

Limited Liability Company  
Research and Production Association "NIIPAV"  
(NPO NIIPAV LLC)

AGREED  
Chairman of  
NPO NIIPAV LLC  
Trade Union Committee  
\_\_\_\_\_ L.V. Gurbanova  
\_\_\_\_\_ 2020

APPROVED  
CEO of  
NPO NIIPAV LLC  
\_\_\_\_\_ M.S. Kleybanov  
\_\_\_\_\_ 2020

**CODE**  
**of Business Ethics**  
**Limited Liability Company**  
**Research and Production Association "NIIPAV"**  
**(NPO NIIPAV LLC)**

Introduced  
from \_\_\_\_\_

## **1. General Provisions**

1.1. The Code of Business Ethics (hereinafter referred to as the Code) of the Limited Liability Company Research and Production Association "NIIPAV" (hereinafter referred to as the Company) establishes the norms and principles of conduct for officials and other employees of the Company, determines the rules of internal relations in the Company, as well as the rules of conduct in relation to third parties - with participants, investors, authorities, legal entities and individuals.

1.2 The provisions of this Code are developed in line with the goals and objectives of the Company, as well as the corporate values of the Company.

The main goal of the Company's activities is production and sale of products (commercial, scientific and technical) and achievement of financial stability and socio-economic objectives.

The Company solves the following tasks:

- production on an experimental and industrial scale of organic surfactants, amines, their compounds, organic synthesis products and other chemical products, materials and compositions;
- carrying out research and engineering work aimed at improving existing ones, developing and mastering new progressive chemical-technological processes;
- development of methods of analysis, analytical techniques, analytical and metrological control of production;
- carrying out scientific and engineering environmental work;
- sale of scientific and industrial products in external and internal markets, retail and wholesale trade.

The Company's core values are:

- open and conscientious relations with authorities, legal entities and individuals;
- clear and mutually beneficial relations with consumers and suppliers of products (goods, works, services), partners;
- financial transparency of activities;
- business development based on the principle of social responsibility;
- ensuring high quality of products and their compliance with international standards;
- constant search for new ways to increase the competitiveness of products;
- development of new types of products;
- respectful and caring attitude towards a person;
- adherence to principles of contemporary corporate governance.

1.3 The principles, norms and rules established by this Code are of a general nature and can be developed and detailed in the standards of business conduct, rules for negotiating and other internal documents of the Company.

1.4. This Code applies to all officers and other employees of the Company.

The rules established by this Code for officials also apply to members of the Company.

1.5. Officials and other employees of the Company, performing their work activities, must be respectable and honest, must comply with the rules of business ethics established by this Code, other internal documents of the Company, as well as those that are generally accepted.

The behavior and actions of officials and other employees of the Company should contribute to the development of relations between the Company and government authorities, legal entities and individuals, and to strengthen the image and reputation of the Company.

## **2. Basic concepts used in this Code**

The concepts used in this Code:

- business ethics - a set of moral principles, norms and rules (contemporary organizational standards) that govern the actions and behavior of an individual in the business organization.;
- officials - CEO, Deputy CEO, Heads of the Company's divisions, as well as persons performing their duties;
- image of the Company - the image of the Company formed in the minds of its officials and employees, as well as individuals who are not employees of the Company, highlighting the value characteristics of the Company and influencing its perception;
- property of the Company - fixed assets, intangible assets, financial investments, production stocks, finished products, goods, other stocks, cash, other financial assets and any other property that, in accordance with the legislation of the Russian Federation, is the property of the Company;
- information constituting a commercial secret - information of any nature (production, technical, economic, organizational and others), including the results of intellectual activity in the scientific and technical field, as well as information on the methods of carrying out professional activities that are valid or potential commercial value due to the fact that they are unknown to third parties, to which third parties do not have free access on a legal basis and in respect of which the owner of such information has introduced a commercial secret regime;

- inside information – knowledge and information on the activities of the Company (on the operations, products/services pipeline, affairs, financial position, etc.,) that is not accessible to the public in accordance with the internal documents of the Company and the disclosure of which may affect the activities and image of the Company;
- corporate spirit - a set of spiritual properties and functions accompanying the activities of the Company, ideas, motives, aspirations, values, expectations that govern the behavior of its employees and determine cooperation in one team (collective work). The corporate spirit reflects the unswerving desire of the Company's employees to achieve a common goal, striving for common success;
- conflict of interest - discrepancy between the positions and interests of officials and other employees of the Company with the position of the Company itself, striving for opposite goals, the use of various means to achieve goals;
- corporate style - a stable set of unique methods and techniques used by the Company to influence consumers and suppliers of products (goods, works, services) in order to form a positive image of the Company, ensuring its unique identity and recognition;
- employees - individuals who are in labor relations with the Company;
- reputation of the Company - the prevailing opinion about the merits and demerits of the Company, based on prior knowledge about its work, the quality of products, the behavior of officials and employees;

### **3. Interanal Relationships**

#### 3.1. The Company:

3.1.1. Complies with the requirements of the legislation of the Russian Federation, incl. labor legislation and anti-corruption legislation, regulatory documents of the Company.

3.1.2. Provides favorable and safe working conditions for employees and carries out their social and medical support within the framework of agreements between the employer and employees (within the framework of the collective agreement) and the relevant programs in force in the Company.

3.1.3. Provides the proper level of labor protection and industrial safety in accordance with the requirements of the legislation of the Russian Federation.

3.1.4. Does not allow the work on the basis of enslaving contracts and the use of any kind of slave, forced, bonded, compulsory, trafficked or child labor.

3.1.5. The relationship between employees and the Company is based on trust and mutual understanding. The Company ensures transparency and openness in personnel management, constantly improves management methods, providing employees with favorable working conditions, an opportunity to improve their qualifications and realize their potential. At the same time, the Company maintains confidentiality in relation to the personal data of its employees.

3.1.6. Provides all employees with equal opportunities to demonstrate their abilities in the process of work.

3.1.7. Respects the privacy of employees, avoiding any interference with it.

3.1.8. The Company guarantees workers protection from all forms of discrimination, harassment and bullying .

Discrimination means a different attitude towards a particular person or group, depending on factors such as gender, race, age, national origin, religion, skin color, current or past disability, political affiliation, union membership, sexual orientation.

Harassment refers to behavior or actions towards an individual or group that

make them feel intimidated, humiliated, unnecessary or threatened.

Bullying refers to words or actions that are rude, offensive, intimidating or threatening that make the other person upset, feel threatened, humiliated, or vulnerable, which undermines his or her self-confidence.

Sexual harassment, coercion into an intimate relationship, especially expressed in aggressive and abusive behavior, degrading the dignity of a woman or a man, and accompanied by physical violence, psychological pressure, blackmail, and threats are unacceptable.

An employee of the Company who believes that he is not provided with protection from discrimination, harassment or bullying may apply for protection to the Business Ethics Commission (if established) or to the CEO of the Company.

3.2. When performing its activities, all employees are obliged to:

- perform their duties in the Company's interests and care for the unity of all personnel of the Company;
- conscientiously fulfill their labor duties;
- comply with the requirements of the legislation of the Russian Federation, the rules of the internal labor schedule for the employees of the Company, execute the decisions, instructions and orders issued by their managers and the Company's officials;
- behave with dignity, correctly, adhere to corporate ethics rules adopted in the Company.

The employees of the Company must act in the interests of the Company, preserve corporate values.

3.3. Officials:

3.3.1. Officials of the Company must act in the interests of the Company with full dedication, in good faith and reasonably, be an example of compliance with the rules of business ethics established by this Code, other internal documents of the Company, as well as those that are generally accepted.

3.3.2. Officials are prohibited to:

- show any form of discrimination, harassment, bullying. The recruitment of employees is carried out taking into account professional (labor productivity, qualifications, work experience in the specialty, etc.) and personal qualities, while an impartial and fair attitude towards all employees should be ensured;
- show any types of protectionism, as well as provide privileges and benefits for individual employees, except on the basis of the systems of remuneration and social measures adopted in the Company, while ensuring by the Company equal opportunities for obtaining these privileges and benefits.

## **4. Relationship of the Company with its members, other legal entities and individuals**

4.1. Members of the Company:

The Company takes into account the special legal status of its members.

The Company, as a commercial profit-making organization, the main goal of which is production and sale of products (commercial, scientific and technical) and achievement of financial stability and socio-economic objectives of its members, strives for the profitability of its economic activities within the framework of the tasks and restrictions defined by participants and the legislation of the Russian Federation.

4.2. Investors:

The Company seeks to minimize the risks of the Company's investors by organizing a high-quality corporate governance system that complies with the best

corporate governance practices.

The Company, in the interests of investors and in accordance with the legislation of the Russian Federation, ensures timely and complete disclosure of reliable information about the state and activities of the Company.

#### 4.3. Consumers of products manufactured by the Company:

The Company strives to ensure high quality, economic attractiveness and competitiveness of its products, as well as their safety for the life, health and property of consumers of the Company's products.

The Company's pricing policy in relation to its products is built on a commercial basis with strict observance of tariffs and restrictions set by government bodies.

#### 4.4. Suppliers of raw materials, products (goods, works, services):

The Company builds its relations with suppliers of raw materials, goods (works, services) on mutually beneficial terms and selects them mainly on a competitive basis.

The Company conscientiously fulfills its obligations to suppliers of raw materials, products (goods, works, services) and seeks the same from these suppliers.

The Company must prevent the actions of officials and other employees of the Company aimed at deriving personal benefit when concluding and executing agreements (contracts) with suppliers of raw materials, products (goods, works, services).

#### 4.5. Settlement of corporate disputes.

The Company makes efforts to reduce the risks of corporate disputes.

The Company recognizes the importance of pre-trial settlement of corporate disputes and seeks to resolve all disputes through negotiations.

In order to facilitate rapid and cost-effective resolution of disputes, the Company may create various commissions.

#### 4.6. Charity.

The Company carries out charitable activities in various forms, paying particular attention to supporting projects aimed at strengthening peace, friendship and harmony between peoples, preventing national, social and religious conflicts.

The Company promotes the development of education, science, culture, art, enlightenment, as well as the spiritual development of the individual.

The Company promotes social support and protection of citizens, promotes strengthening of the prestige and role of the family in society, protection of motherhood, childhood and fatherhood.

One of the main directions of the Company's charitable activities is promotion of activities in the field of prevention and protection of the health of citizens, promotion of healthy lifestyle and wellness, development of physical culture and sports.

## **5. Compliance with the rules of business ethics in the Company**

### **5.1. Compliance with regulatory requirements:**

The Company conscientiously complies with the requirements of the legislation of the Russian Federation, including obtaining all licenses and permits required by the Company to conduct business, and timely pay taxes, fees and other mandatory payments.

In carrying out its activities, the Company is obliged to comply with the requirements of environmental legislation and prevent harm to the environment, life and health of citizens.

The activities of officers and other employees of the Company must comply with the requirements of the legislation of the Russian Federation, the Charter and other internal documents of the Company, including this Code.

Officials and other employees of the Company who violate the requirements of

regulatory documents may be brought to disciplinary responsibility.

### **5.2. Managing Conflicts of Interest.**

When interacting with legal entities and individuals, the Company's officials and employees must take measures to avoid situations in which a conflict of interest may arise. In particular are obliged to refrain from actions as:

- investment of funds in the activities carried out by the competitors of the Company;
- contribution to the emergence of third-party business interests that impede the efficient operation of the Company;
- engaging in activities that significantly distract or interfere with the performance of their duties in the Company.

Officials and other employees of the Company must immediately inform their immediate supervisor about all arisen and possible conflicts of interest.

### **5.3. Restrictions on the use of official position.**

Officials and other employees of the Company are not entitled to use their official position and the property of the Company for personal purposes. Officials and other employees of the Company are prohibited from:

- receiving gifts, rewards and other benefits for oneself and other persons in exchange for provision of any services by the Company, implementation or non-implementation of certain actions, transfer of information constituting a commercial secret;
- receiving gifts, remuneration and other benefits for oneself and other persons in the course of the Company's business, including both before and after negotiations on the conclusion of civil contracts and other transactions;
- receiving services, loans from affiliated persons, with the exception of credit institutions offering similar services or loans to third parties on comparable terms in the course of their activities.

### **5.4. Protection of the Company's property.**

The property of the Company can be used only for the activities of the Company and cannot be used for purposes that contradict the legislation of the Russian Federation, internal documents and the interests of the Company.

Officials and employees of the Company are obliged to protect the property of the Company entrusted to them from loss, theft, misuse, illegal or ineffective use.

### **5.5. Protection of information.**

Officials and other employees of the Company are obliged not to disclose information constituting a commercial secret, the owners of which are the Company and its counterparties, and without their consent not to use this information for personal purposes. Such restriction shall remain valid also after termination of the employment contract with the Company for three years or more (on the basis of agreement between the employee and the Company, concluded during the period of validity of the employment contract).

The disclosure of information constituting a commercial secret and other information about the Company is carried out in the manner prescribed by the legislation of the Russian Federation, the Charter and internal documents of the Company. Disclosed information related to commercial secrets and other information about the Company must meet the requirements established by the legislation of the Russian Federation, the Charter and internal documents of the Company, and not contain information that does not correspond to reality.

### **5.6. Maintaining and strengthening the corporate spirit.**

Formation of the corporate spirit is associated with the history of the development of science and the chemical industry in Russia and is based on an understanding of the high responsibility of officials and other employees of the Company for the results of their work, the special significance of science and the chemical industry for the national economy of Russia.

The corporate spirit is one of the main tools of corporate governance, uniting all employees of the Company to achieve common goals, which is the basis for the existence in the Company of a unified system of corporate goals and behavior motivation.

To maintain and strengthen the corporate spirit, the Company carries out the following main activities:

- informing all employees of the Company about the mission of the Company and its corporate values;
- ensuring that each employee of the Company understands the need for his work in the overall result of the Company's activities, his role and significance in the implementation of the Company's mission;
- increasing the prestige of the Company's employees;
- development of the system of motivation and social protection of the Company's employees;
- improving the system of corporate incentives;
- development and use of visual images, advertising slogans and slogans (slogans) associated with the Company and the professions of its employees;
- holding corporate events;
- popularization of physical culture and sports among the employees of the Company.

#### **5.7. Formation and development of corporate style.**

The corporate style of the Company is formed taking into account the mission, strategic goals and objectives of the Company in accordance with the basic principles, rules and norms of business ethics.

The external element of the corporate style is the corporate symbols of the Company (flag, emblem, trade marks, uniforms, logo, color combinations and other elements) used for visual perception of officials and other employees of the Company, as well as buildings and other property of the Company and special accessories. ...

The corporate style is an important factor in the formation of the Company's image and the strategy for the development of its relations in the course of its activities.

## **6. Staff appearance (dress code)**

**6.1.** The appearance of an employee of the Company in the business environment, depending on the conditions of labor activity, should promote respectful attitude of citizens towards the Company, and also, if necessary, comply with the generally accepted business style, which is distinguished by restraint, tradition, and accuracy.

**6.2.** The traditional business dress code is a mandatory standard of appearance (dress code) of the Company's employee. The main thing in a business style is moderation in details, a harmonious combination of accessories, clothes and shoes, and decorative cosmetics.

Workers, as well as heads of structural divisions, engineering and technical workers, whose job functions involve location in production, receive personal protective equipment (special clothing, special footwear, etc.). For categories of workers in production wearing personal protective equipment is mandatory on all working days

without exception.

**6.3.** In structural divisions, control over compliance with this provision is assigned to their leaders. This means that the head of the structural unit orients his subordinates to comply with the requirements established by the Code and has the right to tactfully remind the employee of these rules.

**6.4.** All employees of the Company are not allowed to wear sportswear, beachwear, home clothes and footwear (shorts, tops, T-shirts, slates, leggings, etc.).

## **7. Anti-corruption**

**7.1.** Any forms of corruption are dangerous for the Company, the state and business; they are absolutely unacceptable, since they threaten the fundamental basis of security.

**7.2.** Performing its activities, the Company does not accept corruption in all its forms and manifestations.

**7.3.** Understanding that violation of anti-corruption legislation may damage the business reputation and image of the Company, employees must comply with the requirements of the legislation of the Russian Federation in the field of anti-corruption.

**7.4.** Employees are not entitled to participate directly or through third parties in corrupt activities, including the inadmissible:

- offer, promise or give bribes;
- abuse authority;
- carry out commercial bribery.

**7.5.** Employees of the Company must communicate information that has become known to them about violations of legal and ethical standards in this area to their immediate supervisor.

**7.6.** If the immediate supervisor does not take appropriate measures, the employee is obliged to report the information known to him to the superior supervisor, regardless of his job status.

**7.7.** The Company guarantees that no sanctions will be applied in relation to the employees of the Company, or counterparties for refusal:

- to give a bribe;
- to implement or participate commercial bribery;
- to intermediate in bribery.

Damages, loss of commercial and competitive advantages for the Company's business, as a consequence of refusal, are not sufficient arguments for justification and tolerance of corruption.

## **8. Ensuring compliance with the rules of business ethics in the Company**

### **8.1. Enforcement of this Code.**

The CEO of the Company shall be responsible for organization of activities related to the application of the present Code. The CEO shall introduce the present Code to the members of the Company and inform them about its practical application.

In order to ensure compliance with this Code, a Business Ethics Commission may be formed in the Company. The Business Ethics Commission is an advisory body. Regulation on the Business Ethics Commission and its structure shall be approved by the CEO of the Company.

Business Ethics Commission decisions are advisory in nature.

### **8.2. Maintaining and strengthening the image and reputation of the Company.**

In order to achieve the corporate goals and objectives, the Company devotes great attention to its corporate image and makes every effort to improve it.

All officials and other employees of the Company are obliged to take care of maintaining the reputation of the Company as an organization with high economic principles, as well as refrain from actions that can directly or indirectly negatively affect its reputation.

If there is reason to believe that any official or other employee of the Company violates the legislation of the Russian Federation, the Charter or internal documents of NPO NIIPAV LLC, including this Code, or commits other actions that could negatively affect the image and reputation of the Company, depending on the situation, the CEO and immediate supervisor or the Head of the Business Ethics Commission of the Company (if formed) should be notified of this.

Report on violation can also be placed into a box for appeals, complaints, suggestions (feedback box), which is located at the entrance of the Technical Laboratory. The key to this box is held by the CEO of the Company.

Message about actions that can harm the image and reputation of the Company can also be sent by e-mail [info @ niipav.ru](mailto:info@niipav.ru). Report or message must contain information sufficient (including information about the applicant) to carry out the necessary measures to investigate and prevent or eliminate negative consequences for the Company.

Any interested person who is not an official or other employee of the Company may report any actions that have become known and that may harm the image and reputation of the Company. Such message can be sent directly to the CEO of the Company, by e-mail [info @ niipav.ru](mailto:info@niipav.ru), by mail to the address: 347366, Rostov Region, Volgodonsk, Chimikov st., 62, or to the Head of the Business Ethics Commission of the Company (if formed) at the above address.

The immediate supervisor of the applicant, (CEO) or the Head of the Business Ethics Commission of the Company (subject to its creation) upon receipt of message or report about actions that can harm the image and reputation of the Company, in the prescribed manner, organize verification of its reliability and take measures to prevent harmful consequences.

Each applicant on the actions that can harm the image and reputation of the Company is guaranteed confidentiality of information about the fact of his report and the absence of any kind of prosecution. If the applicant conveys deliberately false information discrediting the honor and dignity of another person, the applicant may be held liable as established by the legislation of the Russian Federation.

8.3. Violation of Business Ethics rules and standards and Disciplinary Action  
Violation of the rules and norms of business ethics contained in this Code, other internal documents of the Company, or which are generally accepted, may be the ground for bonus deprivation, refusal of promotion, hearings at the General staff meeting etc.

## **9. Final provisions.**

9.1. The CEO of the Company, in agreement with the Trade Union Committee, approves this Code, introduces amendments and additions to it, and also determines the main directions for the implementation of this Code.

9.2 Officials and other employees of the Company are provided with the opportunity to study and adhere to this Code in their professional activities.

9.3. This Code is posted on the website of NPO NIIPAV LLC on the Internet ([niipav.ru](http://niipav.ru)). The printed edition of this Code must be present in all divisions of the

Company. The electronic version this Code is available on the Company's computer network ( watch Atlant server,“Shared Folder”).

With regard to newly admitted employees, introduction to this Code is carried out when hiring.

When reading the Code, each employee of the Company signs the acknowledgement form of awareness with the Code of Business Ethics of NPO NIIPAV LLC (Appendix A).

The signed Code of Business Ethics Acknowledgement Form must be deposited with the Administrative Organizational Department (AOD) and placed in the former staff member’s official status file (form T-2).

9.4. The Code approved on August 26, 2019 is repealed and substituted by the present Code.

Head of AOD administrative group

L.A. Budkova

Agreed:  
Head of AOD

S. S. Ivanova

Code of Business Ethics Acknowledgement Form  
NPO NIIPAV LLC from " \_\_ " \_\_\_\_\_ 202\_ .

I \_\_\_\_\_  
(Full Name)\*

\_\_\_\_\_  
(profession / position) \*

\_\_\_\_\_  
(name of the structural division) \*

By signing this form, I certify that I have read, understand and agree to follow the Code of Business Ethics of the Limited Liability Company Scientific and Production Association "NIIPAV".

" \_\_\_\_\_ " \_\_\_\_\_ 20\_\_\_\_\_  
(signature)\*

Note:

\* Filled in with a ballpoint pen personally by employee