

KERNEL

CORPORATE
CODE



Dear colleagues!

Since 1995, we have been dynamically growing and developing, confirming each year our undeniable leadership in the agro-industrial sector by supplying our products to all the continents of the world. Of course, we have much to be proud of, however, for us it is important not only WHAT we do, but also HOW we achieve do it.

We live in a constantly changing world and one where the borders between the concepts of "good" and "bad", or "right" and "wrong" can become pretty vague. Every day we perform thousands of operations and make hundreds of decisions that fit no universal formula but will affect the Company's performance and development.

It is important to remember that each of us, regardless of what position we take and where we work, reflects the Company's face, forging the Company's reputation and affecting the Company's efficiency in both the short- and long-term perspectives. In all our business decisions, we have to not only rely on our own experience, knowledge, logic and common sense, but to also look at things through the prism of Company's vision and mission, our corporate values and guidelines, and adhere to the Company's policies, which form our corporate philosophy and our culture.

I believe that with each successive stage of maturity, with growth shifting from quantitative to qualitative, our corporate values and principles have become standard and the basis for making our decisions; and our vision and mission make our business even more significant and provide a powerful impetus to a confident future!



"Our goal is to be the best company. The best in term of efficiency, technology, philosophy and public relations. We have to be better than others. We have to set an example for others. This is our work and our contribution to the Kernel company, as well as to Ukraine and the world "

A handwritten signature in black ink, appearing to read 'A. Verevskiy', written in a cursive style.

Andrii Verevskiy

Vision

We strive to become a leader in global agribusiness and make our region a key supplier of the agricultural products to the world market.

Mission

We uncover the unique opportunities of agribusiness, developing the potential of our people.

Key values and guiding principles

Financial stability

- Strategic system management
 - Synergy of business integration
 - Efficient management of assets and resources
 - Changes and innovations
-

Sustainable business reputation

- Transparency and honesty
 - Responsible leadership
 - Observance of laws and rules
 - Sustainable development and social responsibility
 - Health in the workplace
 - Environmental responsibility
-

Professional team of leaders

- Partnership and unity of goals
 - Involvement as an internal entrepreneurship
 - Mutual respect and trust
 - Development of human potential
-

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Financial stability



1. Strategic system management

The principles of our management ensure the transition from quantitative to qualitative growth. By cascading our strategy and objectives at the operational level, we transform their implementation into the daily work of managers, developing a culture of internal entrepreneurship and continuous enhancement.

2. Synergy of business integration

Our business segments are closely interconnected with the strategic unity and coherence of our objectives, their mutual integration creates added value and positively affects the overall financial result. We regularly perform segment benchmarking, and effectively use our expertise to multiply our successful corporate practices. We apply the synergy of interaction between the businesses, divisions and functions within the company to obtain the best results.

3. Efficient management of assets and resources

We protect the assets, increase their efficiency, and are careful with financial and material resources and information, managing the key risks. The Company's interests are our priority. Each of us is personally responsible for the rational, efficient use and protection of the Company's resources.

4. Changes and innovations

We are flexible in making decisions. We are not afraid of changes, but perceive them as new opportunities for development. We improve the quality of our assets, build the modern technological enterprises, enhance the processes, educate personnel. We focus on world practices and adapt the best of them, giving consideration to political and market specifics, changes in the environment and the unique features of our Company.

We continuously improve our processes using the Lean and Kaizen methodology. We are constantly looking for internal efficiency improvement. We improve our processes every day through the development and implementation of ideas.

Pyramid of operational Lean efficiency at Kernel:

- ▶ **RESULTS:** *we create value for the consumer*
- ▶ **EXPENSES:** *we optimize spending to reduce waste in our processes*
- ▶ **CULTURE AND DEVELOPMENT:** *we respect each other, create comfortable working conditions and a favourable atmosphere of trust and mutual assistance; constantly develop people through training and personal and professional development programs*
- ▶ **TIMELINESS:** *we adhere to the timeliness in all processes, ensuring synchronization of production and logistics processes.*
- ▶ **QUALITY:** *we provide the quality products; we provide comprehensive information about the characteristics of products to consumers*

Sustainable business reputation



1. Transparency and honesty

Kernel is a public company. Transparency and honesty are the key to our success in our relations with colleagues, shareholders, investors and partners. We are clear and consistent in our decisions and actions. Certainty and openness of information are the basis of our activity.

We pass our independent audit on time, publish financial statements, publicize information about our strategy, operational activities and significant risks. Attempts to manipulate the financial information are unacceptable for us.

We hold public tenders and argue our choice of suppliers. Each tenderer is able to inform the Company about any violation of its rights. Each of us has, within the scope of our responsibilities and authority, to reliably and openly make records of business transactions along with the reasoning of the decisions, conduct and provide for the accounting documentation on time, and promote transparency of financial and non-financial information.

2. Responsible leadership

We treat our leadership in the market and the influence that we have on the country, people and companies we are cooperating with responsibly. We promote the development of the agrarian sector in the regions of our presence, and we form the business culture of conducting national business by our own example. We fairly conduct business with business partners, respond in a timely manner to their requests, assume the responsibility for our obligations, and professionally treat the contract condition performance.

We take care of the Company's reputation. We do not allow actions, public statements and subjective judgements that may damage the corporate image. We do not communicate with the media on behalf of the Company without the consent of the responsible persons.

We do not accept presents and do not participate in the events that may affect the business decision-making.

We interact with our reliable partners and make decisions about cooperation based on such factors as reliability, quality, price, availability.

Kernel seeks to work with partners that also value and demonstrate high ethical standards in their business practices.

We have created an effective internal control system that provides for: the timely detection and risk analysis; completeness and reliability of financial, accounting, statistical, managerial and other statements; compliance with the legislative and regulatory legal acts, policies and procedures of the Company; saving of Company's assets; efficient and economical use of resources.

Each Kernel employee is obligated to ensure the reliability of all business and financial statements of the Company.

The business and financial statements include not only financial accounts, but also other records such as the product quality reports, the cash or fuel, oil and lubricant consumption statements, and applications for benefits and filing, such as application forms for material help, etc. Expenses must be classified and documented in the relevant reporting period.

The employee must ensure that all reports to regulatory authorities are full, fair, accurate, timely and understandable. Fake documents are not allowed.

3. Observance of laws and rules

We adhere to current legislation and the international legal standards. We respect the corporate values and guiding principles, and act in accordance with the internal policies and procedures. We are against corruption and fraud at the state level, and we stringently combat their manifestations in the company and counteract the conflicts of interest that can lead to financial losses and loss of goodwill. We protect and promote the interests of the Company in legitimate professional ways, which have no negative impact on its business reputation.

We strongly oppose bribery in accordance with the laws against bribery.

We adhere to "zero tolerance" principle for any acts of corruption and bribery.

In cooperation with state authorities, enterprises, institutions, we follow local and international laws and ethical standards that prohibit bribery and corruption. Kernel

employees in relations with civil servants act in compliance with applicable law and sectoral standards and Kernel's policy

We fully comply with all applicable anti-monopoly and competition laws and are responsible for the fair treatment of customers, suppliers, competitors and other third parties. As a global exporter of agricultural products, we conduct the import-export

operations every day, and responsibly follow all applicable local, regional and international trade laws, rules and regulations. We adhere to the regime of economic sanctions and restrictions on import / export of products.

4. Sustainable development and social responsibility

We are building a Company with a long-term perspective, therefore, the sustainable development is among the main principles of our business. We strive to create comfortable working conditions for our employees, and support them in difficult life situations. Occupational safety and security are a key priority. We provide ample opportunities for training and professional development.

At all stages of our production, we minimize energy consumption and waste, carefully cultivate our land and strictly control the quality of our products.

We establish an open relationship with colleagues, landlords and local communities, helping the latter with their urgent needs. Every year we implement dozens of large-scale and hundreds of local social projects that step by step lead to qualitative changes in the social infrastructure in the regions of the Company's presence.

We are responsible for the quality and safety of our products and ensure that all types of our products and raw materials meet the internal standards, as well as the standards established by laws, regulations and industry, in which the Company operates.

Everyone is obligated to respect the commitments that Kernel assumes and engages its suppliers to account.

5. Health in the workplace

We take care of each other. We follow our safety procedures and promote a culture of security, because our people are our main value.

Every employee has the right to take immediate action to ensure the safety of people regardless of their role, position or responsibility.

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If you see a situation that may endanger others, you must take action and, as much as possible, try to protect yourself and your colleagues from injuries, at any time and any place.

Be attentive to what is happening around you, follow the safety rules and report any threats of potential violence.

6. Environmental responsibility

We have a responsible attitude to preserving the environment for future generations.

We adhere to the following principles of environmental protection: responsibility to the population in the regions of presence / activity in the part of environmental protection; rational use of energy and natural resources, maintenance of projects on environmental protection; conscious and responsible project activity - implementation of investment projects considering the environmental impact assessment; rational and balanced use of natural resources; training and development of personnel in the field of environmental protection and rational use of natural resources; compliance with the requirements of Ukrainian legislation and international standards in the field of ecology and environment protection; openness, informing and considering the opinion of interested parties; compliance by the third parties (contractors, agents, etc.) of the current legislation in the field of environmental protection.

Professional team of leaders



1. Involvement as an internal entrepreneurship

We treat our work with love, enthusiastically and selflessly, as if it were our own business. Each of us is aware of the importance of our influence on the overall result and considers it our duty to contribute to the prosperity of the Company. We work with maximum efficiency. We are flexible and easily perceive the changes that are taking place, because changes are the life around us, and what moves us forward. Our entrepreneurship forms the future of the Company and society.

Contribute, keep the workplace in Kernel diverse, inclusive and honest, creating a favourable environment, and recognize the diversity of strengths and talents that your colleagues contribute to work.

2. Partnership and unity of goals

The basic principle of our internal interaction is partnership. We are a consolidated professional team of like-minded people, moving the Company – the world leader in the industry – forward. Each of us demonstrates the model of proper behaviour and team interaction. By occupying various positions, working in different divisions and departments, countries and regions, we are doing a common thing in order to achieve a joint result. We are not afraid to tell the truth, to admit mistakes, because we know that we always get support and a reliable shoulder from our colleagues, together we will find a way out of any situation. Together, we are able to solve the most difficult tasks and achieve the best results.

By implementing our vision and mission, we develop the potential of Ukrainian agrarian sector through the development of human potential, adhering to the Principles of equal opportunities and cultural diversity, which promote the development of innovation and business success.

We appreciate each other's contribution and believe that everyone should have an equal chance to succeed - it is important for advancing our goals and initiatives.

3. Mutual respect and trust

The culture of respect and trust for us is not just a benevolent attitude to each other. It is a uniform understanding and acceptance of the vision, values and guiding principles of the Company. It is a correct management structure that clearly defines the distribution of the functions, that gives the opportunity to take responsibility and make decisions. There are the clear rules of the game and the absence of double standards. We are always correct and reasoned in business communication with colleagues inside the Company and outside. We try to avoid personal conflicts and negative emotions towards each other. We do not spend energy on internal disagreements, but concentrate on the development of the Company and the achievement of common objectives. We cooperate, we learn from each other.

4. Development of human potential

Owing to the right strategy, dynamic growth and development-oriented personnel policies, every employee of the Company has the opportunity to acquire new knowledge, show himself, realize his own ambitions and potential. 73% of managers at different levels have built their career in Kernel, having received a unique expertise and new perspectives. We pay considerable attention to the training and development of managers, specialists and youth with high potential. We strive to be professionals. Every manager in the Company is an example and mentor to his subordinates, carrier and leader of corporate business philosophy and cultural values. We strive to create an atmosphere where people are happy to go to work, proud of it, are sincerely interested in Company's successes. Changing our culture for the better, we change ourselves.

Regulation of Conflict of interests

We all should avoid situations that may be the manifestation of a Conflict of Interest.

Conflict of interests may unconsciously affect even the most ethical person, and appearance of the conflict may cause doubt in the actions or honesty of the employee.

In addition to the annual Declaration of Conflict of Interest situations, potential conflicts of interest should be disclosed to the direct supervisor and compliance manager.

A detailed list of Conflict of Interest situations, which should be disclosed and necessarily regulated, are presented in the policy of managing conflicts of interest and anti-fraud and corruption.

How to determine whether a situation is a conflict of interest:

In any potential conflict of interest, ask yourself:

- Can my personal interests affect the interests of the Company?
- When disclosing a situation, can it negatively affect my reputation as an honest employee?
- If you are not sure, consult the compliance manager or use the appropriate information channels, see par. "Notification of Violation"

Employees should not:

- As a Kernel employee, make a business decision based on personal, financial or political interests.
- Work with competitors or provide any services to competitors, clients or suppliers if they do not have prior written approval from the Direction Head and the Compliance Manager.
- Interact with civil servants, without complying with Kernel rules

Examples: Employment of a close person in the Company

I have a relative whom I would like to employ in the Company in my direct submission. My relative has the appropriate qualifications and I know him as a responsible and decent person. Is this situation acceptable?

► Answer:

Though the intent is legitimate, this situation creates the appearance of a conflict of interest. The situation should be disclosed to the Compliance Manager and a risk assessment received. Before receiving the Compliance Manager assessment, you need to abstain from any action. This will help to protect you and your relative and the Company, if the situation and the relationship ever become subject to dispute.

The best solution is to eliminate direct or functional subordination of your family member.

Examples: The choice of supplier:

As part of the duty I choose a supplier for the Company. My husband is the owner of one of the considered suppliers. Do I need to take any preliminary measures?

► Answer:

In this situation, your interest in your husband's business conflicts with your duty to choose the best supplier for the Company. You must inform your direct supervisor, and send a request for consultation with the compliance manager. The best solution is not to participate in the process of choosing a supplier for this purchase or to simply exclude your husband's company from this purchase.

Confidential information

We guarantee and require our Suppliers to guarantee the proper protection of confidential, insider information and personal data, to comply with the requirements of protection of information, assets and interests.

We comply with and require our partners to ensure compliance with applicable legislation on data protection and information security, as well as applicable rules, including the personal data of customers, consumers, employees and shareholders. Our partners are required to comply with all above requirements when collecting, processing, transferring or using personal data.

Kernel employees should:

- Know the types of information that is considered confidential and personal information.
- Adhere to the laws and rules of confidentiality in the country or countries in which he works.
- Ensure the protection of personal and personnel information from unauthorized disclosure.
- Immediately report about any violations

Example:

1. After ending employment with Kernel, you must not share confidential information about Kernel to your new employer.
2. The contractor, who works for Kernel requires information and documents to carry out his work. You must make sure that you provide the permissible information and this is not prohibited by the Company's internal policies. Under certain circumstances, the contractor may be required to sign the Privacy Statement prior to being provided with information to perform the work.
3. When performing your duties, you receive personal information about Kernel employees, or as part of a particular job you have received personal information from Kernel employee or an employee of the counterpart. You will not transfer this information to any other person.

The Principles of the Company's Corporate Code supplement and specify the following Compliance Policies:

- Human Resources Management Policy
- Conflict of Interests and Control of Fraud and Corruption Management Policy.
- Security Policy
- Corporate Social Responsibility and Sustainable Development Policy
- Equal Opportunities and Cultural Diversity Policy
- Occupational safety policy
- Policy of internal and external communications
- Neighbourhood policy (relations with communities and government)
- Policy of preservation of confidential information
- Environmental protection policy
- Procedure for obtaining and reviewing information received by hotline channels
- Procedure for the Applicants' Protection

Actions in case of ambiguity or contradictions

Guiding principles and Conformity policies form our Code of Behaviour. If the requirements of the Code are stricter than the requirements of the current legislation, we are guided by the more stringent ones. We are very attentive to all review requests and questions concerning the interpretation, application and compliance with the Code.

Responsibility for violation

Each employee of the Company undertakes to follow the rules and regulations of the Code. No employee has the right to force a colleague to commit any action that is contrary to the requirements of this Code.

We consider every non-compliance with the Code as a serious violation that is subject to appropriate assessment by the Risk Committee. The employees who committed the violation are subject to the disciplinary measures up to the possibility of dismissal based on the results of objective consideration of the circumstances of the violation, taking into account its severity and actions of the offender to eliminate the consequences,

Each manager of a structural unit is responsible for its employees' adherence to the Code. Thus, managers must identify, prevent and quickly respond to violations of their subordinates in accordance with requirements of the Code.

Authorized representatives of the Company are obliged to inform law enforcement authorities about all violations that may lead to bringing violators to criminal liability in accordance with the current legislation, as well as in cases when the informing of the relevant state bodies is provided for by law.

In other cases, bringing violators to liability is carried out in accordance with the Company's internal procedures.

Each of us has the right to accentuate colleagues on the inadmissibility of the violation and to demand to terminate the actions that may lead to it and / or contact the senior management.

Our hotline is the most affordable and most effective channel of communication and tool that helps to report the violation.

The ethical principles of the Company in general obligate each of us not only to be guided by them in everyday activities, but also demand this from others, particularly from direct managers, and also to inform about the facts of violations in a timely manner.

The facts to be reported to senior management and / or the hotline or e-mail:

- Conflicts between the interests of the Company and the employee / counterpart that have financial or reputational consequences
- The use of insider information not in the Company's interests
- Distortion of financial reporting / falsification of documents / planned indicators
- Theft or misuse of the Company's property
- Fraud, abuse of official position
- Corruption, bribery of employees (bribes, kickbacks), receiving "excessive" gifts or entertainment that may affect the objectivity of decision-making
- Staying at work intoxicated or under the influence of drugs
- Distribution of information about the Company that tarnishes its reputation
- Disrespect of colleagues, use of physical force, actions and / or threats directed at intimidation, harassment
- Influence of personal relations on business decisions
- Violations in the field of occupational safety and security
- Abuse of persons, who reported violations

Applicants' Protection

Remember that every employee who honestly seeks advice, shows concern about the outcome of a shared case, or reports about bad behaviour, does the right thing. The concealment of such facts is complicity in violations.

The hotline was created because other communication is not always possible under conditions of subordination and personal relations.

Abusing persons, who reported violations of the requirements of the legislation, internal standards of the Company, is strictly prohibited.

Those employees who, in their opinion, have been persecuted, should report this immediately. At the same time, disciplinary measures are applied to employees who deliberately provide false information.

**All employees of the Company must be aware of this Code
and must adhere to its principles.**

**If you have become aware of facts, or you
have a dual understanding of a situation, or you are observing behaviour
that you believe may be a violation of the Code, you need to
call the hotline at:**

0-800-50-14-83
or report to the e-mail:
dovira@kernel.ua

*I believe that in overcoming
the next stage of maturity, transition
from quantitative growth to the
qualitative, our corporate values and
principles have become the standard of
life and the basis for decision making for
each of us, and the vision and mission to
fill our business with special content and
give a powerful impetus to surely
move forward!*

Andrii Verevskiy

A handwritten signature in black ink, appearing to read 'Andrii Verevskiy', with a long, sweeping horizontal stroke extending to the right.