



## **PST CODE OF BUSINESS CONDUCT**

2021

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## PST CODE OF BUSINESS CONDUCT

### **Introduction by Company Founders**

As a family business with long-standing traditions and vast geographical footprint, PROSTROYTECH (PST) gained the trust of its customers and impeccable reputation among business partners and employees. Our priority is to maintain this reputation. This is why in our day-by-day activities we attach particular importance to professional ethics and strive to adhere to the impeccable behavior in terms of highest ethical standards.

This Code of Business Conduct is a demonstration of our commitment to the above ideals and assuming of responsibility for the business and social environment.

Any violation of the Code of Business Conduct and instigation to violation are prohibited and result in taking respective disciplinary actions using all available legal means. In addition to legal sanctions, violations can entail taking individual disciplinary actions against certain employees.

### **1. Objective and Scope**

This Code of Business Conduct contains necessary and binding principles to be followed by all PST directors, managers and employees in the course of their day-by-day activities on behalf of the Company.

These minimum standards complement our value system and determine the behavior principles that we consider reasonable and obligatory to demonstrate PST high standards with respect to ethically impeccable activities in accordance with the legal rules and regulations and corporate values of the Company.

In addition to this Code of Business Conduct, other rules of conducts will also be determined for specific areas of activities in the form of separate guidelines to be followed together with the principles of this Code. If such guidelines were issued before, their current version is available for review and printing out on the PCT Corporate Policy Intranet Page. This Code of Business Conduct must be complied with by PST directors, managers and employees. The Code of Business Conduct and additional guidelines are used as the basis for building relationships among separate PST companies and their employees to maintain the good reputation of PST and justify the confidence of all persons having to do with PST. The above documents do not provide for third-party rights.

## 2. Legal/Regulatory Compliance Officer

The PST CEO appoints the Legal/Regulatory Compliance Officer who reports directly to the Chief Executive Officer, according to the corporate hierarchy.

The main task of the Officer is to provide support to separate PST business units and departments in fulfilling the requirements set out in this Code of Business Conduct; monitor the compliance with the Code using other managerial functions (Risk Management System, Internal Audit); develop and, where necessary, review the principles of the Code of Business Conduct; act as a contact for all issues relating to performance of this Code of Business Conduct. The Internal Audit function must also ensure compliance with the Code of Business Conduct and additional guidelines during an inspection, as well as reporting to the Officer all identified breaches.

### 3. Conduct in Business Environment

#### 3.1. Compliance with Laws, Rules and Regulations

The applicable local regulations and minimum industry standards, International Bill of Human Rights, United Nations Convention against Corruption, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and all PST corporate rules and regulations (hereinafter referred to as the “Standards”) must be complied with in all PST business units.

The PST directors, managers and employees are expected to act for the benefit of the Company only, provided that they comply with these standards even if such compliance is not appropriate or profitable in strategic or economic terms from the viewpoint of any legal entity or an individual, and also if otherwise instructed by a member of the PST management staff. Each employee is responsible within his/her own area of competence for ensuring continuous compliance of his/her conduct with these standards. Taking into account the fact that managers serve as a role model, we expect that they will not only duly communicate these standards to employees, but will also adhere to them and ensure that their subordinates adhere to them too. Our managers are first contacts for their subordinates as to all issues concerning this Code of Business Conduct.

#### 3.2. Fair Competition

The PST Group is confident in the quality of its products, innovation potential, impeccability of professional ethics and high proficiency of its employees. PST recognizes the principles of market-oriented economy and fair and open competition at the national and international levels. We expect that our business partners and competitors adhere to these standards too. PST attains its goals solely in accordance with the principle of carrying out activities at a highly professional level and expressly rejects any business cooperation, orders and other advantages, which cannot be achieved but through violation of respective competition rules.

##### 3.2.1. Competition Agreements

When carrying out any activities, PST strives to ensure compliance with the competition regulations, i.e. keeps from entering into market-sharing agreements, particularly agreements with competitors concerning prices, producing capacity, non-competition, boycotting or support of boycotting of suppliers or customers, submitting fake price offers in bidding or from entering into agreements on allocation of customers, territories and production programs. The above provisions apply regardless of whether such agreements or actions result from duly executed arrangements or are based solely on discussions held in an informal setting (for example, at trade association meetings), informal gentlemen’s agreements or agreed campaigns aiming to gain or resulting in one of the above competition restrictions.

Any planned agreements with potential competitors must beforehand be submitted to the PST Legal Department for examination and approval. No agreement may be concluded without prior consent of the PST Legal Department.

### 3.2.2. No Bribery or Corruption

The PST Group does not accept any form of corruption and strongly objects to any form of bribery. PST directors, managers and employees may not offer, promise or provide any benefits to business partners, personnel or representatives of business partners, officers, politicians or their relatives or persons close to these groups in exchange for preferential treatment when procuring goods or services, irrespective of whether they might be entitled in some cases to certain services/actions.

### 3.2.3. Payments

PST payments for cargo delivery or provision of services must be made directly to the respective counteragent (in the absence of legally binding agreements on transfer or mandatory redemption) and in the country of counteragent's statutory seat. Cash payments are prohibited, except for amounts of up to EUR100, subject to issue of a duly signed receipt. Moreover, the Legal Compliance Officer must be promptly notified (in advance, if possible) about all payments and/or payment agreements deviating from this principle.

### 3.2.4. Business Incentives

Performance-based commission, bonuses, including purchase price agreements, discounts and free goods are standard business incentives. These and other incentives may be offered or accepted only subject to compliance with and according to applicable standards. Offer or acceptance of this type of business incentive should be appropriate from the ethical, legal and social point of view in each particular case and must be executed in writing. Otherwise, such incentives must be rejected and/or immediately returned.

Remuneration, especially in the form of commission fees payable to third parties, particularly, to commercial agents, brokers, consultants or other mediators, must be in proportion to the work performed and executed in writing in full scope, especially with regard to the scope of paid activities and the date of payment. The amount of such payments must not give rise to or result in assumption that there are grounds for disregard of existing rules as to granting prohibited advantages. Any written agreements with representatives, brokers, consultants and other mediators, as may be amended from time to time, must provide for continuous compliance by the parties with the existing principles and non-involvement in any form of bribery.

### 3.2.5. Offer, Provision, Acceptance and Solicitation of Advantages

All agreements and addenda relating to direct or indirect provision of advantages of any kind to individuals or legal entities in connection with obtaining, awarding, approving, delivering, processing or paying for order (i.e. kickbacks) must be prohibited. This provision is specifically applicable to agreements with business partners and their officers or employees.

Payments may only be made or initiated by personnel if the goods or services stipulated in an agreement have been supplied or rendered, accordingly. Any such payment should be appropriate and must be documented in accordance with the accurate reporting principles. Payments may not be accepted if there are grounds to believe that they are intended in full or in part for giving bribe.

No employee is allowed to offer, give, solicit or accept directly or indirectly gifts or other business-related donations. This provision does not apply to unscheduled hospitality or gifts of no material value as part of usual business hospitality practice. Any offer or acceptance of hospitality and gifts of this kind must, however, meet the requirement of compliance with legal rules and from the very beginning exclude any possibility to influence business decisions.

#### **3.2.5.1. Offer and Provision of Advantages**

In accordance with this Code of Business Conduct, any gifts, hospitality or equivalent advantages must be prohibited if due to their cost or otherwise they can bind the recipient with obligations which will compromise his/her commercial or professional independence.

Any offer or provision of gifts in the form of money must be prohibited unexceptionally.

Any invitation to events or other social occasions should either correspond to the usual business practice or be appropriate in scope and type or must have a clear business goal.

Money spent for hospitality should correspond to the nature and scope of hospitality in each particular case.

Both active and passive bribery is deemed to be a criminal offence in all countries across the globe. PST does not accept any types of bribery. Any invitation of officers (this term includes, without limitation, public officials and politicians, representatives and/or agents of public authorities performing state functions) to above mentioned events or social occasions meeting the requirements of this Code of Business Conduct, are allowed to the extent not prohibited by international or national legal rules, and if such invitations are acceptable – subject to compliance with applicable regulations. Invitations and gifts of this kind must not be interpreted as bribery and must not be provided in the manner giving reason for such assumptions, i.e. in no way may such invitations or gifts be associated with solicitation or direct provision of a mutual service or an official action and they must not seem to be an attempt to impact a respective administrative decision. The Company focuses its attention on requirements of anti-corruption and anti-bribery legal rules and subsidiary national directives.

In all cases, PST pays special attention to compliance by recipients of invitations and gifts with requirements of this Code of Business Conduct and codes of business conduct of companies or organizations of the other party with respect to acceptable incentives. It is necessary to draw recipients' attention to the above requirements. In case of any doubts, a recipient should contact his/her supervisor or higher officer to obtain written approval.

#### **3.2.5.2. Request for Provision and Receipt of Advantages**

The above principles also apply to receipt of advantages: no PST director, manager or employee may use his/her position and powers in the Company to solicit, accept or provide personal benefits (including intangible benefits) for himself/herself or persons close to him/her. Acceptable are periodical invitations to events involving customers or to a dinner party, especially during or after official meetings (subject to compliance with the criteria specified in Section 3.2.5.1) and acceptance of symbolic gifts or gifts of no value.



In case of acceptance of invitations, including invitations to events, it is necessary to make sure that these invitations are transparent and primarily of business nature and that the money spent on business hospitality correspond to the nature and scope of the arranged entertainments in each particular case.

PST employees may respond to an invitation of a business partner with respect to participation in a charity event or donate for charity purposes only if such actions are not in conflict with the principles provided for in this Code of Business Conduct, particularly, requirements specified in the first paragraph of Section 3.2.5.1.

Requests for provision or receipt of gifts in the form of money are prohibited unexceptionally. If any PST director, manager or employee is offered gifts and/or other advantages as mentioned above in violation of the restrictions provided for in this Code, including the possibility to obtain preferential conditions for the employee himself/herself or persons close to him/her, he/she must reject such gifts and advantages in any circumstance. The Legal Compliance Officer shall be immediately notified on such offers.

### **3.2.5.3. Violation of Law and Prohibitions**

Violation of the standards and prohibitions specified in Sections 3.2.5, 3.2.5.1 and 3.2.5.2 are not allowed in any country across the globe, despite any statement that certain actions constitute the local practice and are regularly taken by all interested parties.

### **3.2.6. Donations and Sponsorship**

Платежи без получения выгоды взамен (благотворительные пожертвования) при любых обстоятельствах должны быть прозрачными, т. е. получатель и конкретная цель, для которой предназначается данное пожертвование, должны быть известны и поддаваться отслеживанию. В случае со спонсорской поддержкой необходимо убедиться, что финансовое пожертвование пропорционально согласованному возврату.

Обращаем ваше внимание на текущую версию данного руководства ПСТ. Она доступна для ознакомления на веб-странице внутренней сети компании ПСТ «Корпоративная политика» и может быть при необходимости выведена на печать.

## **3.3. Sustainable Use of Resources and Environmental Safety**

PST commits to the principles of sustainable use of resources and environmental safety. The PST Group is aware of the resource deficit and of its responsibility before future generations. Compliance with all applicable environmental laws and regulations is a clear obligation of PST directors, managers and each employee. Accordingly, the Environmental Manager designated in the PST Group monitors and maintains the Environmental Management System implemented by PST and based, without limitation, on ISO 14001:2004.

We also ensure compliance with the environmental laws and regulations during our manufacturing process and throughout the life cycle of our products. We apply high standards concerning environmental factors and environmental safety at the stage of product development, selection of suppliers and materials and during the manufacturing process.



### 3.4. Tolerance and Equal Opportunities

As a company with a vast geographical footprint, PST deals with personnel and business partners of different nationalities, cultures and worldviews. Our cooperation is based on respect, tolerance, honor, fairness and openness.

PST does not accept, without exceptions, all types of discrimination, persecution, injury, humiliation and all other kinds of lack of respect and discrimination in favor of employees and business partners based on ethnic origin, sex, confession, worldview, political beliefs, physical disability, age, sexual orientation and any other ethnic, social and legally protected characteristics. All forms of persecution at the workplace, especially sexual harassment, are strictly prohibited. The above principle applies regardless of whether the complainant had an opportunity to avoid such behavior or whether the wrongdoer considers his/her behavior acceptable.

Accordingly, managers must be aware of being a role model and make efforts to promote working conditions without any discrimination or harassment.

### 3.5 Reporting and Data Documentation

All minutes and reports, especially those to be produced to third parties, must be well prepared and contain reliable information. Any collected information and other accounting data must be complete, accurate, timely and system-compatible. The information must indicate its initiator or author and the date of its collection.

All commercial transactions, particularly oral and written agreements, must be documented and recorded in accordance with legal and corporate requirements.

### 3.6 Selection of Business Partners

PST chooses its business partners based solely on its goals and economic criteria, subject to fair and impartial review of supplier offers. The nonprofessional approach to selection of suppliers involving preference or causing injury to certain persons, especially on personal grounds, is unacceptable. When invited to bid, contracts shall be awarded to the most cost-effective bidders, except where other reasons (quality, maintenance, long-term business relations, financial solvency, etc.) justify another decision. In this event, determinative factors must be documented in writing, and third parties may not raise claims on this matter.

PST expects that its suppliers, customers and all other business partners will respect the values set out in this Code of Business Conduct and will take them into account and ensure compliance with them when transacting with PST. The PST Group attaches importance to the principle that, to the extent possible, requirements of this Code of Business Conduct should be included in contractual relations with, first of all, suppliers but also with customers and/or business partners, where the latter do not have their own code of business conduct. Relations with suppliers may only be established if the latter have accepted our code of conduct for suppliers or may produce their own code of conduct for suppliers based on the same principles.

However, notwithstanding the foregoing, even in case of long-term cooperation with a supplier, PST reserves the right to early termination of its business relations or supply arrangements, if, despite warnings, essential principles set out in this Code of Business Conduct, especially in terms of bribery, inappropriate provision of advantages, forced or child labor, have been breached.

### 3.7 Confidential Information and Data Protection

All information concerning the PST Group and its business partners is deemed confidential and must not be disclosed to third parties, unless it is already made available to the public or otherwise became generally available. It is permitted to disclose information in response to official requests or as part of fulfillment of PST commercial interests. This commitment survives the business relationships.

Any direct or indirect use of the confidential information for personal purposes is prohibited. All members of PST Board of Directors, managers and employees must actively protect the confidential information against unlawful use, in accordance with the corporate requirements of the Company.

The PST Group must necessarily comply with the respective data protection regulations. Any personal data concerning customers, employees and other business partners falling within the scope of the data protection laws must be collected, processed and used by PST only in a legally permissible manner or subject to the consent of the interested person.

Privacy protection and safety of all commercial information must be ensured in all commercial transactions, subject to applicable laws and regulations. As a general rule, confidential information, official documents and data storage devices must be protected against third-party access.

The respective Data Protection Officer must provide support to the areas/ departments/ companies concerned.

### 3.8 Foreign Economic Activity, Export Control and Customs Duty Regulations

The PST Group must comply with all regulations concerning foreign economic activities, embargo, customs duties and counterterrorism and regulatory requirements imposed in this connection with regard to payment processes applicable in different countries where PST conducts its operations.

All PST staff involved in export and import of goods, services, technologies (including technical data) and payment processing must comply with the respective laws, rules and regulations applicable to economic sanctions and import and export control, and adhere to all guidelines and processes connected with its commercial activities.

### 3.9 Taxes

PST is aware of its social responsibility in terms of payment of taxes and fulfillment of its tax obligations.

Our principle is the strict compliance with legislation in all activities, events, agreements and other transactions; especially we commit to mandatory and timely fulfillment of our tax obligations. This principle is based not only on the consideration that violations can have significant adverse implications for business in connection with possible criminal proceedings, claims or fines, but also on the Company's policy oriented towards fulfillment of all its tax obligations regardless of resulting losses or benefits.

Based on active and regular information sharing, authorized representatives of PST business units together with executives from the headquarters ensure that taxes and payments are not unreasonably reduced both at the national and global levels, including violations concerning common obligations.

These principles are equally applicable to relationships with our business partners (e.g. suppliers and customers). Particularly, PST does not take or cause to be taken any actions or measures that would seem in the eyes of our business partners as aiding and abetting tax fraud or tax evasion.

## 4 Coworker Relations

### 4.1 Management Culture

The PST Group considers its personnel to be the most important asset. Accordingly, PST invests money in skills and competence of its employees; particularly, the Company promotes and encourages devotion to the cause and performance.

PST has developed and made aware to its employees the management culture based on the PST value system (detailed information on this culture is available on the PCT Company, Corporate Culture, Values – Our Values Intranet Page).

According to these principles, all managers should act as a role model and behave in accordance with this Code of Business Conduct, especially when dealing with their subordinate personnel, and show regard, consistency and awareness of their responsibility. Managers should seek recognition on the part of the personnel and maintain their authority with model behavior, high performance, openness and communication skills.

### 4.2 Equitable and Safe Working Conditions

The respect and responsibility of the PST Group for its employees are also demonstrated by PST's aspiration to provide equitable and safe working conditions meeting the requirements of the applicable laws and regulations, including local requirements, to its personnel all over the world.

Health and safety of all employees is also a priority of PST. Accordingly, PST makes its best efforts to ensure consistently high quality level in all business units of the Company, particularly with respect to product development and provision of safe workplaces. Processes, systems and production resources must meet requirements of applicable statutory and in-house OHS regulations, fire safety rules and environmental requirements. Due to its vast geographical footprint, PST also complies with the International Labor Organization (ILO) Convention on Fundamental Principles and Rights at Work and, among other things, does not accept any forms of forced or child labor.

PST recognizes and respects the freedom of association and the right of its employees to become members or otherwise interact with associations recognized by the Constitution, such as trade unions and other associations duly formed to protect and defend workers' interests. PST will not disadvantage particular employees in connection with such activities.

### 4.3 No Conflict of Interest

PST attaches special importance to non-involvement of directors, managers and employees in any conflict of interest or loyalty in their professional activities. Conflicts of this kind include, for example (a) conclusion of transactions between PST companies on the one hand and directors or persons close to them on the other hand; (b) employment of a PST director or employee by or such person having direct or indirect interest in another company; or (c) obtaining personal benefits from business relations with PST competitors or business partners;

Thus, neither directors nor employees of PST may maintain relations of this kind if there is reason to believe that such relations may influence business decisions or transactions. Particularly, this principle concerns situations when interested persons may, as a result of such relations, obtain a significant advantage the scope of which is not socially acceptable.

Generally, information on any such business transaction must be produced before its conclusion, and transactions may only be concluded subject to written consent of the Legal Compliance Officer.

## 5 Code of Business Conduct Implementation

PST does not accept any breach of this Code of Business Conduct. Accordingly, all PST managers must make their employees aware of the content and importance of this Code of Business Conduct. Managers must make sure that their subordinate employees are not only aware of existence of this Code of Business Conduct but also understand its content and importance. Managers also must ensure compliance by their subordinates with this Code of Business Conduct and provide any assistance to this effect. Managers must periodically monitor the compliance with the respective standards (see Section 3.1) and, where necessary, interpret them when discussing ongoing matters with the staff.

If evidence of law violation is revealed, managers must investigate into the issue and, where necessary, report to the Legal Compliance Officer.

PST must provide its employees with necessary information (for example, in the form of instructions in addition to this Code of Business Conduct) to help them identify possible violations of law and this Code of Business Conduct in a timely manner thus preventing such violations. Such information may be provided, without limitation, in trainings on certain topics and special high-risk issues. In case of any doubt on the part of a PST director, managers and employees must, in their turn, take initiative to obtain information as to actions to be taken to comply with the legal and ethical rules. All issues must be addressed to the Legal Compliance Officer.

All PST employees may contact their supervisor or directly the Legal Compliance Officer on any issue concerning the content or interpretation of this Code of Business Conduct, Particularly, this requirement applies to reporting an actual or alleged violation. Issues concerning this Code of Business Conduct and reports on actual or alleged violations may be sent via the Corporate Policy web-page or directly to email address [info@prostroytech.ru](mailto:info@prostroytech.ru).

In addition to the requirement to provide information as to compliance with legal and ethical rules in the course of activities, as provided for in different sections of this Code of Business Conduct, each employee rightly assuming, based on certain facts, that a violation of the Code of Business Conduct occurred or could have occurred, may report such actual or alleged violation to the Company. Employees reporting actual or alleged violations, if any, to their supervisor or the Legal Compliance Officer via hotline [info@prostroytech.ru](mailto:info@prostroytech.ru) should not fear any unfavorable conditions or problems arising at the workplace. Such reports are deemed confidential information.

Where necessary, the PST Group should make necessary efforts to protect a member or an employee (or a provider of information) against unfavorable conditions. To the maximum extent possible and to the extent permitted by law, PST must keep in secret the identity of employees providing information on actual or alleged violations and employees actively participating in finding a violation.

Hotline [info@prostroytech.ru](mailto:info@prostroytech.ru) is also available for third parties who can provide information on unlawful actions of PST employees.

Third parties may obtain information on compliance with legal and ethical rules in the PST Group, review this Code of Business Conduct and print it out via web-site [www.prostroytech.ru](http://www.prostroytech.ru) (Corporate Policy).

Russia, Moscow, 2021