

TD Baltic Business Conduct and Ethics

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PURPOSE

Our Code of TD Baltic Business Conduct and Ethics gives you the idea of our ethical principles and the standards of **behaviour**, regardless of your location or seniority. We expect this document to guide everyone who is part of our business community.

We value our reputation as a responsible and professional business partner to a wide range of companies. We believe that complete transparency and fairness in all of our dealings is the only way by which we can maintain our **precious status**.

We expect every one of you to **read, understand and act accordingly** to our Code of Business Conduct and Ethics. We are not expecting you to interpret these standards in your favour. If the situation is specific and requires additional information, you must discuss it with your manager and only then commit an act.

Our Code of Business Conduct and Ethics treats every one of us in the same way. Employees, managers, directors, and board members must all act respectively to our Code of Ethics. There will be no specific supervisors watching your steps: we expect every one of you to be responsible for your actions. We encourage you to speak out about the situations in which our Code of Ethics is broken. Violations of our Code of Ethics will not be tolerated, and there will be consequences, even including termination of employment.

It remains the personal responsibility of EACH of us to maintain the status of a professional and responsible company.

Next Steps

With this document in your hands, it is your responsibility to read and digest its contents.

After you've read and got acquainted with the statements laid out in this document, you confirm that operating within these rules becomes part of your employment contract. Failure to live up to them could be seen as a dismissable offence.

RESELLERS

Principles

We are TD BALTIC – an international IT and consumer goods distribution company. We operate within the norms of the European Union and the Western World.

Since we guide the operation of our company by the spirit of the free market, we avoid anything that could restrict free and fair competition. Things such as collusion with a partner to make access to certain markets difficult for our other partners are unacceptable to us. These norms apply to relationships with all of our partners, including customers, vendors, and suppliers.

Authorised Customers

Many companies would like to be **authorised** buyers from TD BALTIC, but in terms of our Mission Statement, we remain a Business-to-Business Trade Distributor. Therefore, we do have to be careful with whom we trade.

As a company, we have laid down the guidelines for what constitutes a valid 'customer'. Always check whether these guidelines have been met, and in case of any doubt, discuss the problem with your immediate manager. If necessary, you can escalate ever higher, and the board members will make the final call. The criteria of a valid customer will change from time to time, so in the case of any doubt, discuss the issue with the management.

Pricing

Recommended Retail Prices

We cannot, nor do we want to dictate the price at which our customers resell the products and services we offer.

You must not try to restrict a customer's ability to set their price at all. You shall not even quote a 'Recommended Retail' price as well as you cannot force a customer to use it. Nor must you ever even hint that you might try

Competitive Terms

The terms on which we trade with a customer are confidential between TD BALTIC and that customer. You must never disclose one customer's terms to another either orally or in writing as this would be a serious breach of confidentiality.

Contracts

We base all our business relationships with our resellers on long-term sales contracts.

Changes in Contracts

Once a contract has been made you cannot unilaterally change its terms. You must not, without authorisation, alter any 'Standard' terms in TD Baltic contracts.

If ever you need to re-negotiate contract terms you must tread very carefully and check with your local senior management who in turn will have consultations with lawyers. You should also have unofficial discussions with the other parties well before any formal ones to minimise any potential danger or upset.

Terminating Contracts

Unilateral termination of contracts with both vendors and customers can lead to legal problems and must always be seen as a last resort.

Termination of contract must be executed with a great deal of consultation and your complete certainty that all other avenues have been explored. If you decide that termination is inevitable, make sure you speak to your manager first and ensure you have the supporting grounds.

Do not ever discuss a contract termination with anybody but those involved. For example, never discuss one customer's case with another, even after termination. Always stick to the agreed public statement.

Confidentiality

Confidentiality applies both to information we give to customers and vendors. The same rules apply to the information they provide to us.

Before you give any commercially confidential information to anyone not employed by us, you must obtain a signed Confidentiality Agreement. Despite the confidentiality clause being included in the standard reseller contract, you may need a different document for specific situations.

If you do not have an approved document locally, the approved legal service provider has to be involved to prepare one.

You may occasionally be the recipient of confidential information from others. We expect you to treat this with the same degree of respect and seriousness as you treat our information. You must never disclose it to a third party, nor must you use the information unfairly against anyone.

If you are asked to sign a confidentiality agreement, make sure you clear it with your manager first.

All financial results of local companies or TD BALTIC Group is to be considered confidential. The communication of these results is done by the CEO and is covered under separate, specific guidelines.

Other Restrictions

General

According to the EU rules, we cannot limit the free flow of products around Europe. Nor do we try to hinder the export or re-export of goods from one country to another.

But as with every rule, this one also has some exceptions. These situations include restrictions due to local laws or some other territorial regulations.

If you are ever negotiating a deal where these issues come up, make sure to clear it up with your immediate manager or the board members.

Unfair or unethical practices

In general terms, we run our business both ethically and fairly, and anything that can be construed otherwise is not allowed. We provide some specific examples of the practices we do not permit down below. If you ever have any doubts about a practice or an idea, check with your manager.

- We do not make false, incomplete or excessive claims about either our products or our services.
- We do not make unusually advantageous offers on our products to certain customers that might be construed as a bribe.
- We do not give free services, add-on products or promotional items of such value that they could be seen as a bribe.
- We do not pay bribes.
- Our advertising is legal, decent & honest.

Refusal to Supply

Under most circumstances, once a customer is **authorised**, it becomes illegal not to supply them if they meet our contractual terms.

Examples:

- we will not collude with dealer A to not supply dealer B because dealer B undercuts dealer A's price;
- we will not deal with another distributor to not supply a dealer to force them out of business.

It is possible though that we will refuse to supply a certain company. Most commonly, this will be for financial reasons, but other serious reasons do sometimes occur.

If a difficult situation like this occurs to you, please discuss it with your manager.

Exclusive Contracts of Supply

We do not force a customer to buy only from us. We do try to make it unattractive to buy elsewhere by making good deals and providing prolific services. But we do not tie people into exclusive purchasing contracts.

Nor do we require customers not to use a specific competitor. We win our customers by meaningful deals and services, but we don't tie them into untenable contracts.

Bundling

Mandatory bundling is where someone attempts to force a customer to buy an unwanted product to secure a wanted product. We do not do this.

We do allow 'packaging' or 'bundling' to make some purchases more attractive but in all instances, the individual components of the bundle are freely available too.

Tit for Tat Agreements

We do not make reciprocal agreements whereby we will buy products from the specific company only if they buy the product from us. Such agreements are restrictive and do not comply with our ethics.

It is perfectly acceptable to make agreements for mutual trade, but the one must not be conditional upon the other.

VENDORS

Principles

By vendors, we mean companies who supply us with goods and services for resale.

Our Vendors are our partners as are the resellers. As such our vendors should be accorded the same rights as our resellers. Significant differences between vendors and resellers arise mostly because of more complex international origin and global contracts our business is tightened with our vendors.

In summary, rules dealing with our vendors are:

- Honest Dealing
- Confidentiality
- Open and fair competition
- Compliance with the letter and the spirit of the law

Exclusivity

Unlike our reseller agreements, it is not only possible but desirable to have exclusive contracts. Where these exist we will police them vigorously from our side.

In the event of any disagreement or breach, we will always try to resolve it amicably and face to face before resorting to legal methods.

Where no exclusive contract exists we do not attempt to coerce vendors into any kind of exclusive arrangement by preventing them from offering their products or services freely. Of course, this does not prevent you from attempting to re-negotiate an exclusive arrangement at any appropriate time.

Likewise, although we may legitimately sell to our vendors, we never force them to buy from us in return for buying from them.

Local Laws

We expect our vendors to comply with the laws both of the country of manufacture and the country of sale. We insist on written confirmation of this in contracts.

Confidentiality

The same confidentiality rules apply as with resellers. You must never reveal confidential information without permission either to a vendor or from a vendor. Most especially you must not discuss with third parties any particular vendor's business problems or weaknesses.

If you need to give information to a vendor you must obtain a non-disclosure agreement. Such an agreement forms part of the standard contract but as above you may need a specially prepared one from time to time.

All financial results of local companies or TD Baltic Group is to be considered confidential. The communication of these results is done by the CEO and is covered under separate, specific guidelines.

SUPPLIERS

Principles

By suppliers, we mean companies and/or individuals who supply us with goods and services for our own use and not for resale.

As with Resellers and Vendors, they are an important part of our business and should be treated with the same degree of professionalism and care.

The same rules dealing with our suppliers are:

- Honest Dealing
- Confidentiality
- Open and fair competition
- Compliance with the letter and the spirit of the law

The areas of difference are related to the way services are provided.

Proposals and Estimates

In general, you will look for competitive supply because this secures us the best deal.

In a competitive situation, we will provide all potential suppliers with the same information and in the same manner. We won't treat some more favourably than others.

Any refinements or changes to the requirements will be communicated in the same way. You must not be seen to play favourites in a competitive situation.

In a tender or in case of deadline proposals or bids that do not meet the deadlines should not be considered. To do otherwise would make it pointless to have a deadline.

In considering the case for using a particular supplier you must look not only at the costs, both open and hidden but also at the long term. We intend to build partnering relationships with suppliers just as we do with our vendors and resellers.

Honesty and Openness

Just as we do not pay bribes we do not accept them.

Make sure that hospitality or promotional gifts from suppliers could not be construed as a bribe. If in doubt check with your immediate manager.

COMPETITORS

Principles

By competitors, we mean all other companies and/or individuals who can offer our resellers the same or similar goods and services.

Collusion among competitors is illegal by law. It is certainly not our intention to do this with any of our competitors. If you feel under-informed about this matter, always ask your manager for further consultations and specific training.

The following anti-competitive measures are all either illegal or against our principles:

- Price fixing
- Production restraints
- Restricted supplies
- Division of markets

We never enter into such agreements with our competitors.

Pricing

You must not enter into any agreements with any competitor about pricing. This applies equally to agreements, such as discounts, marketing activities, transportation, rebates, etc. that affect prices and conditions only indirectly.

For this reason, we do not help establish minimum or maximum market prices or share information with competitors on future pricing policies or ideas.

Competitive data gathering

Even though we have to be very careful in our dealings with competitors we do still need to find out as much as we can about their business. Just as they do about ours. We use all legal means to find out what we can.

However, we will not condone the use of any illegal methods. We do not trade in stolen material, (for example from disaffected employees), nor do we pay money for illicit information.

Main local competitors

The list below shows the Top-3 distributors of computers, computer peripheral equipment and software vendors (as well as key competitors to TD Baltic Group) in the Baltic States:

- ACC Distribution (part of ACME Group), headquarters in Lithuania, operates in the Baltic States, as well as in Kaliningrad. The group is a distributor of a vast range of worldwide brands, e.g. Dell, Lenovo, Asus, Acer, Microsoft, LG, Samsung, etc.
- ELKO Group, headquarters in Latvia, operates in the Baltic States, has a wider regional presence in Europe and Central Asia. The group is a distributor of a vast range of worldwide brands, e.g. DELL, Lenovo, Intel, Acer, Seagate, etc.
- ALSO Group, headquarters in the Netherlands, operates in the Baltic States and has a presence in 27 countries, offers a wide range of IT products and services offered by Asus, Canon, Cisco, Hewlett Packard Enterprise, HP Inc., IBM/Lenovo, LG Electronics, Microsoft, etc.

Other restrictions

Trade and Professional Associations

At their best, associations are useful places to exchange ideas and knowledge, pick up on gossip & trends as well as news. We must be careful about how we use these.

At their worst, they can be seen as a forum for anti-competitive agreements.

So, we ask that if you attend these meetings you never talk about matters of pricing, market plans or sales plans and especially that you never be seen publicly to enter into discussions with our competitors. Naturally, this does not include normal social contacts or general industry-related conversations.

Other Contacts

The same principles apply to any other contacts you have with competitors. You should not speak about any internal matters, customers' contracts, general pricing or marketing subjects. In event of any competitor's representative attempting to talk with you about these topics, you must loudly opt-out of such a discussion and report the incident to your manager.

This ensures that we are seen to be completely clean in our general dealings and also means that there is no way for the competitor to gain any commercial advantage from your knowledge.

EMPLOYEES AND THE COMPANY

Principles

The rules and principles we follow for all employees of TD Baltic Group are:

- Honest Dealing
- Confidentiality
- Open and fair competition
- Equal opportunities
- Child labour insurance

Compliance with the local law in matters relating to the employees and the company, apply just as much as they do to our resellers, vendors, suppliers, and competitors.

Equal opportunities, diversity and non-discrimination policy

General

Our goal is to recruit, develop and retain talented and professional employees, as well as earn their loyalty. We strive to create and continuously improve a safe and healthy work environment. Creating equal opportunities to become a member of our team, developing as professionals, achieving good work results and constantly participating in the reaching of common goals - these are the qualities we are expecting from, and willing to provide to all of our employees.

The policy aims to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation. We maintain a neutral working environment in which no employee or worker feel under threat or intimidated.

In our activities, we implement the principles of gender equality and non-discrimination on other grounds. It means any direct and indirect discrimination, harassment, sexual harassment, instructions to discriminate based on sex, race, nationality, language, social status, age, sexual orientation, disability, ethnicity, membership of a political party or association, religion, faith, beliefs and based on the intention to have a child (children) due to circumstances unrelated to the employees business characteristics or on other basis established by law are prohibited.

Employees are free to join an employee representative organization.

Recruitment and selection

The recruitment and selection process is crucially important to equal opportunities policy. Through appropriate training, we ensure that our managers and employees who make the selection and recruitment decisions will not discriminate against candidates and recruits, whether consciously or unconsciously.

In addition to these rules, we apply proven best practices for search and recruitment:

- Promotion and advancement will be made on merit and within the overall framework and principles of this policy.
- Job requirements reflect accurately in the personnel specifications.
- Vacancies are advertised following diversity, equal opportunities and non-discrimination principles.

- All applicants who apply for jobs with us will receive fair treatment and will be considered solely on their ability to do the job.
- All employees involved in the recruitment process periodically review their selection criteria to ensure that they are related to the job requirements and do not unlawfully discriminate.
- Shortlisting and interviewing will be carried out by more than one person where possible.
- Interview questions related to the requirements of the job and not of a discriminatory nature.
- Selection decisions are not influenced by any perceived prejudices of other staff.

Enforcement

Our employees periodically participate in training related to the implementation of the principle of equality and non-discrimination.

The selection criteria and processes for recruitment and promotion will be kept under review to ensure that there is no unjustifiably discriminatory impact on any particular group.

These rules also apply to all employment agencies with which the company cooperates or will cooperate in the future

Child labour

A child is defined as anyone under the age of eighteen.

Children under the minimum legal working age (e.g. under 14 in Lithuania) are strictly forbidden to be used in any phase of business operations in a way that leads to exploiting young workers with work that keeps them away from schooling that they are entitled to.

Young worker – any person over 15 and under the age of 18. Young workers shall not perform night shifts, overtime or any other work that is heavy, hazardous or unsafe to their physical and mental health and development.

Health and safety

We try to provide safe and healthy conditions in the workplace and constantly improve them, we ensure the safety of work processes, we take into account the factors harmful to health and dangerous in the work environment, and we implement preventive measures.

In the work environment of all entities of TD Baltic Group, the applicable safety rules are introduced, which are established by laws and internal legal acts. Every worker must be aware of and follow the safety rules applicable to his work environment and him.

Conflicts of interest

General

The principle is that all employees are free to decide on and choose their economic and business activities. However, the company has rights and expectations as well - we want you to ensure that your private activities do not conflict with or embarrass TD Baltic in any way.

If you have any other business activities we expect you to tell your immediate manager. If there are any problems, then they can be sorted out privately, quickly and amicably.

If you don't tell anyone and your activities come to light it may be too late to resolve any conflicts.

Notification of Conflicts of Interest

You should report any actual and potential conflict of interest to your immediate manager, who will then review the situation with senior TD BALTIC management and you will get a written decision to approve or not.

The decision will take into account at least the following:

- Rules not broken
- Rules not broken in spirit
- TD BALTIC reputation
- External perception

Second Jobs

The main principle here is that you may not in any way enhance the business of a competitor while also employed by TD BALTIC.

This means you cannot take up any part-time employment with a competitor or work for them as a consultant or contractor or any other way.

You can work with or for one of our customers or suppliers or vendors, but only with the prior written approval of TD BALTIC. Make sure you talk to your immediate manager before committing yourself to anything.

Above all, you must make certain, and have it agreed, that any second job does not hamper your ability to fulfil your obligations to TD Baltic in any way.

Senior Executive Roles Outside TD BALTIC

So long as your ability to fulfil your role at TD BALTIC is not hampered and you seek permission from TD BALTIC first, we normally have no objection to your holding external positions such as Non-Executive Director in other organisations.

However, you are not permitted to take up this kind of position with any competitor or company that would improve the potential of a competitor (e.g. a consulting role for a marketing company assigned to a competitor).

Any employee being offered such a position with a customer, supplier or vendor must gain approval from the CEO of TD BALTIC group.

Interests in external companies

Just as you may not work for a competitor while working for us, so you may not have a financial interest in such a company.

Equally, you may not have an interest in any company, supplier, reseller or vendor that would create any conflict of loyalties, nor should it even appear so.

Some things to be wary of are:

- Any interest that might affect or appear to affect your ability to make impartial decisions
- Any interest that takes up so much of your time as to affect or appear to affect your work at TD BALTIC
- Any interest which exposes the employee to significant personal financial risk and might upset or be thought to upset their ability to make rational decisions.

Because of the prior arguments, we want you to declare any equity holding of greater than 5% in an outside company. It will help you and your manager to plan for any involvement you may have.

Relatives and Spouses

- Outside TD BALTIC

All individuals are free to choose their career paths and commercial entanglements so TD BALTIC has no problems with the relatives or spouses of employees working for competitors, suppliers or vendors.

However, these situations can be fraught with difficulty for both parties and so we ask for your complete discretion and the utmost care of company information.

Therefore you must never disclose company confidential information to someone close to you who works for one of these companies. Indeed we expect you to maintain the confidentiality of information at all times, but you must be particularly careful with relatives and spouses. Not only are you risking TD BALTIC's commercial advantage, but you may also be harming someone else's prospects outside the company.

- Inside TD BALTIC

We see no problems with relatives and spouses all working at TD BALTIC except where there is a chance of some conflict.

Typically this would be where the relatives or spouse are in a direct line of the report. To ensure there can be neither favouritism nor holding back unfairly we do not allow this to happen. If the situation arises because of promotion, for example, then we would arrange an internal transfer as soon as possible.

Gifts

We do not take bribes or any gift that might be construed so by an outside observer. Apart from the legal aspects, this kind of behaviour is damaging to TD BALTIC's business reputation.

The staff of TD BALTIC are not allowed to derive personal gain from their work for the company. That is why we pay salaries.

There is a fine line between proper and improper gifts. In deciding whether to accept or not you should consider :

- The absolute value of the item
 - Up to €25 is of no consequence
 - Beyond that, you will be expected to hand it over to the company for everyone to benefit from or for some charitable cause
 - Specific sales promotions with the company's written approval don't count.
- What would other people think?
- If you accept will the giver think you are beholden to them?
- Is your decision-making going to be affected if you accept?

You must never put yourself in a position where you or anyone else feels that a 'favour' is owed and you may not be able to make a completely impartial decision.

If you accept hospitality from anyone it must be for a sound business reason such as to cement a deal or improve your business contacts. You should always exercise restraint and never allow yourself to be the recipient of unusually lavish hospitality. If there is any doubt consult your immediate manager.

Business Trips

Occasionally some of our business partners offer trips and visits that they will pay for. It may be OK for you to accept some of these but you must declare it and get written approval from your manager.

It is important that these trips have a real business purpose and that their intention cannot be misinterpreted.

Company Property

We own a great deal of complex and expensive equipment and we also have equipment on loan from our vendors. It is everyone's responsibility to see that the equipment is looked after properly and carefully and does not get unnecessarily damaged.

If you want to personally use company property outside business hours, please first seek permission from your immediate manager.

Company Information

General

We own a lot of valuable and confidential information, much of which is contained in all manner of documents.

You must not release any TD BALTIC document to a third party without express permission from the company to do so.

This applies equally to people inside the company who are not properly authorised. For example, personnel or payroll records should never be passed freely around.

Categories of Confidential Information

Beyond the normal bounds of confidentiality mentioned above we have three special categories of information that are covered by the separate Information Classification Policy which can be found in TD Baltic Knowledge Base:

- **PUBLIC** - non-sensitive and is available for public disclosure, including press releases and information available on the TD Baltic Group website. There are no restrictions for storage, transmission and distribution of such type of information
- **INTERNAL** - not for disclosure to the public or external parties. This information is generally available to employees and authorized non-employees.
- **CONFIDENTIAL** - must be used and handled according to confidentiality agreements and statements, contractual obligations, and specific legal requirements (e.g. personal data protection). Access to this information is restricted to a limited number of authorized employees and external parties. Unauthorized disclosure of such information may result in a negative impact on TD Baltic Group activities including financial loss, legal sanctions and/or reputation damage. Examples of such information can be contracts, the information provided by customers, records containing personally identifiable information (PII) and other personnel records, etc.

You should always consider if there would be an effect on TD BALTIC business if the document were to fall into the wrong hands.

Any information that is not explicitly labelled should be treated at least as **INTERNAL** unless it is explicitly released as **PUBLIC**.

Publications, Press & Public Relations

We are all individually responsible for what statements we make. If your statements, including personal interpretation of the opinion, are unauthorised and are seen negatively or have damaging implications, then we will feel justified in taking serious disciplinary action.

So, don't make public pronouncements unless they have been cleared and then you will not put yourself at risk.

In this arena we include:

- Annual Reports
- Press Conferences, Briefings, Releases on Corporate activities and results
- Informal Statements
- Formal public announcements
- Messages delivered through contacts
- Organised events

All these documents need to be carefully considered as these are the means that we tell the outside world about ourselves. Therefore, any written statements to the media must be first cleared and then released through the Marketing Department.

Publications and Press relations

Any publication relating to the company's overall performance must come only from the CEO and board members and be published through the Marketing department.

You must not engage in this kind of publicity without CEO and board approval.

This means specifically, among other things, that you may **not** comment on your local financial performance but that discussing for example sales trends, market developments and the number of employees is OK.

You must always consider what you say to any enquiries from the press or any conversations with them. You should refer them always to the Marketing department, locally or Corporate, depending on the need as these people are qualified to deal with them properly.

Enquiries on very sensitive subjects (e.g. phenomenally good or poor performance) should be referred directly to the Board.

Any statements referring to overall group performance beyond that published by our Marketing department must first be approved by them.

Other Information

Those of you who have frequent outside contact will always be asked about TD BALTIC business development. You should always be very careful in answering this kind of enquiry and very sure of your facts. You should for example never attempt to comment on something you are not fully qualified to do as this could damage both your personal standing and that of TD BALTIC.

However, as an individual, you are a critically important ambassador of the company and a very powerful means of showing the world how good we are.

Thus it becomes very important to keep up to date with internally published information from newsletters, bulletin boards etc. and stick to what is known from them.

Training, improvement

The company's employees periodically participate in training related to raising their competence and skills. The company also organizes additional training on environmental protection, business sustainability, anti-corruption and employee rights.

Payments

We do not make illicit or illegal payments to anyone anywhere.

To make sure everything is kept and seen to be kept perfectly clean, we have a strict rule about how to make any kind of payment.

Accounting Practices

We only make payment for goods and services against invoices and then only for what was detailed in the invoice.

You should keep proper records of any payments made or received and ensure that they follow local accounting practices.

Political Contributions

We do not make payments, either in cash or kind, for political purposes.

You are of course free to make contributions yourself to anyone you wish for any legal purpose, but you cannot do this on behalf of the company and/or then reclaim from TD BALTIC.

Payments to Third Parties

We do not pay bribes nor do we make any kind of gift or product or service that might be construed as a bribe.

You must never make any payment, gift or loan to a third party unless it has been approved by the local Managing Director.

However, promotional or sales prizes are acceptable provided they have been properly approved in writing.

You have to be careful of Promotional Material or gifts so as they are seen to be genuine promotional material and not in any way improper:

- Gifts up to €25 are acceptable if business-related
- They must fall within local law & business standards.

Any other kind of proposed payment must have senior management written approval first.

ANTI-CORRUPTION PROGRAM

Prevention of Corruption – a policy of TD Baltic consists of monitoring, disclosure and elimination of the causes and conditions of corruption. We established a system of appropriate measures to deteriorate the commitment of criminal activities of a corruptive nature.

General preconditions for corruption in the company:

- Legal - imperfection or absence of legislation or methodologies;
- Institutional - reluctance or fear of employees aware of corruption to participate in anti-corruption activities;
- Specific - one-sided or insufficient information about the provided services, about the rights and opportunities of the customers, about the purchases and orders of the means goods and services necessary for the operation of the company, etc.;

Corruption can have the following consequences:

- Risk of legal prosecution. Corruption is a high legal risk for both businesses organizations as well as their employees
 - the risk of criminal and civil liability for the organization, as well as responsibility for business partners, suppliers
 - for the parent company, there is a risk of liability for the activities of subsidiaries.
- Cost risk. The cost of an organization's involvement in corruption can be very high, in terms of fines, compensation for damage, etc. In the worst cases, corruption can lead threat to the existence of the organization. Corruption damaged reputation can lead to lost business possibilities.
- Financial risk. The real threat is the inability to grow financially and attract investors. To it is difficult for organizations involved in corruption to obtain credit from national and international financial institutions. If it turns out that the beneficiary is involved in corruption, the existing ones may be terminated loan agreements with creditors and financial institutions.
- Reputation risk. Damaged reputation affects an organization's value, share price, and future business opportunities. Organizations with a reputation for unethical practices are considered unwanted business partners, they lose customers, it is harder to attract good employees.

To avoid these consequences is expected:

- To implement a permanent targeted corruption prevention policy, to ensure the effective implementation of the measures of the corruption prevention program planned in the company;
- To identify the areas of the company's activity in which corruption activities and the conditions for its emergence and spread are possible, to provide specific proposals for the organization of work.
- To ensure appropriate and effective control of the organization, implementation and supervision of corruption prevention by legal, organizational, economic and social means.
- To promote intolerance of corruption, to disclose identified cases of corruption;
- To develop an anti-corruption culture in the company

ENVIRONMENTAL MANAGEMENT

TD Baltic implements environmental management activities following the international requirements set in the field of environmental protection and beyond.

We identify training needs, assess the amount and nature of staff training. All employees of the company are being provided with at least basic knowledge of the importance of environmental issues.

We are changing our approach to plastics and packaging to be an even more sustainable company. Abandon plastic completely - not the way out. By using plastic responsibly and giving it value, it is the sustainable way, as we believe.

In our activities, we strive to develop the use of recycled packaging and plastics, thus contributing to a cleaner and more sustainable environment.

Packaging

Being environmentally responsible trade distributor and middleman of the global IT goods supply chain we address attention to these aspects of packaging:

- choosing the right packaging materials
- selecting the right amount of packaging for the environment
- recycle packaging

Many products are under-packaged, sustaining damage that makes for reverse logistics, product waste and many other fees and costs. But just as many products are over-packaged, using far more material than they need to, thereby incurring excess materials, packaging and even supply chain costs.

TD Baltic together with professionals of Third-Party logistics service providers seek to find an optimal packaging that is designed to meet the requirements of our supply chain needs with:

- The right strength and flute of corrugated board
- The right properties and thickness of foam or protective packaging
- The right type and thickness of films or rigid plastics
- The right amount of winds of stretch wrap
- The right location and amount of tape or adhesive
- The right package design and sizing
- Packaging accounting, sorting, storage, marking and disposal policies

Electronic waste

TD Baltic is proud to be a co-founder of Electronics Distributors Association "EEPA" actively participates in the development and achievement of ambitious yearly Waste Collection and Education plans of the Association.

Individually TD Baltic has developed and implemented its industry-standard procedures for marking, accounting and reporting electrical and electronic waste.

TRADE COMPLIANCE PROGRAM

TD Baltic's one of the main objectives as a goods distribution company is to sell and deliver goods to the right end user and location in compliance with European Union and U.S. export laws and regulations and those of any other applicable country.

The rules and principles we follow for selling and delivering goods to the right end user and location are:

- Documentation obligations;
- Identification of red flags;
- Export control and sanctions laws;
- Screening of customers and end use.

Documentation obligations

We collect these documents:

- The purchase order from customer showing quantity and description of goods ordered, corresponding invoice(s) to customer and evidence of payment from customer;
- Proof of delivery documentation including customer name and address to substantiate that goods were delivered to the intended customer / country, such as but not limited to:
 - Delivery document from the carrier or forwarder; or
 - Bill of lading/airway bill that corresponds with the country of ultimate destination of the products; or
 - Company's invoice stamped by the reseller/end-user for the goods.
- Customs clearance documentation, including evidence of product classification decision.
- Tax invoice or tax valuation document.

All documents must be maintained in good condition, traceable and readable, and reflective of actual sales transactions.

Identification of red flags

The products and services we offer CAN NOT be sold directly or indirectly through a third party to prohibited countries or a prohibited country's Embassy or Consulate, regardless of its location, without a required authorization. The prohibited locations are Cuba, Iran, North Korea, Syria and Crimea region. Also the products or services CAN NOT be sold directly or indirectly through a third party to certain people or entities as identified by the U.S. Bureau of Industry and Security (BIS) and Office of Foreign Assets Controls (OFAC). This includes Specially Designated Nationals and Blocked Persons (SDN List), terrorists, criminal organizations and drug traffickers.

Without a required authorization we CAN NOT sell our products if the product's end-use falls into any one of the following restricted categories:

- Nuclear Technology;
- Certain activities related to oil and gas exploration and production;
- Missile Technology, including space exploration activities and unmanned aerial vehicle (UAV or drone) activities;
- Chemical or Biological Weapons;
- Maritime Nuclear Propulsion;
- Military End Users or End Uses;

- Weapons of Mass Destruction.

A red flag is any circumstance in a transaction that indicates the sale or export may be destined for a restricted end-use, end-user, or to a restricted destination. There are 4 indicators that could result in a red flag:

- Place:
 - Companies headquartered in a prohibited country or branches located abroad in a non-prohibited country;
 - Delivery dates are vague, shipping routes are circuitous, final destination is a traditional transshipment point;
 - Customer uses a PO Box or UPS Store as their delivery address;
 - A freight forwarder is listed as the product's final destination or customer has indicated they will use a freight forwarder.
- Purpose:
 - An export license issued by U.S. Government may be required for sales to individuals or entities buying products or services for any of the prohibited end-uses;
 - The customer or purchasing agent is reluctant to offer information about the end-use of the item;
 - The product's capabilities do not fit the buyer's line of business;
 - The customer is unfamiliar with the product's performance characteristics but still wants the product;
 - The customer is a freight forwarder or general trading company located in a traditional transshipment point.
- Product:
 - Some of products require export or import licenses. They include products with advanced encryption capabilities or products specially designed or modified for aerospace/defense end-use;
 - The item ordered is incompatible with the technical level of the country to which it is being shipped, such as semiconductor manufacturing equipment being shipped to a country that has no electronics industry.
- People:
 - Any involvement with a person on a government denied party list, or a person in a prohibited country (e.g. Iran), or a prohibited country bank;
 - Customer or company name contains wording of a prohibited country within the name (e.g., Syrian Airlines);
 - Person looking to use a Government bank of a prohibited country (e.g. Bank of Saderat's Paris branch office);
 - Customer is willing to pay cash for a very expensive item when the terms of sale would normally call for financing;
 - Customer asks to omit or change information from invoices;
 - Customer requests anonymity or is unwilling to provide documents to verify identity;
 - Routine installation, training, or maintenance services are declined by the customer.

Export control and sanctions laws

TD Baltic is familiar and compliant with export controls and sanctions laws:

- Export Administration Regulations (EAR);
- The economic sanctions laws which are administered and enforced by the Office of Foreign Assets

Control (OFAC) of the US Department of the Treasury.

Screening of customers and end use

TD Baltic manually screens company's customers or end-user and identifies any red flags or potentially restricted circumstances.

"Know Your Customer" (KYC) is a main principle of the company in the screening process of customers. Company follows the "Know Your Customer Guidance" of Bureau of Industry and Security (BIS).