

GLOBAL SUPPLIER CODE OF CONDUCT

The company BROSCO we serve five core values: trust, respect, belief, humility, sincerity. Although each is an integral part of all our business processes, sincerity has a special place in the culture. That it ensures the stability of our company in an increasingly complex and demanding world. The company BROSCO defines integrity as setting and observing the highest ethical standards and always doing what is right. Continuing to remain true to these values, we care not only about our independent representatives and customers in the communities we serve, but to our colleagues and ourselves.

The company BROSCO follows these values and is committed to working with business partners with good reputation, who demonstrates a similar commitment to ethical standards and business practice.

In order to implement these intentions was established a Global supplier code of conduct BROSCO (the "Code of conduct") that applies to any company, its factories, manufacturers, suppliers or agents ("Suppliers") that produce goods and (or) services for entrepreneurs Prokudina M. A. or regional affiliate company. This Code of conduct, issued on July 10, 2017, is the prevailing over all previous versions of the code of conduct.

Although the company BROSCO recognizes the existence of different legal and cultural conditions of work suppliers across the world, this Code sets the minimum expectations under which should be carried out the activities of the company BROSCO and its suppliers in any country of the world. In addition, the company BROSCO strongly encourages suppliers to exceed the requirements set forth in this Code of conduct to promote best practices and continually improve them.

1. Laws and regulations: regardless of the contents of this document and possible discrepancies, the supplier must comply with all appropriate laws and regulations of the countries where it operates.

2. Child labor: suppliers will not have the right to employ employees under (i), 15 years (or 14 if local law allows such exception, the relevant recommendations of the International labour organization), or (ii) younger than the age of completion of compulsory education, or (iii) under the minimum age of capacity approved in the country of production.

In addition, suppliers must comply with all the requirements of the law concerning work permits for underage workers, especially regarding working hours, pay and working conditions.

3. Forced labor: suppliers may not use forced labor, whether prison labor, or work pursuant to any warranty. Suppliers also agree not to participate in human traffic. Forced overtime is prohibited.

4. Discipline: all employees should be treated with respect and dignity. Do not expose the worker to corporal punishment, physical, sexual, psychological or verbal abuse as defined by applicable law. In addition, suppliers will not use monetary fines as a disciplinary punishment.

5. Working hours: suppliers will not require employees to work in excess of (i) the maximum limit of normal and overtime hours allowed by the legislation of the country where the person works, or (ii) 60 hours a week with a regular schedule, including overtime hours. With the exception of force majeure situations in business when you need the absolute maximum becomes the norm in 72

hours a week. Also suppliers must provide all workers at least one day off in every seven-day period.

6. Wages and benefits: suppliers must ensure that wages for all workers under the minimum age of legal capacity, as well as those who are legally demanded to pay overtime. Payment shall be made for all hours worked. For poor performance it is prohibited to assign monetary fines. Suppliers must also ensure payment of all statutory benefits and not make illegal deductions benefits.

7. Discrimination: although the company BROSCO recognizes and respects cultural differences, suppliers must ensure employment (including hiring, wages, benefits, promotion, termination of employment and retirement), which is based on the abilities of the worker, and not on his race, color, religion, sex, age, national origin, disability, condition of pregnancy, marital status or domestic partnership status, sexual orientation, gender identity, the veteran status and other personal characteristics protected by the laws in each region. Suppliers must comply with all applicable laws of the country, and local laws governing non-discrimination in employment.

8. Freedom of Assembly and collective bargaining: workers should have the right to decide on joining unions and other such organizations. Suppliers must not threaten or penalize workers for their efforts to create organizations or to penalize in cases where this is permitted by the legislation of the country where the worker is employed. Also they have no right to discriminate against the employee for participating in such actions.

9. Health and safety: suppliers must provide workers a clean and safe work place in accordance with all applicable statutory standards of the workplace in countries where the activities of the supplier. This includes residential conditions (where applicable). In addition, the company BROSCO recommends that providers implement as necessary best practices in their field.

10. Environmental protection: suppliers must comply with all local environmental laws applicable to their activities. In addition, the company BROSCO recommends that providers implement policies for the protection and care of the environment, including setting goals and specific targets for continual improvement of its overall environmental performance.

11. Subcontractors: vendors may use subcontractors to produce finished products BROSCO or components thereof only with the written permission of the company BROSCO and only after the subcontractor has agreed to comply with the requirements of the code of conduct and other documents on demand of the company BROSCO.

12. Communication: suppliers must communicate the provisions of the Code to all employees and managers. The company BROSCO will periodically conduct special seminars for providers with practical tips on implementation and maintenance of this Code of conduct.

13. Validation and performance requirements: the company BROSCO will take all necessary measures, in particular of announced and unannounced inspections of factories and production areas of suppliers in order to ensure compliance with the requirements of the code of conduct. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the code of conduct. Providers should provide to partners of the company BROSCO or intermediary firms conducting audit, full access to production facilities and premises, to reports and records concerning employees, and by employees for conducting personal conversations in connection with inspections.

14. Integrity and anti-corruption: suppliers must conduct their business honestly and openly, demonstrating the highest standards of business ethics. Suppliers shall not engage in bribery, corruption and other unethical or illegal activities in relation to government officials (including officials and heads of governmental bodies at all levels, officials and employees of organizations established or controlled by the government servants or employees of public international organizations, as well as politicians, candidates of political parties and their authorized persons),



political parties and so on., including individuals. Forms of corruption include, directly or indirectly, the payment, issuance, offer, promise or authorization to use cash or other valuables to someone with the aim of obtaining undue or undeserved advantages. Such illegal acts are also unethical any business relationship or arrangement between the supplier and the partners of the company BROSCO, and other companies and individuals.

15. Accuracy of business records: suppliers will record and transmit information reliably and honestly. They are not to hide it, to forget to record or to amend incorrect information. All books, records and accounts must accurately reflect the transactions, payments and events and conform to generally accepted principles of accounting accepted internal control techniques and applicable laws and regulations.

16. Responsible sourcing: in the sourcing of raw materials, goods and services suppliers are required to adhere to compliance with the fundamental norms governing human rights, employment, health and safety, environmental protection and ethical aspects, regardless of the specifics of the materials and regions, and to develop and (or) to preserve the possibility of identification of all materials contained in their products for BROSCO.

- Where applicable, we expect that our suppliers will take the necessary steps to find out, whether contained in their products of minerals mined in conflict zones (tin, tantalum, gold and tungsten), and if found, it will use the appropriate procedures for the supply system to identify the sources of such minerals and take measures to stop the use of minerals mined in conflict zones, through which directly or indirectly financed or benefit armed groups in the Democratic Republic of the Congo and neighboring countries. (ii) paper and wood-fiber products are used in brochures, documentation and products BROSCO, shall conform to the guidelines set forth in the "BROSCO Obligation in respect of the use of paper." The person signing the Acceptance of terms and conditions of the supplier Code of conduct on behalf of the supplier, therefore, acknowledges that he understands and acts in accordance with all applicable laws and this Code. Providers must take all necessary corrective actions to promptly resolve any noncompliance. BROSCO company reserves the right to terminate its business relationship with any supplier who is unwilling to comply with the terms of this Code of conduct.

A system for reporting possible violations

We encourage all our business partners to report suspected or confirmed serious violations of the code of conduct BROSCO regardless of who (supposedly) broke to give us the opportunity to investigate such violations.

You can pass information about their concerns directly to the Manager with whom you work in a BROSCO or send it privately to our section on compliance with corporate rules and regulations at gavrilin.ilya@mybrosco.com

