

# CODE OF BUSINESS CONDUCT FOR EMPLOYEES OF THE AGROTERRA GROUP OF COMPANIES

## INTRODUCTION

The Code of Business Conduct for Employees of AgroTerra GC (hereinafter referred to as the «Code») is an internal document containing the basic principles of corporate conduct. The Code is not a guide for all possible situations, but it has reference points and guidelines to be followed while making decisions.

AgroTerra GC has an «open door» principle. Employees can contact any manager with questions within his area of responsibility.

If an employee has difficulties in fulfilling work tasks, he/she needs to contact his/her immediate manager or an employee of the Personnel and Organization Development Group.

If an employee has suspicions that any company being part of AgroTerra GC may be at risk or there is information that some of the colleagues breaks the current legislation of the Russian Federation and (or) the requirements under the internal documents of AgroTerra GC, this employee must immediately inform his/her manager about it, as well as to AgroTerra Hotline (Section 6 of the Code). AgroTerra GC undertakes to legally protect the interests of the employee who informed about the breach in good faith.

# PROVISIONS OF THE CODE

## I. CORPORATE CULTURE

The Code is based on the mission, values and principles of AgroTerra GC.

### 1.1. The mission of AgroTerra GC — STEWARDSHIP OF LAND

This phrase means that every employee of AgroTerra puts his/her effort and knowledge into the growth of the group of companies in order to cultivate the field according to the principles of sustainable farming and ensure the agriculture development for future well-being of the Earth and its inhabitants.

The basic principle of sustainable farming is the combination of economic, environmental and social factors.

To ensure economic sustainability, AgroTerra GC provides the following:

- Value creation for clients and investors;
- Heavy crop and high-quality product with a constant productivity growth.

To maintain environmental sustainability, AgroTerra GC applies the following:

- High-quality production means;
- Continuous technology improvement with the help of field research according to the world standards;
- Production discipline.

To maintain social sustainability, AgroTerra GC does the following:

- Develops its employees' human and professional potential;
- Ensures its employees' productivity growth, motivation and confidence in the future.

### 1.2. AgroTerra GC has the values as follows:

#### **We are honest and trustworthy**

We ensure strictly our results are achieved in compliance with Russian and international legislation.

We comply with all our agreements strictly, even if additional efforts are required.

We tell the truth, acknowledge our mistakes, and bring problems to the discussion.

**We are a team**

Each of us is a professional in what we do.

Our company employs people of different generations and views and we welcome a plurality of opinions.

We know how to work as a team and we constantly learn from each other.

**We are resilient and make things happen**

We are ready for challenges and ambitious goals.

In an uncertain environment, we are becoming stronger.

We are looking for a long-term result.

We are responsible for product quality and strive to anticipate customer expectations.

**We are constantly improving**

We learn from our own failures and mistakes and they help us to improve.

We are constantly improving our processes using modern technologies and approaches to doing business.

We are ready to introduce improvements into our work, which will make cooperation with our company even more effective and profitable.

We look at familiar and routine things from a new perspective.

**1.3. The values of AgroTerra GC are supported by the principles of work.** They are the basis of each decision made by the employees every day.

AgroTerra GC has five principles of work:

- Innovation;
- Simplicity;
- Openness;
- Reliability;
- Enthusiasm.

**1.4. AgroTerra Group of Companies follows the rules of business conduct.**

Hostility, harassment and discrimination contradict these rules and are suppressed in accordance with the laws of the Russian Federation.

We respect and observe human rights; therefore, all employees of AgroTerra Group of Companies are provided with equal opportunities and conditions. Employment, remuneration or promotion at AgroTerra are based on employee's qualifications, labor efficiency, skills and work experience.

To prevent potential discrimination and unconscious bias for men's and women's remuneration at AgroTerra Group of Companies:

- remuneration is set based on the data on market rates in the industry and the corresponding location, each employee's qualification and achievements,
- take place periodic checks of men's and women's remuneration for similar work, bonuses, increases in salary, concentration on certain positions,
- employees are not banned from the discussion of remuneration issues.

### **1.5. The employees of AgroTerra GC follow the internal rules and regulations including:**

- are personally responsible for compliance with the work safety requirements. The employees use the individual safety gear while working under harmful and hazardous working conditions, under special temperature or pollution-related conditions as well;
- keep up to the business-style clothing with restrained colors, accessories, avoid revealing clothes and strident bright colors;
- remember about the prohibition to come to work in a state of alcoholic, drug or other toxic intoxication.

## **II. INFORMATION SECURITY**

### **2.1. Communication system**

All information systems of AgroTerra GC are used for business purposes only. Respectful communication within the business etiquette is accepted in the Group of Companies.

The following is strictly forbidden:

- profanity or abusive messages;
- messages containing deliberately false information discrediting the honor and dignity of AgroTerra employees, their relatives, clients and partners;
- messages that can discredit AgroTerra GC or its employees.

### **2.2. Confidential information**

Confidential information is considered to be such internal information that can be useful for competitors and (or) can cause damage to AgroTerra GC or its clients, as well as personal information about the employees, former employees, job seekers and other people in case of disclosure.

2.2.1. It is forbidden in AgroTerra GC to disclose or use without permission the following:

- any confidential information concerning AgroTerra GC;
- third parties' information that AgroTerra GC received under non-disclosure obligations.

2.2.2. Upon receipt of requests for the confidential information disclosure, the employees have to notify the Head of the legal department of AgroTerra Ltd. and agree upon the procedure of the confidential information disclosure.

2.2.3. The obligation of the confidential information non-disclosure applies to the employees after their dismissal from AgroTerra GC within 3 (three) years.

### **2.3. Communication with the mass media**

In case of any appeal from mass media representatives, an employee of AgroTerra GC shall inform the head of the Communication Department. None of the employees shall give comments or interviews and send information to the mass media without agreeing it with the Head of the Communication Department.

## **III. PROPERTY PROTECTION**

### **3.1. Company assets**

All employees must protect the assets of AgroTerra GC and ensure their efficient use.

If the property or reputation of AgroTerra GC is damaged, that is a property and (or) non-property damage is caused, the employee must compensate for this damage. It concerns not only unlawful acts, but also negligence and misconduct.

Any theft or embezzlement of the property of AgroTerra GC shall be punished under the provisions of the current legislation of the Russian Federation.

### **3.2. Conflict of interest**

Conflict of interest is a situation when employee's personal interests contradict and (or) may contradict the interests of AgroTerra GC when he/she fulfills his/her official duties.

#### 3.2.1. Types of conflict of interest:

- use of working time for solving personal problems;
- combining work, managing or investing in competing organizations;
- hiring his/her relatives under direct or indirect authority, as well as the work control by his/her relative-employee of AgroTerra GC;
- performing related functions including commodity and material management together with employees-relatives;
- establishment of commercial relations by an employee on behalf of AgroTerra GC with legal entities or individual entrepreneurs somehow related to this employee.

**3.3.** The employees should avoid situations when their personal interests enter into conflict with the interests of AgroTerra GC, and must inform their immediate manager, as well as the Secretary of the Ethics Committee about the given or potential conflict of interest. The Ethics Committee may demand from the employee to make a choice between his/her work in AgroTerra GC and personal interests.

**3.4.** To inform about a conflict of interest, an employee must fill in a declaration form on the corporate website portal.agroterra.ru in the Business Ethics Code Section. The filled in form is given to the Secretary of the Ethics Committee.

### **3.5. Anti-corruption policy**

AgroTerra employees (as well as their close relatives) are forbidden to accept money, securities, valuable gifts (including invitations to dinner, entertainment, medical treatment, travel or vacation payments).

If an employee has doubts about the offered gift, he/she has to consult with an employee of the Legal Department.

**3.6.** AgroTerra employees are forbidden to offer bribes to third parties on behalf of the companies of the Group of Companies. Bribes mean offering something valuable to get or keep a business opportunity, gain a business advantage, or influence decision-making.

**3.7.** The employees of AgroTerra GC are strictly forbidden to make any payments or give any gifts to representatives of the state bodies and local government bodies, which can be regarded as an attempt to influence for obtaining a commercial benefit or some priority in the relationship.

**3.8.** To comply with the anti-corruption policy, all employees who interact with contractors of AgroTerra GC must ensure AgroTerra GC establishes the conclusion of anti-corruption agreements with these contractors as it.

### **3.9. Financial accounting and reporting**

3.9.1. All transactions carried out in AgroTerra GC must be agreed under the current legislation of the Russian Federation and internal documents of the companies belonging to the Group of Companies, and mentioned in the records under the current legislation of the Russian Federation.

3.9.2. Any falsification during transactions and document preparation or any

transactions contradicting the legislation of the Russian Federation and the internal documents of AgroTerra GC are prohibited. Such acts are the reason for taking disciplinary, administrative, civil or criminal action against the employees who have committed such breaches.

## IV. LIABILITY

### **4.1. Compliance with the current legislation of the Russian Federation.**

AgroTerra GC requires that all its employees should comply with the current legislation of the Russian Federation.

**4.2.** AgroTerra GC assists the government bodies in obtaining the necessary information, documents including during inspections.

The Group of Companies is represented by employees of the corresponding functional area in relations with various government bodies.

For example:

- Revenue Service – Financial Group;
- Law Enforcement Bodies - Internal Investigation Service.

**4.3.** The Legal Department provides legal support to all functional departments in interaction with the government bodies. Submission of any information to the government bodies on behalf of AgroTerra GC or one of its members must be previously agreed with an employee of the Legal Department.

**4.4.** If any legal entity being a part of AgroTerra GC or an employee as a representative of AgroTerra GC is involved in any proceeding as a defendant, it is necessary to inform the Legal Department about this.

### **4.5. Compliance with the Business Ethics Code**

4.5.1. The Business Ethics Code of AgroTerra GC applies to each employee upon his/her familiarization with this document. Each employee undertakes to comply with all provisions of the Code and signs the familiarization sheet. The responsible employees of the Personnel and Organization Development Group keep the latter.

4.5.2. The Business Ethics Code of AgroTerra GC is an open document. It is posted on the official website of AgroTerra GC, as well as on its corporate website portal. [agroterra.ru](http://agroterra.ru).

## V. ETHICS COMMITTEE OF AGROTERRA GROUP OF COMPANIES

**5.1.** The Ethics Committee of AgroTerra GC (hereinafter referred to as the Ethics Committee) was created to ensure compliance with the requirements of the Business Ethics Code.

**5.2. The main tasks of the Ethics Committee are the following:**

- consideration of complaints received on the Hotline and incidents related to the Code breach;
- consideration of disputes related to compensation for damage and employees' liability;
- consideration of situations related to a potential conflict of interest, as well as risks of non-compliance with the Code;
- development and control of implementation of the measures reducing the risks of the Business Ethics Code breach.

**5.3.** Any employee can contact the Ethics Committee by using the Hotline or the Committee's contact details (Appendix 1).

## VI. AGROTERRA HOTLINE

**6.1.** AgroTerra GC has a Hotline. It is intended for detecting employees' or contractors' misconduct, as well as breaches of the Business Ethics Code.

**6.2.** If an employee has reason to believe that any of the employees or contractors of AgroTerra GC breaks the current legislation of the Russian Federation and (or) the requirements established by the internal documents including the Code of AgroTerra GC, this employee can:

- call toll-free 8-800-707-53-73;
- write a message to e-mail [line@agroterra.ru](mailto:line@agroterra.ru);
- leave a message by form on the official website of AgroTerra GC.

**6.3.** Examples of the Business Ethics Code breach:

- disclosure of confidential information to third parties;
- conflict of interest;
- bribery or corruption;
- fraud, theft or illegal use of the property of AgroTerra GC;

- accounting or financial abuse;
- creating a threat to health and safety at work;
- overdrugging or alcohol abuse at work;
- other breaches of the Business Ethics Code, corporate policies and the current legislation of the Russian Federation.

**6.4.** To ensure confidentiality and objectivity, all requests are accepted and processed by an independent operator of AgroTerra GC.

## Appendix 1. CONTACT DETAILS OF THE RESPONSIBLE PEOPLE

<b>Role</b>	<b>Corresponding positions</b>	<b>Контакты</b>
Ethics Committee	In accordance with Order	ethics@agroterra.ru
Head of the Legal Department	Head of the Legal Department	legal@agroterra.ru
Employee of the Personnel and Organization Development Group	Head of the Personnel Department, Head of the Communication Department	hr@agroterra.ru
Employee of the Financial Group	Head of the Operating and Financial Department, Head of the Accounting and Reporting Department	finance@agroterra.ru
Employee of the Internal Investigation Service	Chief Specialist	investigation@agroterra.ru