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INLINE GROUP JSC

## **Code of Conduct**

## **Foreword**

- 1. DEVELOPED BY THE HR DEPARTMENT*
- 2. APPROVED AND BROUGHT INTO EFFECT by Order 17/19 dated 09.04.2019*
- 3. BROUGHT INTO EFFECT FOR THE FIRST TIME*

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## TABLE OF CONTENTS

<b>1</b>	<b>OPENING REMARKS OF THE DIRECTOR GENERAL .....</b>	<b>V</b>
<b>2</b>	<b>PURPOSE AND SCOPE .....</b>	<b>V</b>
<b>3</b>	<b>OVERVIEW OF BUSINESS ETHICS .....</b>	<b>VI</b>
<b>4</b>	<b>CONFLICT OF INTERESTS .....</b>	<b>VI</b>
	4.1 INTEREST IN OTHER COMPANIES.....	VII
	4.2 MEMBERSHIP IN THE BOARDS OF DIRECTORS AND/OR TECHNICAL AND SCIENTIFIC ADVISORY BOARDS (TSAB) OF THIRD-PARTY COMPANIES.....	VII
	4.3 FEES .....	VIII
	4.4 INVENTIONS, BOOKS, AND PUBLICATIONS.....	VIII
	4.5 SOUVENIRS, GIFTS AND ENTERTAINMENT .....	VIII
	4.5.1 <i>Receiving and Offering Souvenirs and Gifts or Participating in Entertainment</i> .....	IX
<b>5</b>	<b>SPECIAL ETHICAL OBLIGATIONS OF EMPLOYEES HAVING ACCESS TO FINANCIAL STATEMENTS .....</b>	<b>XI</b>
<b>6</b>	<b>COMMUNICATION WITH THE FINANCIAL COMMUNITY AND OTHER THIRD-PARTY ORGANIZATIONS.....</b>	<b>XI</b>
<b>7</b>	<b>COMPANY'S PROPRIETARY INFORMATION .....</b>	<b>XII</b>
<b>8</b>	<b>PROTECTION OF INFORMATION .....</b>	<b>XII</b>
<b>9</b>	<b>LAWS, REGULATIONS, AND ACTIVITIES RELATED TO GOVERNMENT AGENCIES.....</b>	<b>XII</b>
	9.1 PUBLIC CONTRACTS .....	XII
	9.2 PROVISION OF FUNDS FOR POLITICAL ACTIVITIES .....	XIII
<b>10</b>	<b>USE OF THIRD-PARTY COPYRIGHT MATERIALS .....</b>	<b>XIII</b>
<b>11</b>	<b>VIOLATION OF THE CODE NOTIFICATION OF VIOLATIONS .....</b>	<b>XIII</b>
<b>12</b>	<b>WAIVERS AND PERMISSIONS.....</b>	<b>XIV</b>
<b>13</b>	<b>REGULATORY REFERENCES .....</b>	<b>1</b>
<b>14</b>	<b>ACRONYMS USED.....</b>	<b>1</b>
<b>15</b>	<b>CIRCULATION 1</b>	
<b>16</b>	<b>APPROVAL PAGE .....</b>	<b>2</b>

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# HR Management

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Implemented for the first time

APPROVED BY

Director General

\_\_\_\_\_ A.I. Romashkin

\_\_\_\_\_ 20\_\_

## **1 Opening Remarks of the Director General**

One of the main principles of our work should be a commitment to the highest professional and ethical standards.

Here is the Code of Conduct of INLINE GROUP JSC, which is officially approved and must be implemented in every area of our company's activities. It sets out the main directions and principles that should be followed by all employees in their daily professional activities.

I myself and the entire management of INLINE GROUP JSC will comply with these principles and standards and be guided by them in our activities.

Consequently, we expect each of you to comply with the provisions of the Code of Conduct.

The most valuable asset of our company –is our impeccable reputation. Compliance with the principles and provisions of the Code of Conduct is a basic tool that allows us to build, improve and protect our reputation.

Director General  
INLINE GROUP JSC

A.I. Romashkin

## **2 Purpose and Scope**

This Code of Conduct shall apply to all employees of INLINE GROUP JSC and its affiliates, as well as to its shareholders.

This Code of Conduct promotes prevention of wrongdoing and encourages:

- honest and ethical behaviour, including the use of ethically acceptable approaches to resolving conflicts that arise or appear to arise between personal and professional interests;
- comprehensive, honest, accurate, timely and understandable disclosure of information in reports and documents that INLINE GROUP JSC transfers for storage or submits to government agencies, or in other data provided to the public; protection of confidential information and proprietary information of INLINE GROUP JSC, as well as any similar information of its customers and suppliers;
- protection of personal data processed by INLINE GROUP JSC;
- compliance with applicable laws, rules and regulations;
- timely notification within the company of a violation of this Code; and
- responsibility expressed in an effort to comply with the provisions of this Code.

### **3 Overview of Business Ethics**

We believe that long-term trust-based business relationship is based on the principles of honesty, openness and fairness. We promise to maintain the highest professional standards of running our business. We also expect that everyone with whom we have business relations (including suppliers, customers and intermediaries) will adhere to the standards set out in the Code of Conduct of INLINE GROUP JSC.

Outstanding employees –are a key factor of our company's success. Each of them is a member of the company's united team and deserves to be treated with dignity and respect. Besides, each employee is responsible for their own behavior. No one has the right to force another employee to violate the Code of Conduct of INLINE GROUP JSC, and any attempt to force or otherwise influence someone to commit such a violation is inadmissible.

Managers most especially set an example for other employees and are often responsible for managing their activities. INLINE GROUP JSC requires that all its employees, including managers, know and understand the Code of Conduct since it applies personally to each employee or manager and those whom they manage.

INLINE GROUP JSC is obliged to constantly take care of all legal boundaries and to comply with all applicable laws and regulations in the implementation of its activities. We bear the same responsibility to the clients with whom we maintain business relations. For any employee of INLINE GROUP JSC, this means compliance with legal norms and proper ethical behavior, even if the law does not explicitly provide for this.

The Code does not constitute a comprehensive list of legal and ethical issues that an employee may encounter in the course of business activities; therefore, using it, one shall follow common sense.

### **4 Conflict of Interests**

When working for INLINE GROUP JSC, employees must independently or collectively make business decisions and carry out business activities based on the interests of the company as a

whole, and not based on personal relationships or benefits. Conflicts of interests may result in violations of the principle of business ethics by employees.

Employees should avoid any relationship that may cause a conflict of interests in the course of performance of their official duties while they are working for INLINE GROUP JSC. Employees should report to their immediate managers any situations involving possible conflicts of interests that may involve themselves, other employees, or persons with whom they have business relationships.

Specific guidance is provided below for some areas of potential conflicts of interests that require special attention. It describes examples of the types of conflicts of interests that should be avoided by the employees of INLINE GROUP JSC.

#### **4.1 Interest in Other Companies**

Before starting to establish business relationship with another company, starting working for it, or providing consultancy services to it, employees of INLINE GROUP JSC must obtain a written permission from the Director General of INLINE GROUP JSC. This does not mean that family members and next of kin are prohibited from working for a client, competitor, or supplier of INLINE GROUP JSC. But employees of INLINE GROUP JSC must refrain from conducting business on behalf of INLINE GROUP JSC with their family members or other persons with whom they have close personal relationship until a written permission has been obtained from the Director General of INLINE GROUP JSC.

#### **4.2 Membership in the Boards of Directors and/or Technical and Scientific Advisory Boards (TSAB) of Third-Party Companies**

As a rule, an employee is not allowed to accept an offer to join the Board of Directors or TSAB of any company that is or may become a competitor of INLINE GROUP JSC in the future. Moreover, in the absence of a guarantee that protects interests of INLINE GROUP JSC and a procedure that prevents occurrence of a financial conflict (such as refusing to receive remuneration and withdrawing from participation in the company's business with INLINE GROUP JSC), a permission will most likely be refused if the duties of the employee of INLINE GROUP JSC or his/her subordinates include influencing or implementing the business relationship of INLINE GROUP JSC with such other company. The permission to join the Board of Directors or TSAB of a company that supports or promotes competitor products and services is also likely to be denied.

When obtaining a permission to join the Board of Directors or TSAB of a third-party company, employees are allowed to receive remuneration provided for by such membership, unless otherwise specified in the permission. However, as a general rule, employees are not allowed to receive remuneration in any form (including stock options, shares issued during the initial public offering, or cash payment) for membership in the Board of Directors of a company if such membership occurs at the request of INLINE GROUP JSC, or INLINE GROUP JSC invests funds in such company, or if there is a significant relationship with this company, or if such membership is a consequence of such relationship or occurs in connection with it. The term "significant" in a broad sense means such relationship when a supplier is exclusive or when its income from doing business with INLINE GROUP JSC accounts for five per cent or more of its total income. If membership in the Board of Directors or TSAB does not take place at the request of INLINE GROUP JSC and

even if it does not provide for any remuneration, the possibility of a conflict of interest still exists, consequently, INLINE GROUP JSC expects such an employee to withdraw from participation in the relationship between INLINE GROUP JSC and this company. Therefore, it is very important that employees of INLINE GROUP JSC realize that their membership should be an opportunity to share their own knowledge and gain additional experience, but they should not be in a position where another company plans to use this employee's membership in the Board of Directors as a tool for establishing relationship with INLINE GROUP JSC or influencing decisions of INLINE GROUP JSC.

In order to avoid conflicts of interest or even signs of conflicts of interest, INLINE GROUP JSC may revoke any previously issued permission at any time for any reason that is considered most appropriate for protecting interests of INLINE GROUP JSC.

### **4.3 Fees**

If it is determined that delivering a speech at any event contributes to the protection of interests of INLINE GROUP JSC, it will be deemed to be a part of the employee's normal work performed as part of their official duties. Since employees of INLINE GROUP JSC will receive remuneration from the company for most or whole time spend for preparing, attending, and showing their presentation approved by the management, employees should not demand payment or negotiate payment and should not accept remuneration in any form (except for small souvenirs, gifts, or entertainment described below) from organizations that have ordered the presentation, unless the employee has received an express prior approval from the Director General of INLINE GROUP JSC.

### **4.4 Inventions, Books, and Publications**

Before proceeding to the development (not within the framework of INLINE GROUP JSC) of any products, software or intellectual property that are or may be related to the current or possible future business spheres of INLINE GROUP JSC, employees of INLINE GROUP JSC must obtain a Director General 's written permission.

### **4.5 Souvenirs, Gifts and Entertainment**

INLINE GROUP JSC has a wide range of clients, suppliers and other business partners, each of which is important for the company's success. Any relationship with them should be based solely on impeccable business solutions and honest approaches. Business gifts and entertainment can create an atmosphere of amiability and are part of a normal relationship with our business partners, but they can also create a sense of conflict of interests that can cast a shadow on the integrity of our relationship.

The term "Souvenirs, Gifts and/or Entertainment" is used to refer to anything that has value, including food, accommodation, discounts, loans, cash, favorable conditions for the provision of products or services, services, equipment, awards, products, transportation services, use of means of transportation or recreation, promotions or other securities, improvement of living conditions, tickets and gifts. The list of possible options is endless, and here are just a few examples. In some cases, more stringent standards than described above may apply to souvenirs, gifts and entertainment, for example, special rules may apply for those who deal with government agencies.

Employees should not accept or present any souvenirs or gifts or participate in any entertainment if this violates accepted standards. You should always remember that you should never offer or accept any souvenirs or gifts or participate in any entertainment that would put INLINE GROUP JSC or its customers or suppliers in a awkward position.

Souvenirs, gifts and entertainment for state/government officials are particularly risky. When dealing with officials from the public sector (regardless of the location, department or institution, and including organizations under state control, such as public universities or telecommunications service providers), it is very important to know the specific rules for presenting souvenirs and gifts to such individuals and inviting them to entertainment events.

### **4.5.1 Receiving and Offering Souvenirs and Gifts or Participating in Entertainment**

Souvenirs, gifts or entertainment offered:

- by the employees of INLINE GROUP JSC to its clients;
- to the employees of INLINE GROUP JSC and members of their families

can be divided into three categories: Acceptable, Unacceptable and Controversial.

#### **4.5.1.1 Acceptable**

Accepting and offering social, cultural, and consumer services or business privileges, such as modest souvenirs, gifts or entertainment, is generally accepted in the course of business activities and is intended to create an atmosphere of amiability and strengthens business relationships. Following common sense and restraint, exchanging souvenirs, gifts or entertainment of insignificant value with employees of a non-governmental institution, from time to time, is appropriate, unless the recipient's employer prohibits such practices (it is your responsibility to find out the policy of our partner or client before handing over any souvenir, gift or invitation to an entertainment). The following are examples of what is generally acceptable and does not require permission:

- Receiving or offering souvenirs, gifts or entertainment with a total market value of no more than 5,000 rubles per person (individual or legal entity) per year. This may relate to what an employee of a client or partner receives from INLINE GROUP JSC, or what an employee of INLINE GROUP JSC receives from its client or partner (unless this falls under the Unacceptable category described below);
- In addition, occasional business lunches with a business partner who is not an employee of INLINE GROUP JSC are allowed (the cost of a business lunch or entertainment event should not exceed 2,000 rubles per person), even if the total cost of holding such occasional business lunches throughout the year exceeds 5,000 Rubles;
- Receiving or offering souvenirs, gifts or entertainment with a total cost of more than 5,000 rubles per year per each individual client or supplier is allowed only with the permission of the Director General.

The following examples do not require permission as long as they meet the criteria set out above:

- Tickets for regular sports, theatre, and other cultural events;
- Souvenirs that cost no more than 3,000 Rubles;

- Giving or receiving promotional materials that are of little value, such as pens, calendars, souvenirs with logos, and coffee cups.

#### **4.5.1.2 Unacceptable**

All other souvenirs, gifts and entertainment are absolutely inappropriate either in their essence or form, so they are never allowed, and no one has the right to approve them. The following examples describe what the employees are prohibited to do:

- Offering or receiving cash or cash equivalents, such as loans, stock options, or other financial instruments;
- Offering and/or receiving any souvenirs and/or gifts, or participating in any entertainment or any other events that are questionable or otherwise violate our commitment to diversity and mutual respect, or are likely to cause inconvenience to a client or employee of INLINE GROUP JSC, for example, participating in "adult entertainment";
- Offering souvenirs, gifts or entertainment with a total cost of more than 5,000 rubles per year per each representative of each individual client or supplier, unless you have received a prior relevant written permission from the Director General;
- Receiving souvenirs, gifts or entertainment with a total cost of more than 5,000 rubles per year from each individual client or supplier, unless you have received a prior relevant written permission from the Director General:
  - Consent for the client to pay for your expenses, including souvenirs, gifts and entertainment that are not properly recorded in the company's accounting documents;
  - Using your own money and resources to pay for souvenirs, gifts, or entertainment for a customer or supplier;
  - Offering or receiving souvenirs and gifts, or participating in any entertainment events that are illegal;
  - Offering, receiving or demanding anything (as a condition to agree to do something) in response to an offer of souvenirs, gifts, or an invitation to any entertainment (for example, placing an order in advance);
  - Participating in anything that you know would cause a person offering or accepting souvenirs, gifts, or entertainment to violate their employer's standards;
  - Offering or receiving souvenirs, gifts or entertainment, including "adult entertainment", which, if made public, would put INLINE GROUP JSC in an awkward position.

#### **4.5.1.3 Controversial**

Anything else that does not fall into any of the categories described above should be asked about, since receiving or offering may be either acceptable or unacceptable. Before accepting such a souvenir, gift or entertainment, you will need to get permission from the Director General. The following are examples of when you will need to get a prior permission:

- Offering, receiving or participating in any special events, such as tickets for the final match of the FIFA World Football Cup, which are usually not available for general sale (unless it is part of a special event organized by INLINE GROUP JSC);
- Offering or receiving an invitation to a trip or entertainment lasting more than one day.

When deciding whether to allow something that falls under the Controversial category, the Director General considers the following aspects:

- Whether it is likely that souvenirs, gifts or entertainment will affect your objectivity or the objectivity of any supplier or customer;
- Whether there is any business-related goal (for example, whether business issues will be discussed during the event). What example will be given to other employees;
- How it will look in the eyes of other employees or people who are not related to the company.

## **5 Special Ethical Obligations of Employees Having Access to Financial Statements**

The Finance Department has special responsibility for ensuring data integrity throughout the organization, including responsibility to stakeholders both inside and outside INLINE GROUP JSC. The Director General and employees of the Finance Department play a key role both in their commitment to these principles and in maintaining a corporate culture throughout the company that would ensure fair and timely reporting on the financial results and standing of INLINE GROUP JSC.

This special role obliges the Director General and all employees of the Finance Department of INLINE GROUP JSC to follow the Code of Ethics for the Financial Employees set forth below, and by adopting the Code of Conduct, each of them agrees to perform the following obligations to the best of their ability:

- Act directly and honestly and avoid obvious conflicts between personal and professional interests;
- Provide accurate, complete, objective, timely and understandable information in order to ensure comprehensive, honest, accurate, timely and understandable disclosure of information in reports and documents that INLINE GROUP JSC transfers for storage or submits to government agencies, or in other data provided to the public;
- Comply with the requirements of the applicable laws;
- Act in good faith, in a responsible manner, with due care, competence and diligence;
- Keep confidential any information obtained in the course of work unless otherwise authorized or required by the laws in relation to disclosure of such information. Not to use confidential information obtained in the course of work for personal purposes;
- Share knowledge and maintain the qualifications required for the job; and
- Ensure that all entrusted assets and resources are used properly.

## **6 Communication with the Financial Community and Other Third-Party Organizations**

An employee contacted by a representative of the financial community, the press, or any other third-party organization may not disclose information related to the affairs of INLINE GROUP JSC or any of its subsidiaries without a prior written permission of the Director General. Such information includes, inter alia, answers to questions related to the following issues:

- General direction of business development;
- Doing business in different geographical regions where we have presence;
- The portfolio of orders/supplies of products;

- The lead time of orders;
- Pricing;
- Suppliers;
- New products/technologies; and
- Legal proceedings and disputes.

Any violator of this policy may be subject to disciplinary action, including immediate dismissal.

## **7 Company's Proprietary Information**

The company's proprietary information— means information that has been developed or created on behalf of INLINE GROUP JSC or has been transferred to the company and has commercial value for the business activities of INLINE GROUP JSC, or such information that INLINE GROUP JSC does not want to disclose to the general public. It includes (but is not limited to) programs and subroutines implemented in software, source and object codes, trade secrets, copyright, ideas, techniques, know-how, inventions (both patentable and non-patentable), and any other information of any type related to projects, product specifications, configurations, tools, diagrams, basic developments, algorithms, flowcharts, circuits, work of authorship, formulas, mechanisms, research, manufacturing, assembly, installation, marketing, pricing, clients, salaries and remuneration terms of the company's employees, as well as costs and other financial data related to all of the above or to the company and its operations in general.

The business activities and business relationships of INLINE GROUP JSC are based on confidential information and the proprietary information of INLINE GROUP JSC, as well as of clients, suppliers, etc. with whom we maintain business relations. Each employee must protect the confidentiality of such information. The terms of disclosure or use of confidential information and proprietary information of INLINE GROUP JSC or a third party must be specified additionally in writing. In addition, all employees must comply with the following requirements.

Confidential information may be disclosed on a need-to-know basis only to those employees of INLINE GROUP JSC who need access to it for the performance of their official duties in INLINE GROUP JSC.

## **8 Protection of Information**

Protecting the resources of INLINE GROUP JSC is extremely important to ensure the company's success. All employees of INLINE GROUP JSC must know and comply with the relevant internal local regulations which are accessible on the Intranet portal.

## **9 Laws, Regulations, and Activities Related to Government Agencies**

### **9.1 Public Contracts**

Employees should understand that there may be special requirements when entering into contracts with any government agencies. Since government officials are required to follow a special Code of Conduct and laws, special care should be taken when dealing with public

contracts. Some of the main requirements for doing business with government agencies are listed below:

- A clear understanding which products of INLINE GROUP JSC are subject to public contracts;
- Prohibition of offering or accepting any "incentives", bribes, gifts, rewards, or anything else of value with the intention of winning the recipient's favour (a gift acceptable in the commercial sector may be perceived as a bribe by a government official);
- Prohibition of illegal requests for or receipt of confidential information (for example, sealed bids belonging to competitors) from government officials prior to entering into a contract;
- Current or former government officials can only be hired in accordance with the applicable laws and regulations (as well as after consulting with the lawyer of INLINE GROUP JSC and the HR Department).

## **9.2 Provision of Funds for Political Activities**

No assets of INLINE GROUP JSC, including the working hours of its employees, real estate of INLINE GROUP JSC, equipment of INLINE GROUP JSC or direct cash contributions, are allowed to be placed at the disposal of any candidates of any political parties, committees of political movements, parties or for holding elections without a prior permission of the Director General. Employees of INLINE GROUP JSC certainly have the right to participate in any political activity of their choice as individuals, at their own expense and at off-work time.

## **10 Use of Third-Party Copyright Materials**

Employees may sometimes need to use third-party copyright materials to perform their duties. Before such third-party materials can be used, you must obtain an appropriate permission of a copyright owner. This, however, does not apply to materials, the copyright in which is owned by INLINE GROUP JSC. Such permission may be required regardless of whether the final product, which includes third-party materials, is intended for personal use, internal use within INLINE GROUP JSC or for any other use. Copying, reproducing, scanning, digitizing, sending or changing third-party copyright materials during the development of products and/or advertising or written materials (for instance, manuals, presentations, etc.) of INLINE GROUP JSC, is contrary to the policy of INLINE GROUP JSC and may be illegal unless a written permission of a copyright owner has been obtained prior to their use. Illegal use may give rise to bringing a civil and criminal action for copyright infringement against INLINE GROUP JSC, as well as against individuals. The use by employees of the equipment of INLINE GROUP JSC for the purpose of making or distributing unauthorized copies of third-party copyright materials for personal purposes or for the use by other persons is contrary to the policy of INLINE GROUP JSC.

## **11 Violation of the Code Notification of Violations**

The company's lawyer is responsible for implementing and updating this Code of Conduct. Depending on the nature of the alleged violation, the lawyer must conduct an investigation and determine an appropriate disciplinary action.

INLINE GROUP JSC tends to impose penalties for each violation of the Code of Conduct consistently and, depending on the nature of the violation, up to dismissal, if the circumstances so require.

All employees of the company must promptly report any issues and problems that as they believe in good faith may be in violation of this Code or any other policy of INLINE GROUP JSC. Any such notifications can be made anonymously.

The policy of INLINE GROUP JSC provides for help and assistance for the timely and coordinated implementation of measures to apply this Code, fair treatment of people who report unethical behaviour, objective and clear standards to be followed, and fair procedures for determining violations of this Code and other policies of INLINE GROUP JSC. The policy of INLINE GROUP JSC prohibits prosecution of any employee who has reported in good faith violations of this Code or any other policies of INLINE GROUP JSC.

## **12 Waivers and Permissions**

Any waiver to comply with any provision of this Code of Conduct by any employee of INLINE GROUP JSC or a Director of INLINE GROUP JSC must be approved by the Director General or the Board of Directors. Information on any such approved waiver, as well as the reason for the waiver, shall be made publicly available by any relevant means. Compliance with the requirements of this Code of Conduct by obtaining permission, when required, will not, based on the terms of this paragraph, be considered a waiver of any provision of this Code.

We welcome your feedback on any aspects of the Code of Conduct. You can **send your comments by e-mail at [HR@inlinegroup.ru](mailto:HR@inlinegroup.ru)**

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## HR Management

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### 13 Regulatory references

When developing this QMS documented procedure, the requirements and recommendations of the following regulatory documents were used:

Documented Procedure QMS IG-QM 002-01-2012	The Quality Management System of INLINE GROUP JSC. Document management
DP QMS IG-QM 003-2013	The Quality Management System of INLINE GROUP JSC. Records Management

### 14 Acronyms used

LC of RF – Labour Code of the Russian Federation

SD –Structural Division

TSAB Technical and Scientific Advisory Boards

### 15 Circulation

This document should be read by all employees of the Company.

## 16 Approval Page

**Developed by:**

**Approved by:**

**Verified by:**

Quality Manager

A.L. Sychev

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