



Code of Business Conduct and Ethics

1. Introduction

PRO COMMERCE, d.o.o. (the Company) is committed to maintaining ethical standards in the conduct of its business activities. The PRO COMMERCE's reputation as an ethical business organisation is important to its ongoing success and it expects all its officers and employees to be familiar and have a personal commitment to meeting these standards, and to demonstrate that commitment in the performance of their duties.

2. Coverage

The Code applies to all officers and employees of PRO COMMERCE, d.o.o., including permanent, temporary, and casual employees.

3. Purpose of this Code

The Management has adopted this Code of Conduct to define basic principles of business conduct. The Code requires officers and employees to abide by the policies of the Company and the law. The Code is a set of principles giving direction and reflecting the Company's approach to business conduct and is not a prescriptive list of rules for business behaviour.

4. Business ethics

(a) Openness, honesty, fairness and integrity

– Officers and employees will conduct themselves with openness, honesty, fairness and integrity in business transactions and in dealings with others.

(b) Mutual respect

– Employees are expected to treat everyone else with whom they interact in their work with courtesy and respect.

(c) Ethical conduct

– Officers and employees will act ethically in their approach to business decisions.

(d) Compliance with Laws

– Employees are expected to comply with all laws and regulations that govern the PRO COMMERCE's business and the policies that PRO COMMERCE adopts from time to time.

5. Business conduct

Officers and employees will observe appropriate principles of behaviour when conducting Company business and interacting with others.

(a) Compliance with laws and regulations

– Directors, officers and employees will act in compliance with all laws and regulations that apply to the PRO COMMERCE's business.

Directors, officers and employees should discuss with their manager and if necessary obtain the consent of the Managing Director or Chairman to seek advice from one of the Company's legal advisors if they are unclear about any laws or regulations relating to their work.

(b) Intellectual property

– Each officer and employee is responsible for protecting the Company's intellectual property rights. All intellectual property that an employee or contractor generates in relation to the PRO COMMERCE is the property of the PRO COMMERCE.

6. Personal and professional conduct

(a) Financial integrity

– PRO COMMERCE has stringent financial accounting procedures that are overseen by management and the external auditor. The use of Company funds or assets for any unethical purpose is prohibited.

(b) Giving gifts

– PRO COMMERCE does not allow the making of payments or payments in kind (gifts, favours etc) to induce individuals to award business opportunities to the Company or to make a decision in the Company's favour. This activity is prohibited by the Criminal Code Act of Republic of Slovenia.

PRO COMMERCE recognises that it is accepted business practice that entertainment and small gifts (promotional items) may be extended to customers and other third parties with whom the Company has a relationship. However, any such gifts must be made for a proper purpose solely and entirely for maintaining good business relations and not to influence in any way business decisions of any party involved.

(c) Accepting gifts

– Officers and employees should not accept personal gifts or extraordinary hospitality, accommodation or travel which may influence, or appear to influence, a business decision.

(d) Business agreements and contracts

– PRO COMMERCE expects to compete fairly and ethically for all business opportunities. Officers and employees involved in the negotiation of agreements and contracts must ensure that they act in accordance with the law. All appropriate approvals must be obtained before contracts are executed. The Company PRO COMMERCE is committed to meeting its contractual obligations.

(e) Confidentiality and privacy

– Officers and employees may not at any time, directly or indirectly, profit from confidential information obtained during the course of duties they perform on behalf of PRO COMMERCE. Each employee must safeguard confidential information of the Company by not transferring, publishing, using or disclosing it other than when necessary in the ordinary course of business, or as specifically directed or authorised. All confidential or proprietary information that has been entrusted to PRO COMMERCE by a third party must be treated as if it was the Company's confidential information and all officers and employees must adhere to the Company's privacy obligations.

(f) Public Statements

– Public statements have the potential to breach the Company's obligations in respect to confidential information and continuous disclosure. Officers and employees should not make public statements unless authorised by the Chairman or Managing Director.

(g) Smoking and the use of drugs and alcohol

– A safe and healthy work environment is the responsibility of every employee. This obligation includes responsible behaviour with respect to the use of alcohol, drugs and tobacco when conducting Company business and at Company sponsored activities.

Smoking and the use of recreational or non-prescription drugs is not permitted on Company premises.

(h) Gathering information on the Company's competitors

– Information should not be gained through unlawful or deceitful means.

(i) Conflict of interest

– All officers and employees have an obligation to seek to avoid financial, business or other relationships which might be opposed to the interests of the Company or which may conflict with the performance of their duties. If you have any doubt about conflicts of interest, you should contact your manager or the Company Secretary.

(j) Use of Company's resources

– Employees must use all Company assets for proper purposes during their employment with the Company. No property of the Company may be sold, loaned, given away, or otherwise disposed of, without proper authorisation.

(k) Email and Internet

– The Company's email and internet systems have been developed to assist communication with clients, suppliers and between staff. These facilities may not be used for personal gain or in a manner which may breach the law or is inappropriate for an officer or employee of the Company.

6. Respect for others

(a) The Company and its employees

– The Company actively supports the principle of equal employment opportunity and expects its officers and employees to practise and support this principle. The Company's policy is to ensure that it does not engage in discriminatory practices and to make employment and career decisions on the basis of individual ability, performance, experience, and Company requirements. The Company regards personal, physical or sexual harassment as unacceptable. The Company expects and requires its officers and employees to comply with Occupational Health and Safety laws and Company policies.

(b) The Company and its suppliers

– The Company's suppliers will be treated fairly and with respect. The Company strives to maintain open and frank business dealings and to develop mutually advantageous relationships.

(d) The Company and the community

– The Company recognises that it is part of the community and aims to conduct its business in a manner that ensures that the rights of the community and environment are respected.

7. Reporting improper behaviour

It is the responsibility of the Management to monitor and ensure compliance with the Code of Conduct and to record, investigate and, where necessary, take action in respect of suspected breaches.

Ensuring compliance with this Code is not always easy and

we therefore ask for your help. If you suspect that any fraudulent or unethical behaviour has occurred, you should contact the Managing Director or the Company Secretary. The Company does not expect that concerned members of staff (Whistleblowers) will have unquestionable evidence to support their suspicions. It is the Company's responsibility to investigate and determine whether the suspicions are

justified and supported by evidence. All communications from Whistleblowers will be treated with the strictest confidence and the Whistleblower's identity will not be revealed without their consent. Provided that the concern is raised in good faith, Whistleblowers will not be at any risk of losing their job or suffering any form of reprisal for coming forward. Furthermore, the Company will take all reasonable steps to prevent the harassment or victimisation of the Whistleblower. However, no assurances are offered to members of staff who maliciously raise matters which they know to be untrue. This will be regarded as misconduct and dealt with accordingly.

The Managing Director or the Company may refer matters raised by Whistleblowers to a designated investigating officer. Investigations will be conducted confidentially and, if the Whistleblower requests, without disclosing the Whistleblower's identity. In rare cases, it may not be possible to ensure complete confidentiality (eg if legal proceedings take place), however the Whistleblower's identity will not be revealed without their consent and the Company will do everything possible to support and protect the Whistleblower. The investigating officer will keep the Whistleblower informed with regard to the progress of the investigation and what action, if any, the Company will take in response to the Whistleblower's concerns.

8. More information

If you wish to obtain more information regarding any aspect of the Company's Code of Conduct, please consult the Company Secretary.

CODE OF CONDUCT FOR SUPPLIERS to PRO COMMERCE

PRO COMMERCE is strongly committed in observing the highest ethical standards in all its procurement activities. As such, this Code of Conduct for Suppliers has been prepared to provide clear summary of PRO COMMERCE's expectation from the suppliers in all procurement dealings, ensuring that internationally recognized procurement ethics are followed. Transparency and accountability should be strictly adhered to in all procurement activities.

PRO COMMERCE procurement ethics focuses on zero tolerance on corruption, child or forced labour, avoiding any form conflict of interest, honest representation of supplier's capabilities and reduction of environmental impact

Suppliers are strongly urged to familiarize themselves with this Code of Conduct to ensure successful working relations with PRO COMMERCE.

POLICY ON CORRUPTION AND POSITION ON CONFLICT OF INTEREST

PRO COMMERCE expects all contracted suppliers and companies seeking to sell goods or services to conduct their business in accordance with the highest ethical standards. Suppliers or potential suppliers must strictly comply with all rules and regulations on bribery, corruption and avoid unacceptable business practices. Hence suppliers are expected to observe the following:

- Shall not, directly or indirectly, offer to any PRO COMMERCE Staff money, goods or a service as a consideration or in expectation of a favorable decision, information, opinion, recommendation, vote or any other form of favoritism which qualifies as a corruption;
- Shall not directly or indirectly, offer, give or agree or promise to give to any PRO COMMERCE staff any gratuity for the benefit of/or at the direction or request of any Staff of PRO COMMERCE;
- To immediately inform the PRO COMMERCE Head of Office in the event that any Staff of PRO COMMERCE solicits or obtained or has made an attempt to obtain gratification for himself/herself or for any other persons.
- To immediately declare if any of the Company's staff and/or officers had or have any relative employed with PRO COMMERCE. Failure to make such declaration shall be construed as a conflict of interest and might result in the exclusion of the supplier from present and future procurement activities and/or other legal action as deemed fit by the Organization.

WORKPLACE CODE OF CONDUCT

All suppliers to PRO COMMERCE must adhere to following rules:

Employment Relationship

Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

Nondiscrimination

No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

Harassment or Abuse

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Forced Labor

There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

Child Labor

No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

Freedom of Association and Collective Bargaining

Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

Health, Safety and Environment

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

Hours of Work

Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

Compensation

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract.

ENVIRONMENTAL IMPACT

Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim of protecting and preserving the environment.

REPRESENTATION FROM SUPPLIERS

PRO COMMERCE expects all its suppliers to honestly declare and warrant that:

- It will comply with all rules, regulations and statutory requirements relating to the provision of the products / services to PRO COMMERCE;
- It will not act in concert with other suppliers or agents when participating in a bid
- It is a duly authorized/certified provider of the supplied products/services and shall not, expressly or impliedly hold itself out to be an agent/representative of a third party provider of the same products/services;
- It will only supply products that are certified to be of merchantable and satisfactory quality;
- The supplier possesses the necessary capabilities, equipment and suitable place of business to perform its obligations;
- It shall not contract out or subcontract or outsource any portion of the products/services unless prior written consent from PRO COMMERCE has been obtained; and
- It shall maintain the highest standards of integrity and quality of work at all times.

APPLICABILITY OF THE CODE OF CONDUCT

This Code of Conduct shall apply to all Suppliers, sub-contractors and to other entities acting on behalf of them (with approval of PRO COMMERCE).

MONITORING COMPLIANCE TO THE CODE OF CONDUCT

To facilitate the monitoring of suppliers' compliance with this Code of Conduct, PRO COMMERCE expects suppliers to:

- Develop and maintain all necessary documentation to support compliance with the described standards; such documentation must be accurate and complete;
- Provide PRO COMMERCE's representatives with access to relevant records, upon PRO COMMERCE's request;
- Allow PRO COMMERCE's representatives to conduct interviews with the supplier's employees and with management separately;
- Allow PRO COMMERCE's representatives to conduct announced and unannounced site visits of supplier locations; and
- Respond promptly to reasonable inquiries from PRO COMMERCE's representatives in relation to the implementation of the Code of Conduct.

SECURE COMMUNICATION CHANNELS

PRO COMMERCE has established a secure communication channel to enable the suppliers to raise their concerns confidentially and responsibly. If the supplier has questions about the Code of Conduct or wishes to report a questionable behavior or possible violation of the Code of Conduct, the Supplier is encouraged and should contact PRO COMMERCE Global Procurement and Supply Unit at email address gpsu@procommerce.si

PRO COMMERCE will not tolerate any retribution or retaliation by anyone against a concerned Supplier who has, in good faith, sought out advice or has reported questionable behavior and/or a possible violation. PRO COMMERCE will take disciplinary action up to and including termination of contract for anyone who threatens or engages in retaliation, retribution or harassment of the concerned

individual. Identities and contents of all information or complaints will be treated strictly confidential.

SANCTIONS

Breach of the Code of Conduct may result in actions being invoked against that supplier, in addition to any contractual or legal remedies. The actions applied will depend on the nature and seriousness of the breach and on the degree of commitment shown by the supplier in breach to its obligations under the Code of Conduct. The range of actions available to be imposed on the supplier includes but is not restricted to the following:

- Formal warnings – that the continued non-compliance will lead to more severe actions;
- Immediate termination of contract, without recourse;