

POLICY FOR MANAGING CONFLICTS OF INTERESTS, COMBATING FRAUD AND CORRUPTION

GENERAL PROVISIONS AND PURPOSES OF THE DOCUMENT

This Policy (hereinafter to as the Policy) is the document of the Internal Standard of Kernel Company (hereinafter to as the Company), one of the Policies compliant with the Code of Conduct and the founding document of the Management System for conflicts of interests, fraud and corruption (hereinafter to as the System or System for MCIFC). This Policy regulates key principles and requirements of the Company to the processes of preventing actions of personnel and third parties, taken to receive personal benefit, causing financial and reputational risks to the Company. This Policy is applied to all the Company's employees despite their position, employees' relatives, counterparts and consultants.

NON-ADMISSIBLE PRACTICES OF EMPLOYEES

CONFLICT OF INTERESTS WHICH MAY HAVE NEGATIVE CONSEQUENCES FOR THE COMPANY AND SHALL BE RESOLVED:

- Doing business and concurrent occupation in the Company with the work in agribusiness.
- Performing any activities not connected with the execution of their functional duties during the working hours.
- Entering on behalf of the Company into agreements with counterparts, directly or indirectly connected with the employees, taking decision on conditions of the agreement – conflict of interests may be connected with the personal interest of the employee, his past occupation, activities of his related persons.
- Competition in terms of related persons with the Company in terms of any operational divisions. Important! It is necessary to inform timely their manager and state in the Employee's Profile the information that related persons work or are the founders or shareholders of enterprises, being or having direct relation to counterparts or competitors of the Company.
- Joint work of related persons in direct or indirect linear or functional subordination. Important! It is necessary to inform timely their manager and state in the Employee's Profile the information about work of related persons on mutually relates/subordinated positions, whose functionality predefines participation in similar processes.
- Influence of any kind of personal relations on business connections.
- Political activities as well as operations to support politicians, political organizations and parties without consent of the Chief HR and Communications Officer.
- Direct communication with representatives of media, performance at the conferences, holding seminars and lectures, manufacturing of printed products with information about the Company for further promotion without consent of the Director of respective divisions and Chief HR and Communications Officer.
- Acceptance of gifts as a representative of the Company personally or for related persons, individuals or legal entities, who are related to the employee due to execution of their job responsibilities or being subordinates of the employee, for total consideration exceeding UAH 2500 per year from one person. Important! Limitation in terms of value is not applied to the gifts received as overall corporate discounts for goods, services, prizes etc.
- Agitation and advertising activities inside the Company to promote personal interests and/or receiving benefit.
- Receiving improper advantage for personal purposes, including situations, when committed intended acts did not cause financial and reputational losses of the Company.
- Using tangible and intangible resources of the Company for personal needs:
 - personal working time, as well as working time of other employees (except for managers whose position level presupposes performance of minor personal tasks by respective categories of service personnel – secretary, driver, office manager, other employees in charge)
 - documents, information, databases
 - technical, technological, methodological, intellectual developments and inventions
 - transport, equipment, inventory, if their application is not the part of compensation package.
- Demonstration of insufficient behavior with violation of principles in the Code of Conduct and other corporate Policies and Procedures.

FORBIDDEN ACTIONS, WHICH COULD LEAD TO THE DISMISSAL

- Receiving improper advantage, causing financial losses and possible to influence the Company's reputation.
- Distortion/reservation of data and information to hide criminal activities, operational failures, manufacturing losses.
- Discussion of confidential information with third parties (under the Confidentiality Agreement), which became known to the employee in scope of performing his functional responsibilities.
- Tampering employees.
- Voluntary damage of material property, intellectual and other ownership of the Company, including information, documents, databases, information systems.
- Professional negligence which caused various losses to the Company.
- Abuse of power for personal purposes in order to receive financial benefit.
- Coercing subordinates, involvement of subordinates into illegal actions to receive personal benefit or for the benefit of third parties.
- Spreading information in relation to the Company and its employees, affecting the reputation.
- Safety violation causing risk for life and health.
- Presence at a workplace in a state of an alcoholic or drug intoxication.
- Offence of the colleagues, usage of physical force, acts and/or threats regarding intimidation or harassment.
- Violating agreement on resolving the conflict of interests.

INFORMATION CONCERNING CIFIC FACTS IS TAKING INTO CONSIDERATION STRICTLY FROM IDENTIFIED EMPLOYEES OR THIRD PARTIES.

The Company is prohibited from prosecuting employees who applied to the Hot-line. Management of the Company guarantees compliance with this requirement. Information about the identity of the employee who provided information about the violation might only be disclosed by the consent of this employee.

An employee who has reported a violation of the requirements of this Policy by a third person/employee should not be dismissed or forced to be dismissed, or be subject of disciplinary measure or other negative measures of influence or threat of such measures of influence. In case of persecution, the employee must immediately apply to the Hotline.

**In case you have any information regarding
CIFIC facts please let us know via**

0-800-501-483

Hot-line, common for all entities of the Company.
All calls are free.

dovira@kernel.ua

(please inform us on the facts of conflict of interests, pressure on employees, violations of internal policies and procedures, including the area of environment and health safety).

security_check@kernel.ua

(please inform us regarding cases of fraud and corruption, abuse of official position and trust, violations of tenders participant's rights).

