

# CODE OF BUSINESS CONDUCT AND ETHICS

Effective from 27.12.2021

Approved by Order No. 08-ОД of 27.12.2021

Actual on January 2022

Version 01/2022

# TABLE OF CONTENTS:

1. Introduction to the Code
2. Philosophy, advantages and operating model of the Company
3. Principles of business conduct
4. Zero tolerance of bribery, corruption or abuse of authority
5. Gifts
6. Conflict of interest
7. Fair competition
8. Anti-fraud policy
9. Confidentiality
10. Relationships with customers, suppliers, and state bodies
11. Reliable accounting and reporting
12. Compliance with the Code

# INTRODUCTION TO THE CODE

This Code of Business Conduct and Ethics (hereinafter referred to as the “Code”/“Code of Ethics”) is a set of rules of corporate ethics and business conduct that governs the activity of Limited Liability Company “MEGATRADE IT” (hereinafter referred to as the “Company” and/or “Megatrade”) and its employees.

This Code allows all employees of the Company to be guided by the best practices.

The Code defines the basic values and principles, rules of ethics and business conduct of all employees of the Company. Every employee shall be obliged to know the Code and adhere to it while performing his/her work duties. Every employee must be aware that his/her conduct has a direct impact on his/her reputation and the reputation of the Company, and therefore compliance with the Code shall also be encouraged in the everyday life of employees.

The content of the Code of Ethics shall not be exhaustive and additional explanations, examples and recommendations on these principles may be provided in certain rules and training sessions for the employees of the Company.

This Code is also added by the Anticorruption Programme, Due Diligence Business Party Policy, Internal Investigation Policy, Procedure for maintenance of employees for corruption actions and other internal regulations tackling with anti-bribery actions within the Company.

## INTRODUCTION TO THE CODE

The Code of Ethics shall be also provided to third parties that co-operate with the Company so that everyone understands which conduct and actions are acceptable and which are unacceptable.

The Company, therefore, expects its counterparties to share the values and principles, rules of ethics and business conduct of the Company and reserves the right to refuse to cooperate with those counterparties that/who violate this Code.

# PHILOSOPHY, ADVANTAGES AND OPERATING MODEL OF THE COMPANY

Megatrade is one of the largest Ukrainian IT distributors.

The philosophy of the Company is aimed at establishing long-term mutually beneficial relationships with partners based on impeccable reputation, professionalism, respect and trust.

The Company's efficient operating model is called project distribution. This model combines management techniques and practices of working with partners and determines the market success of Megatrade.

The formula for project distribution is as follows:

1. **Products** – a balanced product portfolio that includes solutions demanded by the market and niche products where Megatrade has a unique expertise.
2. **People** – a well-qualified team: engineers, high-level presales staff and sales consultants capable of being professional advisers to customers.
3. **Processes** – effective management processes that support the financial model of the Company.
4. **Price** – a balanced and flexible financial policy towards partners.
5. **Relationships** – long-term relationships with strategic partners and global manufacturers.

Delivery of reliable, fully integrated solutions based on the real needs of the customers is the most important thing in the Company's model of work. This involves a really close interaction in the vendor–distributor–partner–end customer chain, where Megatrade not only performs its direct function but also creates added value at every stage of advancing technology to the consumer. This is the basis of long-term relationships with our partners.

# PHILOSOPHY, ADVANTAGES AND OPERATING MODEL OF THE COMPANY

The advantages of the Company are as follows:

- dynamic development in the Ukrainian market since 1996
- long-term cooperation with the leaders in the production of hardware and software for building IT infrastructure of any complexity level
- maintaining an up-to-date range of equipment in stock
- competitive prices and flexible financial policy
- information, technical and project support of partners by well-qualified personnel of the company
- partner development programmes (seminars, training, authorisations, certifications, annual partner conferences, assistance in holding regional events)
- demonstration, testing, technical expert examination of solutions and training of partners
- efficient logistics and guaranteed supply of equipment for projects under the order of a partner
- prompt delivery within Ukraine
- own service centre and high-quality service network in Ukraine
- electronic ordering system

# PRINCIPLES OF BUSINESS CONDUCT

Relationships between employees of the Company, regardless of their position, are based on the principles of:

- Honesty;
- Decency;
- Respect;
- Good faith;
- Sense of responsibility.

# PRINCIPLES OF BUSINESS CONDUCT

Relationships with the counterparties of the Company are built on the principles of:

- Honesty;
- Decency;
- Legality;
- Economic feasibility;
- Sense of responsibility.



# ZERO TOLERANCE OF BRIBERY, CORRUPTION OR ABUSE OF AUTHORITY

The Company does not tolerate any form of bribery, corruption or abuse of position.

We adhere to international principles on human rights, labour, environment and anti-corruption. We adhere to the principle that all enterprises must act against all forms of corruption, including extortion and bribery. In its activities, Megatrade adheres to the provisions of the law of Ukraine “On Prevention of Corruption”.

Corruption involves the use by a person of authority granted to him/her or associated opportunities to obtain unlawful benefit or receipt of such benefit or receipt of a promise/offer of such benefit for himself/herself or others, or respectively the promise/offer or granting of an unlawful benefit to the person or upon his/her request to other individuals or legal entities with a view to persuade the person to unlawfully use his/her authority granted to him/her or associated opportunities.

The Company recognises and adheres to the provisions of international anti-corruption laws, including the UN Convention against Corruption, the USA (US FCPA) and UK (UK Bribery Act) legislation.

# ZERO TOLERANCE OF BRIBERY, CORRUPTION OR ABUSE OF AUTHORITY

The most important rule of the Company is a prohibition to make, promise, or receive illegal payments in cash, in-kind, or any other form, which prohibition covers all employees. The rules of the Company also prohibit employees from offering, receiving or authorising the offering of valuable gifts to state or private customers, business partners, their representatives or affiliates for obtaining improper commercial advantages.

Corruption can be large- or small-scale, e.g. actions such as making facilitation payments are a form of corruption as well.

In addition to understanding and adhering to this Code, the employees shall be obliged to adhere to other international anti-corruption instruments and to adopt a zero-tolerance approach to bribery.

# GIFTS

Inappropriate gifts and hospitality may lead to negative consequences for the Company and its employees, ranging from reputational damage to civil and criminal prosecution and/or application of sanctions by regulatory authorities. Disciplinary measures, including dismissal, will be applied to employees who violate the requirements of this Code.

Periodic giving of token gifts to customers and other persons with whom companies have business relations is common. However, giving a gift may lead to a conflict of interest and violation of the requirements of the current legislation of Ukraine, including the recognition of a gift as an illegal benefit if such a gift is intended to motivate a person to take certain actions or make a certain decision.

The Company prohibits receiving, offering, promising or giving gifts or exercising hospitality to/from third parties if such gift or hospitality:

- violates legal requirements and/or current policies and procedures of the Company, including this Code;
- is intended for obtaining advantages, privileges or other actual or potential benefits;
- is excessive in value or otherwise unacceptable;
- is not permitted by the policy of the recipient of such gift or hospitality;
- is intended for influencing a decision or conduct.

# GIFT

- Any gift or hospitality must be given/provided in an open and transparent manner so that the reputation of the Company will not suffer any negative consequences in the event of disclosure of information about the gift. For example, invitation-only events for a limited group of people do not meet the criterion of transparency.
- We do not offer or accept gifts or other signs of business courtesy that may influence or are likely to influence business decisions, our independence, integrity or our ability to make objective decisions in the best interests of the Company.
- Gifts, hospitality and courtesy may only be accepted or offered if they have trifling value and can in no way affect business decisions. A gift with trifling value may not be accepted by any employee if he/she understands or assumes that such a gift is offered with the intention of influencing a decision.
- The duty of every employee shall be to know the Company's rules and policies on gifts.

# GIFTS

Any entertainment event shall always relate to the business of the Company and pursue legitimate business goals. If possible, an invitation to an event shall be sent to a legal entity that will independently determine the participants of the event. A representative of the Company must always be present when an entertainment event is held for third parties.

When the Company or our employees host or attend an event, gifts and like signs of attention shall only be allowed if they have trifling value and are commensurate with the reasonable hospitality that is provided in the ordinary course of business. When the Company has a business interest in attending a particular event, the Company shall independently bear the costs of organising it or participating in it.

- The Company shall not make any charitable donations to or on behalf of its customers.

# CONFLICT OF INTEREST

Conflict of interest is a situation where an employee has financial capabilities or personal interests, direct or indirect, which may affect the independent, impartial and objective performance of his/her functions within the Company.

By the Conflict of interest, the Company means the following situations in which the personal interests of the Company's employee within the scope of his/her work duties may affect his/her objectivity in making a business decision:

1. Combining by an employee of his/her work for the Company with the work for other companies or organisations;
2. Employing relatives, close friends and other related persons of current employees under their direct subordination, influencing the evaluation and promotion of their relatives, close friends and other related persons; employees may obtain a complete list of related persons on request from the Commissioner for Anti-Corruption Activities;
3. Establishing business relationships and conducting business by an employee on behalf of the Company with legal entities in which the Company's employee or his/her related person is a member of management bodies or owns a share in the authorised capital.

# CONFLICT OF INTEREST

The Company shall consider its employees as its main and independent asset, as the exercise of their creative abilities is an absolute prerequisite for the efficient operation of the Company. Meanwhile, it recognises and respects the diversity and importance of its employees' off-duty relations and interests.

Nevertheless, the Company cannot be indifferent to situations where, as a result of personal, family and other circumstances, an employee of the Company loses (or may lose) his/her loyalty and objectivity towards the Company or in the performance of his/her direct employment duties.

The resulting conflict of personal interests with the Company's interests may adversely affect the efficiency of work, as a result of which the Company considers it necessary to prevent such conflicts. The best policy for preventing conflicts of interest shall be not to participate directly or indirectly in business relations with customers or competitors, other than in the process of conducting business on behalf of the Company.

All employees of the Company shall be obliged to disclose to their immediate superior or the Commissioner for Anti-Corruption Activities any situation involving personal or family relationships that may give rise to an actual or potential conflict of interest as soon as the employees become aware of such a situation.

Employees must therefore inform their immediate superior or the Commissioner for Anti-Corruption Activities in the following cases:

- consanguinity (close or distant consanguinity) with another employee of the Company;
- joint participation in a commercial enterprise with another employee.

# CONFLICT OF INTEREST

Before agreeing to co-operate with any other organisation whose interests may conflict with those of the Company, any employee must discuss this issue with his/her immediate superior and obtain his/her approval.

If an employee is aware of a conflict of interest between him/her and the Company or cannot clearly determine if such a conflict exists, he/she shall immediately contact his/her immediate superior. Most conflicts may be resolved through negotiations, that is why a reliable conflict resolution procedure provides for timely identification, discussion and a joint search for resolution.

If an employee becomes aware of a conflict of interest concerning a Company's employee, he/she shall remind such a colleague of his/her duty to report of it, and if such a colleague fails to do so, report the situation to his/her immediate superior.

If an employee has received loans, services or gifts worth more than UAH 1,500.00 from any individuals or legal entities who/that have business relations with the Company and the employee for any reason could not refuse to accept them, he/she shall be obliged to immediately inform his/her immediate superior about their receipt.



# FAIR COMPETITION

Antitrust and competition laws, including the Law of Ukraine “On the Protection of Economic Competition” and the Law of Ukraine “On Protection against Unfair Competition” are enforced to promote fair competition and protect customers from unfair business practices.

Fair competition is one of the fundamentals of an open market economy. Compliance with the competition law shall be a prerequisite and one of Megatrade's basic principles.

Unfair competition covers any actions in a competition that are contrary to trade and other fair business practices.

It is in our best interest to develop in a market that respects the highest standards of doing business. Megatrade is committed to treating all its current and potential partners fairly and creating equal conditions.

We always take into account the legal requirements of the countries of our counterparties with which we do business. Any manifestations of unfair competition or abuse of dominant position are prohibited in the activities of the Company, as the Company strictly complies with the antitrust laws of Ukraine. The employees of the Company shall have no right to unreasonably criticise the products and services of competitors.

# ANTI-FRAUD POLICY

The Company shall be committed to preventing and detecting all forms of fraud.

Fraud is a type of intentional theft or misrepresentation that may result in illegal gain, profit, advantage, damage or loss to the Company or another party.

Any actions that deliberately conceal or misrepresent the facts to mislead others, including customers, suppliers, third parties or colleagues, are considered fraud.

The Company shall strictly oppose all forms of money laundering and will take measures to prevent the financing of money laundering operations.

To prevent fraud within the Company, it may initiate internal audits to identify financial risks or evidence of fraudulent activities of the Company's employees, or initiate an independent audit of the Company's financial condition, prosecution under applicable law or submit the case for consideration to the competent government authorities.

# ANTI-FRAUD POLICY

The Company shall conduct a counterparty verification procedure for confirming the legitimacy of a counterparty's business and identifying potential risks to the Company.

The employees shall be prohibited from entering into contracts on behalf of the Company with the counterparties that have not undergone the counterparty verification procedure.

All payments shall be made in accordance with the laws of Ukraine.

The employees shall be obliged to comply with the anti-money laundering and counter-terrorist financing legislation of Ukraine.

# CONFIDENTIALITY

Each employee must comply with the requirements of the Company's internal documents governing the access to, use and disclosure of Confidential Information.

Confidential Information is information that has not been made publicly available by the Company, the distribution or provision of which may materially affect the Company's reputation and financial condition. The employees shall be prohibited from collecting and disclosing Confidential Information for personal gain.

To avoid a negative impact on the reputation of the Company, the employees shall not communicate with media representatives on behalf of the Company without prior approval from their immediate superior.

Discussion or transfer of Confidential Information by the employees with/to unauthorised persons shall be prohibited, except in cases stipulated by the legislation of Ukraine. Under our cooperation policy, the Company shall enter into non-disclosure agreements with both employees and partners. We shall protect information provided by our partners during cooperation at the same proper level as our own.

The Company shall respect the right of each employee and counterparty to confidentiality and ensure compliance with the requirements of the legislation of Ukraine for the protection of personal data. The employees shall have no right to collect, process, store or transfer to anyone the personal data of other employees, counterparties or other third parties without the prior consent of such persons.

# CONFIDENTIALITY

Each new employee shall assume legal and ethical obligations not to disclose confidential information and trade secrets during his/her cooperation with the Company.

The employees of the Company shall be obliged to protect the confidentiality of information and data obtained in the performance of their duties, to understand their responsibility when they are aware of and have access to such information, to use such information exclusively for commercial purposes, to disclose it only to persons who need to know it for contractual and legal reasons, and to ensure its protection against unauthorised or accidental disclosure through physical means or IT security devices.

The employees of the Company shall be prohibited to disclose any information about the Company's operations, its customers and suppliers, except for the information contained in the advertising and information publications of the Company and intended for the mass audience.

# RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, AND STATE BODIES

The Company may actively seek opportunities to establish dialogue and cooperation with its counterparties, provided that such activities are necessary and appropriate and are performed in accordance with all relevant laws, regulations and rules applicable to the Company and the Policies of the Company.

Under the Law of Ukraine “On the Civil Service”, a civil servant is a citizen of Ukraine who holds a civil service position within a government authority or other state body, receives his/her salary from the state budget and exercises the powers established for this position that are directly related to the performance of the tasks and functions of such state body, as well as complies with the principles of the civil service. Interaction with government authorities must take place in an open and lawful manner.

# RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, AND STATE BODIES

Any and all interactions with civil servants must:

- comply with the requirements of the current legislation;
- comply with the Policies of the Company;
- be clear and transparent concerning the purpose of contact and communication;
- be correct, fair and professional; and
- meet the best interests of the Company.

The following conduct concerning civil servants shall be unacceptable and prohibited by the Company:

- any and all fundraising activities in support of political parties and/or political candidates;
- any and all actions involving sponsorship events relating to political activities, other political meetings or conferences;
- any and all actions that involve the paid participation of civil servants;
- any and all actions prohibited by the Policies of the Company and applicable legislation.

# RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, AND STATE BODIES

We must offer our customers understanding, respect and knowledge. We must always try to meet the customer's needs in the best possible way subject to the business ethical principles. Similarly, we must treat suppliers impartially and fairly.

The Company shall interact with business partners (customers, suppliers, contractors, consultants) on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness.

We shall cooperate with reliable business partners engaged in legitimate activities. We shall fulfil our contractual obligations to business partners in good faith and demand the same from them. We shall resolve conflicts legally, seeking to find mutually acceptable compromises.



# RELIABLE ACCOUNTING AND REPORTING

All accounting and reporting of the Company shall be conducted in accordance with generally accepted financial and accounting practices under the current legislation.

Our accounting practices shall ensure complete, correct and timely performance of business operations.

All disclosures of financial information shall be transparent, up-to-date, timely, and understandable.

The Company shall resolutely stop any manifestations and attempts of fraud and manipulation of its financial information.

# COMPLIANCE WITH THE CODE

In their professional activities, all employees must comply with the norms and rules established by the Company.

Information on compliance with this Code shall be taken into account when evaluating and promoting the staff.

Violations of the Code may lead to the imposition of administrative sanctions, reduce the efficiency of the activities of the Company, and cause losses that will directly affect the well-being of all its employees.

Each employee shall be responsible for complying with ethical standards.

Strict compliance with this Code shall be mandatory for all employees, irrespective of their level and position within the Company.

The Company ensures and arranges seminars, lectures, workshops, trainings, webinars regarding anticorruption and bribery issues:

- within a month in case of updating the Anti-Corruption Programme;
- upon employment of new employees;
- regularly for all employees of the Company once every six months.

## COMPLIANCE WITH THE CODE

If an employee has any questions about the application of the norms and rules of this Code or he/she is not sure whether his/her actions or decisions are consistent with the Code, he/she may consult his/her immediate superior.

If an employee believes that another employee, consultant, or partner has violated or may have violated the Code, he/she shall report it to his/her immediate superior, senior leadership or the Commissioner for Anti-Corruption Activities.

If such person for whatever reason is unable or unwilling to give his/her name for possible contact with him/her, he/she shall provide sufficient information to conduct an effective investigation upon his/her report.

The Company expects that any stakeholder who is not an employee of the Company (for example, a service contractor for the Company) may also report violations that have become known to him/her from an employee of the Company.

## COMPLIANCE WITH THE CODE

A person receiving the report shall be obliged to verify the accuracy of the report independently or with the involvement of the relevant authorised persons. If the detected fact is related to a violation of the law, the official shall be obliged to transfer the information to the relevant governing bodies of the Company. If information about the commission of an action (or omission) that exhibits elements of a criminal or administrative offence is found to be accurate, information about it shall be transferred to the law enforcement agencies.

If the violation of the Code does not affect legal issues, the employee may be subject to the following measures: withholding of a bonus or other incentives, refusal of promotion.

Disciplinary sanctions against the violator may also be considered if there are legal grounds for them.

# COMPLIANCE WITH THE CODE

If the information in the report is found to be accurate, every person who reported accurate information shall be guaranteed the confidentiality of information about the fact of his/her report and the absence of any persecution.

If the report was made to spread false information or if the person who reported information is found to have committed the offence, the appropriate sanctions may be imposed on him/her.

The Company shall have several reporting channels intended for reporting an offence, suspicion or concern about any facts that may lead to a violation of the current legislation and the provisions set out in this Code:

- To the head of the department
- To the Commissioner for Anti-Corruption Activities
- To the head of the Company

The duty of the leadership shall be to help employees understand and apply the Code complying with the rules and the law. Many problems may be solved through communication and discussion of the situation.

## COMPLIANCE WITH THE CODE

If you want to avoid personal communication, you can send a letter to the e-mail [compliance@megatrade.ua](mailto:compliance@megatrade.ua), which will ensure the anonymity and confidentiality of the request; you can also ask questions and get answers there.

You can also send reports of violations through our external information channel provided by OCTAVA CAPITAL LLC [octava@ethicontrol.com.ua](mailto:octava@ethicontrol.com.ua) and NOTA GROUP LLC [compliance@notagroup.com.ua](mailto:compliance@notagroup.com.ua).

All reports may be made in complete anonymity and confidentiality.

All security and confidentiality breaches shall be reported through the established reporting procedures.

The Code shall be updated on an ongoing basis and an updated version hereof shall be published on the website. The relevant link to the updated version of the Code shall be sent to all employees of the Company for review.