expedite the performance of routine or necessary actions and/or the provision of services that the Enterprise and/or the Employee is legally entitled to receive without making such payment.

7 CONFLICT OF INTEREST

7.1 Employees must avoid Conflicts of Interest – situations where their Private Interest prevents (or may prevent) the impartial performance of their duties in the interests of the Enterprise.

Examples of situations that may lead to a Conflict of Interest are:

- use of information obtained in the performance of duties at the Enterprise for personal gain;
- hiring a Family Member to work under his/her personal supervision (there may be situations where this is acceptable, for example, when it is a family business);

IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 4 out of 9

– facilitating the Enterprise's establishment of business relationships with Third Parties in which the Employee's Family Members hold positions in management bodies or own a share in the authorized capital;

– facilitating the Enterprise's establishment of business relations with a Third Party whose management has provided the Employee or his/her family member with a personal discount on the purchase of goods or services, etc.

7.2 Employees must be independent and impartial in the performance of their duties, and must avoid any situations where their Private Interests (or the interests of their Family Members, friends or other persons) may conflict or create the appearance of conflicting with the interests of the Enterprise.

7.3 Employees must immediately report all cases of influence, financial benefits, and other situations that contribute to the emergence of a Conflict of Interest to DFES.

7.4 The Enterprise guarantees that information about all Conflicts of Interest will be comprehensively and impartially considered, analyzed and verified by the Commissioner and, if necessary, by the Manager. Employees must assist DFES in verifying the specified information. In this case, publicly available information about Employees (including information available on social networks) may be considered as admissible evidence of the existence of a Private Interest or the interests of their Family Members.

7.5 The DFES must hold a joint meeting with the Employee and, in an impartial manner, review the information regarding the situation surrounding the Conflict of Interest in order to properly resolve it.

7.6 The Enterprise may take a number of measures (separately or in combination) to resolve a Conflict of Interest, including:


- 1) provision by the Employee of information about the waiver of the Private Interest that caused the Conflict of Interest;
- 2) restriction of the Employee's access to information about the Enterprise's activities that may relate to Private Interest;
- 3) removing an Employee from performing a task, making a decision / signing a transaction / committing actions that are already subject to or may be subject to a Conflict of Interest;
- 4) review of the Employee's powers;
- 5) application of external control over the relevant functions (authorities) of the Employee, actions and decision-making process;
- 6) transferring the Employee to another position or terminating employment relations or cooperation, if the Conflict of Interest cannot be resolved in any other way;
- 7) the Enterprise's refusal to provide a service or activity related to a Conflict of Interest if the Conflict of Interest cannot be prevented or cannot be effectively managed or avoided in another way.

7.7 All decisions regarding the resolution/elimination of the consequences of a Conflict of Interest must be made in writing and kept in the Enterprise's documentation.

7.8 The CEO must ensure that there is no direct or indirect reporting between Employees in cases where they are Family Members or have close personal relationships.

8 GIFTS AND HOSPITALITY

8.1 It is normal for Employees to periodically provide symbolic Gifts to clients and other persons with whom the Enterprise has business relations. However, in certain cases, providing a Gift may result in a Conflict of Interest and a violation of legal requirements, including recognizing such a Gift as an improper advantage, if such a Gift is intended to induce a person to take certain actions or make a decision.

IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 5 out of 9

8.2 The Enterprise prohibits Employees from receiving, offering, promising or providing Gifts to Government Officials or employees or representatives of Third Parties, organizing entertainment events or providing any hospitality (for example, an invitation to coffee or lunch, reimbursement of hotel accommodation or transportation costs) if the Gift or hospitality:

- 1) violates the requirements of the law and/or the provisions of this Code;
- 2) aims to obtain advantages, privileges, or other actual or potential benefits for both the Employee and the Enterprise;
- 3) is intended to influence the decision or behavior of the recipient of the Gift or hospitality in connection with his/her official position;
- 4) is not permitted by the policy/code of conduct of the recipient of the Gift or hospitality;
- 5) is provided in a closed and opaque manner, as a result of which the Enterprise's reputation may suffer negative consequences if information about the Gift is disclosed (for example, closed entertainment events for a narrow circle of invitees. The entertainment event must always relate to the Enterprise's business and pursue legitimate business goals. If possible, the invitation to the event should be sent to a legal entity that independently determines the participants in the event. A representative of the Enterprise must always be present during the entertainment event for Third Parties).

8.3 Any Gift or hospitality received by an Employee in connection with the performance of his/her duties is considered to be in violation of this Code, and therefore the Employee is required to reject (or immediately return) such Gift and report the incident to DFES.

8.4 To ensure compliance with the law and this Code, any Gifts (entertainment), hospitality to any Civil Servant must be pre-approved by the Director General.

8.5 Examples of appropriate Gifts to Government Officials include promotional products with the Enterprise's logo, such as calendars, pens, tea/coffee mugs, etc., subject to the limits established by applicable law.


8.6 8.6 Under no circumstances are Employees permitted to give Government Officials Gifts in the form of cash or cash equivalents (gift certificates, coupons, vouchers, discount cards for goods or services). The Gift must also not be intended for the Government Official to receive for personal use outside of work for personal gain (e.g. computer accessories, household items, tickets to the theater or sporting events, etc.).

8.7 Under no circumstances are Enterprise employees permitted to provide any Gift or hospitality to a Government Official who makes or may make decisions in favor of the Enterprise (e.g., members of a tender committee, tax officials, etc.)

8.8 Employees have the right to present Gifts to the Enterprise's business partners in the following cases:

- 1) on the occasion of a birthday or other special events;
- 2) handing over small samples of the Enterprise's products, on the occasion of a visit or similar events;
- 3) presenting moderately priced jewelry and souvenirs to guests, for example, in connection with the Enterprise's anniversary or similar events.

8.9 Information about the intention to make a Gift to a business partner of the Enterprise or another Third Party must be provided to the General Director, who within two business days either grants permission to present such a Gift or prohibits the presentation.

IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 6 out of 9

9 INTERACTION WITH THIRD PARTIES

9.1 The Enterprise has a zero tolerance policy towards money laundering, violations of economic sanctions and laws. Third Parties must refrain from any illegal activity in their dealings with the Enterprise. A third party is prohibited from providing, promising or offering any material or non-material benefit to Employees or Family Members during their dealings with the Enterprise.

9.2 Employees responsible for interaction with Third Parties are required to take steps to clarify the following when engaging Third Parties:

- 1) there is a commercial necessity for the Enterprise to engage a Third Party;
- 2) a Third Party has the necessary experience and qualifications in the relevant field;
- 3) the Third Party will receive fair remuneration for the services or work or goods provided, performed or supplied for the Enterprise;
- 4) all transactions relating to the performance of the contract with the Third Party are properly documented;
- 5) there is no Conflict of Interest in involving a Third Party.

9.3 When interacting with Third Parties, Employees are prohibited from:

- 1) demanding or receive from Third Parties any material or non-material benefit for themselves or for Family Members in connection with the exercise of their powers or their position and related opportunities;
- 2) organizing, being an intermediary or personally making any cash or non-cash payments or settlements with Third Parties (its representatives or officials), unless such payments or settlements are provided for by an agreement with the Enterprise or applicable law;
- 3) directly or indirectly influencing the decisions of representatives or officials of a Third Party in order to obtain any material or non-material benefit for themselves or their Family Members.

10 REFUSAL OF EMPLOYEES TO EXECUTE ILLEGAL ORDERS

10.1 Employees must refrain from implementing decisions or instructions of the Enterprise's management if such decisions or instructions contradict the legislation or the provisions of this Code.

In the event of receiving the specified decisions or instructions for implementation, the Employee must immediately notify DFES.


11 PARTICIPATION OF EMPLOYEES IN POLITICAL ACTIVITIES

11.1 The Enterprise recognizes the right of Employees to participate in lawful political activities during their free time. Employees may publicly express their views on matters of public or social importance, but in all circumstances it must be clearly understood that the views expressed do not represent the views or position of the Enterprise.

11.2 When participating in lawful political activity, Employees are prohibited from using any material and financial resources of the Enterprise, its intellectual property, as well as the name and logo of the Enterprise.

11.3 Employees must notify DFES within two business days of their intention to run for election or apply for a civil service position or for service in a local government body in order to assess the possible impact of such participation on the Employee's duties at the Enterprise and the likelihood of a Conflict of Interest.

11.4 In the event that an Employee takes a position in the civil service or in a local government body, other Employees are prohibited from inducing such a former Employee in any way to use his political influence in the interests of the Enterprise.

IN 19-05	Code of Business Conduct and Ethics	
Effective date: 20.05.2024	Edition: 0	Page 7 out of 9

12 PROTECTION OF COMPANY PROPERTY AND ASSETS

12.1 Each Employee is responsible for protecting the Enterprise's property and funds from loss, theft, misuse, or fraud (forgery or unauthorized alteration of a financial or banking document, violations in the receipt and reporting of funds or other financial transactions, etc.). All Enterprise property must be used for legitimate business purposes.

12.2 In exceptional cases, the General Director may allow an Employee to use the Enterprise's property or funds for personal needs. The use of the Enterprise's tangible or intangible assets for personal gain is prohibited.

13 EQUAL OPPORTUNITIES FOR EMPLOYEES

13.1 The Enterprise guarantees equal and uniform treatment of all Employees and provides everyone with equal opportunities in employment and in the performance of their duties. Any discrimination on the basis of gender (including pregnancy), age, race, marital status, religion, sexual orientation, nationality, ethnicity, political beliefs is not allowed.

13.2 The possibility of an Employee being promoted and/or having his/her remuneration increased depends solely on the qualifications, experience and professional competence of each individual Employee.

14 NON-DISCRIMINATION OF EMPLOYEES

14.1 In their interactions with colleagues and Third Parties, Employees must demonstrate respect and tolerance for diverse cultures, ideologies, beliefs and customs. Employees must refrain from conduct that constitutes harassment, sexual harassment, bullying, abuse of office. Prohibited conduct may include offensive jokes, slander, physical violence, intimidation, verbal or non-verbal sexual advances, and any other conduct that is unwelcome, humiliating or likely to cause harm to another person. Also prohibited are actions that may be perceived by other Employees as such conduct.

15 CONFIDENTIAL INFORMATION AND PERSONAL DATA PROTECTION

15.1 Employees are prohibited from disclosing confidential information that has become known to them in connection with cooperation with the Enterprise without the permission of the General Director.

15.2 Confidential information is information that is not publicly available, the unauthorized disclosure of which could cause harm to the Enterprise, its business partners, Employees or other individuals or legal entities (for example, personal data, customer information, business plans, financial indicators, etc.). Employees should refrain from discussing confidential information they know in public places.

15.3 Employees are obliged to comply with the legislation on the protection of personal data held by the Enterprise. Access to personal data held by the Enterprise is granted only to specially authorized employees who have a business need to access this data

15.4 After dismissal or termination of cooperation with the Enterprise, the Employee is prohibited from disclosing or otherwise using in his own interests information that became known to him in connection with the performance of his powers or contractual obligations, except in cases established by law.

16 MISCELLANEOUS

16.1 The General Director ensures the organization of feedback mechanisms with Employees aimed at supporting and continuously improving this Code.

Controlled electronically

16.2 The Enterprise provides periodic practical training for Employees on business conduct and ethics, as well as on aspects of the application of the provisions of this Code. If necessary, Third Parties or their representatives may be invited as participants in practical training. External consultants may be involved in conducting training.

16.3 From the moment this Code comes into force, the Enterprise's employees familiarize themselves with the provisions of the Code of Ethics by signing and comply with them in the course of their official activities.

16.4 DFES ensures that a periodic assessment of corruption risks in the Enterprise's activities is carried out. The assessment is carried out either by creating a commission from the Enterprise's employees or by engaging appropriate external consultants.

16.5 DFES ensures timely amendments to this Code in order to take into account corruption risks that arise in the activities of the Enterprise, as well as based on the proposals of the General Director. Additions and amendments to this Code are made in connection with changes in the norms of the current legislation of Ukraine.

17 REGULATORY REFERENCES

The following regulatory references are used in this manual:

- Law of Ukraine "On Prevention of Corruption";
- Quality Manual.

18 NOTATION AND ABBREVIATIONS

The following symbols and abbreviations are used in this manual:

- HRD – Human Resources Department;
- QMSD – Quality Management Systems Department;
- DFES – Department of Financial and Economic Security.

19 REGISTRATION OF CHANGES

Edition	Summary	Date
0	First edition of the document	13.05.2024

Developers:

Financial Director	Muksimov A. O.
Head of the QMSD	Gremecheva S. B.

CONTENT

1	PURPOSE OF THE INSTRUCTION	1
2	SCOPE OF ACTION	1
3	TERMS AND DEFINITIONS	1
4	COMPANY MISSION AND VALUES	2
5	BUSINESS PARTNERSHIP CODE OF THE ENTERPRISE	2
6	GENERAL PROVISIONS	3
7	CONFLICT OF INTEREST	3
8	GIFTS AND HOSPITALITY	4
9	INTERACTION WITH THIRD PARTIES	6
10	REFUSAL OF EMPLOYEES TO EXECUTE ILLEGAL ORDERS	6
11	PARTICIPATION OF EMPLOYEES IN POLITICAL ACTIVITIES	6
12	PROTECTION OF COMPANY PROPERTY AND ASSETS	6
13	EQUAL OPPORTUNITIES FOR EMPLOYEES	7
14	NON-DISCRIMINATION OF EMPLOYEES	7
15	CONFIDENTIAL INFORMATION AND PERSONAL DATA PROTECTION	7
16	MISCELLANEOUS	7
17	REGULATORY REFERENCES	8
18	NOTATION AND ABBREVIATIONS	8
19	REGISTRATION OF CHANGES	8