



Approved
by Order of the General Director
of PC PULS, LLC
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/M.V. Sirotin/

CODE of Corporate Conduct

Version 1.0

Moscow region, Khimki, 2015

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1. General.

- 1.1. The **Code of Corporate Conduct** (hereinafter – the Code) of the **Limited Liability Company “PC PULS”** (hereinafter – the Company, Pharmaceutical Company PULS) is a compilation of rules, principles, standards forming the basis of creation, operation and improvement of the corporate governance system. The Code formalizes (adjusts, directs) activities and decisions of employees of the Company made by them in the course of business (operations), relying on corporate values, requirements of law and respect to people.
- 1.2. The Company is an organization building its business. It should compose of those people who share its values and sure that the Company’s goals will contribute to their personal goals. Only insofar as values of the Company and each of its employees coincide, mutually beneficial achievement of interests of all of them will be possible.
- 1.3. The Company believes that not only professional knowledge and skill of its employees is important, but compliance of personal qualities with its corporate culture, concurrence of value orientation as well.
- 1.4. Observance of ethical standards and principles helps the Company to avoid unjustified risks, maintain its long-term economic growth, contributes to strengthening of positions on the Russian market and increase of value of the Company.
- 1.5. Goals of the Code:
 - improvement and protection of reputation (image) of the Company;
 - promotion of investment potential of the Company;
 - determination of the basis for regulation of behavior in challenging ethical situations;
 - increase of the corporate culture level.
- 1.6. Main targets of the Code:
 - to contribute to completion of the mission and achievement of strategic values of the Company;
 - to predicate ethical principles of behavior of employees of the Company in their activities;
 - to determine the basis of interaction between employees in the Company;
 - to ensure comprehension of personal liability for performance of their obligations and their role in achievement of the mission to the Company, shareholders, peers, subsidiaries, business partners and customers by employees of the Company.

2. Mission and Values of the Company.

Pharmaceutical company PULS is a Company that rests on trusting, honest relationships with partners and employees. The Company builds in business relying on values and traditions that remain unchanged since the very foundation of the company. The Company believes that it is important to share its success with people doing one business with it. It sees its development in a collaborative handling of tasks arising before its customers and the Company.

We are constantly working on improvement of efficiency of business processes and optimization of costs. Through this we can offer the best conditions to our customers.

We are proud of our high quality service.

We offer our suppliers reliable cooperation and the opportunity to have presence in every region of our country.

We give our employees the sense of self-confidence and the possibility of further professional growth.

Our Mission:

Together we make medicines accessible.

Our Values:

Professional Competence. Professional competence for us – is a fusion of reliability and efficient performance.

Trust. Pharmaceutical company PULS is a time-proven company. We act up to our promises and esteem trust of our partners.

Reliability and Integrity. We work openly and honestly, treating a good care of reputation of our company as a reliable one. A reliable company means responsible people, whom one can always rely on and be sure that they will perform those obligations that they assumed.

Efficient Performance for us is a key phrase. We see all our business as a process dedicated to attaining a goal.

Team Work. We value in people passionate attitude to the common goal, ability to listen to and to hear. Each member of our team is its important link, without which our success will not be complete.

Family Traditions. We maintain warm relations between staff members, resting on the family traditions of trust and goodness.

Positive Attitude. Positive sign thinking is a foundation that we use to build our attitude to life, people, oneself. It has an uncanny ability to change life for the better, and leads to a success without fail. We know that for sure!

Ambitiousness. We set ambitious goals and reach them, feeling pride. We see the world through the prism of indefinite possibilities, and enthusiastically overcome challenges on our road to success.

3. Scope and Procedures of Use.

3.1. Violation of ethical standards is a demonstration of disrespect to all peers, partners, customers, leading to a moral or, possible, material harm for them.

3.2. At the time of employment each employee of the Company reads the Code and signs for it, to confirm that the employee understands and shares rules, principles and standards of corporate ethics of the Company.

3.3. When necessary, each employee of the Company may find text of the Code of Corporate Conduct on the corporate web portal of the Company.

3.4. Heads of all business units are obliged to demonstrate personal adherence to the Code.

3.5. Poor awareness of the Code refusal to sign the controlled copy does not release from the obligation to observe the Code.

3.6. Heads of business units, General Director of the Company, HR Director must assist employees in any questions arising in respect to observance of the Code.

3.7. Improper conduct of an employee is a precedent to apply disciplinary actions against him.

3.8. Each employee of the Company subjected to criticism of its colleagues on an occasion of violation of the Code shall have the right to public hearing.

3.9. The Company welcomes proactive attitude of its employees to prevent violations of the Code. Proactive attitude means self-directed prevention of violations by Company employees in a team, and disapproval of colleagues when precedents become known.

3.10. In order to solve issues pertaining to the corporate ethics the Company creates the ethics committee.

- Ethics Committee is created by the General Director of the Company or by HR service.
- Ethics Committee consists of not more than 3 (Three) people. Permanent members of the committee are: General Director or a person acting for it, and a representative of the HR departments.
- Meeting of the Ethics Committee is minuted. Minutes are kept at the HR department.

3.11. The Code may be amended by the Ethics Committee presided by the General Director of the Company.

Grounds for amendments are as follows:

- Precedents not described in the document;
- Recommendations from founder of the Company;
- Change of strategic course of the Company.

3.12. The Code is prepared based on common principles and rules of international laws, law of the Russian Federation, fundamental provisions of constitutional documents and by-laws of the Company, and strategy of the Company.

4. General Principles of Corporate Behavior.

4.1. Moral standards and principles

- Abidance by universal moral rules and standards, such as: honesty and faithfulness in acts and decisions; ethic integrity and easiness in communication with other people; uncompromising attitude to injustice, violation of moral, ethical and legal standards in any of their aspects;
- Desire to be guided by the universal humanity principle: “Do unto others as you would have others do unto you ” in all activities and acts;
- Demonstration of benevolence in relationships with other people;
- Adherence to interests of the Company.

4.2. Essential requirements

- Consider possibilities of the Company when advocating interests of a customer/partner. If you possible actions in satisfaction of claims of a customer may result in impairment of interests of the Company, lead only from interests of the Company;
- Each employee of the Company in its professional activities should work in such a way, that a customer associates its work with work of the Company;
- An employee should aspire to building a positive image of the Company;
- Company employee should strain after being useful to any member of the team/customer/partner regardless of name of the business unit division where he works;
- Any assumed obligations should be performed within agreed arrangements. Timely notify manager about any impossibility to perform a task. Misrepresentation is worse than late performance.

4.3. Professional competence

- Employees of the Company should ensure observance of regulations (rules and standards) approved by the Company;
- Employee should refrain from consulting customers/partners on matters that does not fall into his competence or do not correspond his qualification, and should refer the customer to a specialist possessing the necessary information;
- Professional competence of employees is based on constant improvement of knowledge and skills.

4.4. Confidential information

- Company employee shall keep secret confidential information of the Company stated in the “Regulations on commercially sensitive information”;
- Employee should not use information about a customer which became known to him in the course of work, for his own advantage or advantage of any third party, or to the prejudice of interests of the customer.

4.5. Seniority

- Any proposals, observations, desires in respect to your activities should be addressed to the immediate supervisor. If you think for any reasons that they should be communicated to a senior manager, copy of the request should be sent to address of the immediate supervisor;
- When requesting information from a neighboring business unit, begin with head of such unit;
- Tuned and established processes do not need any additional involvement of heads of business units, they are handled by specialists at the horizontal level.

5. Interactions in the Company.

5.1. Attitude to colleagues

As each Company employee is first and foremost deemed as investor who actively builds and places its human capital assets, management of the Company assumes the obligation to strictly adhere to the following ethical principles in its day-to-day operations:

- Respectfully, equitably and fairly treat all employees of the Company regardless of their race, ethnical origin, sex, age, marital status, political views;
- Build relationships with employees of the Company in terms of long-term cooperation, solidarity of purposes, respect and consideration of mutual interests;
- Create and maintain friendly psychological climate in the team;
- Constantly improve own professional level and professional level of employees of the Company through the personnel training system;
- Share experience with employees of the Company, spread best methods and techniques;
- Do not use official powers and possibilities to derive personal benefits;
- Do not use own work time, work time of employees and entrusted property of the Company for personal purposes;
- Do not withhold information requested by an employee, business unit to perform their duties;
- Deliver critical feedback about operations of the Company in general or individual business units or employees openly, providing necessary facts and convincing evidence.

5.2. In the course of employment Company employees shall:

- Proceed from interests of the Company;
- Adhere to corporate values;
- Perform job duties with due diligence;
- Observe requirements of laws of the Russian Federation, internal code of conduct, articles of association and by-laws of the Company, perform resolutions of its management bodies, orders and ordinances;
- Be honest and orderly in business relationships, refrain from any unfair practices;
- Treat colleagues and all representatives of customers and business partners of the Company respectfully and politely.

5.3. The Company undertakes to perform the following obligations in its relations with officials and employees of the Company:

- Employees of the Company are employed, trained and promoted in carrier based on correspondence of their professional qualities (skills, knowledge, competence, experience) to job requirements, regardless of their race, religion, sex, age, ethnic origin, marital status or other grounds;
- The Company intends to create a working environment promoting professional growth, create an atmosphere of collective interaction;
- The Company undertakes to keep confidential personal data of officials and employees of the Company. Only those personal data may be collected which are necessary for efficient

operation of the company or required according to local laws in places of presence of the Company;

- The Company ensures favorable work conditions for employees and provides social and medical support within the collective bargaining agreement and the appropriate programs applicable in the Company;
- The Company considers occupational safety of its employees a matter of prime importance, and intends to observe regulatory requirements in this field rigorously.

6. Interactions with the Founder of the Company, its Customers, Partners, Other Legal Entities and Individuals.

- 6.1. The Company guarantees to its Founder observation of all rights established by applicable laws of the Russian Federation and constantly works to make enjoyment of rights by shareholders simpler and more accessible.
- 6.2. As a commercial company, one of whose targets is to derive profit, the Company strives to increase profitability of its business operations within tasks and limitations set by shareholders and laws of the Russian Federation.
- 6.3. The Company builds its relationships with customers and partners based on:
- Mutual trust and consideration on interests;
 - Observation of common standards of behavior and business customs;
 - Refusal to participate in shady dealings;
 - Timely prevention of conflict situations and maximum use of constructive negotiations to settle any arising discrepancies;
 - Refraining from any acts that may cause damage to interests of the other part, mutual respect and trust.
- 6.4. The Company aspires to ensure high quality, economic attractiveness and competitiveness of provided services.
- 6.5. The Company builds its relations with counterparties on the basis of mutual benefit and selects them primarily by bidding procedures.
- 6.6. The Company performs its obligations to counterparties in an honest manner, and seeks for the same attitude from its counterparties.
- 6.7. The Company makes efforts to reduce risks of appearance of corporate conflicts.
- 6.8. The Company understands the importance of settlement of corporate conflicts in a pre-judicial procedure and aspires to settle disputes in negotiations.
- 6.9. The Company conducts its business with due consideration of social responsibility, paying special attention to charity.
- 6.10. Company employees shall observe the following rules regardless of a business unit where they are employed:
- Aspire to maintain formal business style, so that a customer would never get an impression that a company employee may go against its interest;
 - Proceed from interests of the Company in all its acts and words;
 - Do not mislead a customer in respect to intentions of the Company or information about products and services of the Company;
 - Do not switch to any relationships that may be ambiguous;
 - When conversating with a customer, do not use careless comments about the customer, other customers and partners, its Company, competitors;
 - Do not provide any negative or ambiguous opinions about operations of the Company;
 - Avoid careless or intentional commenting on weak points of its Company;
 - Promptly respond on inquiries from customers (changing needs of customers);
 - Build fair and business relations with employees representing the Company at all levels;
 - In communication with a customer proceed from the assumption that this very customer is interesting for the Company, with all its individual peculiarities, but at the same time act within established standards and price targets adopted in the Company;

7. Interactions with Competitors.

- 7.1. We build fair relations with all companies, including our competitors.
- 7.2. In all fields of its business the Company strives for partnership, fair, free and open competition.
- 7.3. We do not use unfair methods in our practices.
- 7.4. Illegal forms of business, rush toward abnormal profit that violate principles of equal possibilities to all entrepreneurs, are alien to us.
- 7.5. Discrepancies and disputes are mainly settled through negotiations and search for compromises.
- 7.6. The Company builds its relationships based on observance of laws of the Russian Federation, by-laws of the Company, standards and rules of business ethics, and the Code.

8. Observance of Business Ethics Standards.

8.1. The Company observes requirements of applicable laws and regulations of those countries and regions where it operates.

8.2. Each employee of the Company should observe requirements of laws applicable to the Company, and requirements of any internal policies, procedures and other regulating documents of the Company prepared according to applicable laws.

8.3. Employees of the Company should not participate or assist other persons to participate in any acts that violate legal requirements applicable to the Company, requirements of internal policies, procedures and other regulatory documents of the Company.

8.4. The Company aspires to build and maintain strong relationships with public authorities. The Company undertakes to ensure reliability and completeness of delivered information in cases when public or regulating authorities submit a request due to an inspection or investigation.

8.5. Each employee of the Company shall refrain from any acts that may lead to the conflict of interests. Conflict of interests arises when an official or employee of the Company has any personal, financial or other interests that could interfere with performance of obligations in the best interests of the Company.

8.6. The key requirements in prevention of the conflict of interests include:

- Company employees should not have personal interest in business of those companies who are customers, counterparties, competitors or partners of the Company (take management positions, be an employee or member of the board of such company; have significant participation (in the form of property as shares or stocks, or other financial interest); receive loans on beneficial terms or guarantees on personal obligations from such company, or conclude any other personal financial deals when it contradicts to interests of the Company).
- Company employees should not by public officials serving in any public authority or public institution with whom the Company cooperates, or which perform controlling, supervisory or regulatory functions in respect to the Company.
- Management of the Company should advise the Founder of the Company about its intention to perform a deal which can be defined as a related-party transaction. Such deals may be performed only subject to approval of the Founder of the Company.

8.7. In case of any conflict of interests a Company employee having personal interest in the deal according to the clause 8.6. hereof should completely abandon making decisions on such deal, which will allow in the future to eliminate any possible claims about prepossession and partiality. Company employees should also immediately advise about any conflict of interests their immediate supervisor and, if necessary, Founder of the Company.

8.8. In the course of performance of their job duties employees of the Company shall act in the best interests of the Company and postpone their personal interests to its interests.

8.9. An employee of the Company should not use corporate property, information or its position in the Company to:

- receive gifts, remuneration and other benefits for him personally or other persons in exchange to provision of any services by the Company, performance or omission of certain acts, provision of information considered a trade secret or insider information;
- receive gifts, remuneration and other benefits for him personally or other persons in the course of performance for the Company, either before or after negotiations held to conclude civil contracts or other deals;

- receive services, loans from affiliates, except credit institutions or persons offering similar services or loans to third parties on comparable terms in the course of their business.

8.10. Property of the Company may be used solely to the Company's business, and may not be used for any purposes contradicting to laws of the Russian Federation, by-laws and interests of the Company.

8.11. Employees of the Company bear liability for protection and proper use of property of the Company. They shall, among other:

- act with proper care in order to prevent theft, damage or misappropriation or offense against property of the Company;
- promptly notify their immediate supervisor about any actual or suspected theft, damaging or misappropriation or offense against property of the Company;
- ensure integrity and protection of all software and computer data, as well as information on hard copies, from inadvertent access of other persons;
- use property of the Company solely for legal business purposes stipulated in their job descriptions;

8.12. Company employees may present gifts to customers or partners of the Company or receive those from them, if a gift cannot be deemed as an inducement for making a decision in interests of the giving person, with due consideration of the section 6 of the Code. All expenses made for gifts should be recorded in expenses reports.

8.13. The Company allows exchange of gifts and entertainments with the following limitations:

- business breakfasts, lunches, dinners and entertainments with cost not exceeding limits established by the Company for such expenses, provided that purpose of a meeting or attendance of an event is a business purpose; use property of the Company solely for legal business purposes stipulated in their job descriptions;
- gifts, including corporate gifts with logo of a presenting person (diaries, calendars, wt.) and gifts made during annual, professional and other celebrated holidays (e.g. New Year, Christmas, anniversary, etc.) within value limits prescribed in regulatory documents of the Company;
- gifts and rewards for achievements or contributions to development from social action, charitable or religious organizations within value limits prescribed in regulatory documents of the Company.

8.14. Company employees should take measures to refuse from a gift or return a gift that does not comply with the above standards. If a gift cannot be returned, an employee of the Company should immediately notify its immediate supervisor or HR director about receipt of the gift, who may direct to send the gift to the appropriate charitable or social activity organization.

8.15. Employee of the Company has access to different confidential and insider information that may be of interest for competitors or, in case of disclosure, may cause damages to the Company, customers or partners of the Company. Employees of the Company should keep confidential information about the Company or third parties with whom the Company conducts business transactions, except cases when disclosure of information is approved according to requirements of laws and internal regulations of the Company.

8.16. Employee of the Company shall keep confidentiality of information after termination of employment relationships with the Company, and not use such information for his personal purposes. Unauthorized disclosure of confidential information may impair competitive ability of the Company or customers of the Company, and may be grounds for bringing officials, employees of the company or the Company to liability.

8.17. Confidential information and insider information may be disclosed according to procedures prescribed by laws of the Russian Federation, Articles of Association and by-laws of the Company. Any disclosed information pertaining to confidential and insider information should comply with requirements prescribed by laws of the Russian Federation, Articles of Association and by-laws of the Company, and should not contain any unfaithful information.

8.18. The Company shall deliver timely and reliable information according to requirements of applicable laws. In case of disclosure of financial information the Company observes all requirements and rules applied to prepared statements and other reports about business of the Company.

8.19. All financial and accounting transactions are subject to precise and complete recording in ledgers and financial statements of the company according to applicable laws.

8.20. Misrepresentation of data is deemed equal to fraud and is subject to the appropriate liability.

9. Anti-Corruption Behavior.

9.1. The Company confronts bribery or corruption. Company employees should observe the following anti-corruption laws applicable to the Company, employees of the Company.

9.2. Principles of inadmissibility of corrupt practices:

- Favoritism to customers and suppliers of the Company, and any non-objective assistance in performance of business transactions are unacceptable.
- No business success can be justified, if it implies cultivation of corruption.

9.3. A Company employee may not:

- Offer, attempt to receive or receive gifts or services in exchange for favorable treatment or receipt of any advantages in business.
- Receive gifts in cash or similar valuables.
- Concede that gifts and hospitality affected business decisions made by him or appearance of a sense of such influence in other people.

9.4. A Company employee may:

- Accept inexpensive gifts due to commonly celebrated events (holidays, promotion in carrier, wedding, retirement, etc.), if:
 - they are not systematic;
 - the Company employee did not ask for a gift;
 - disclosure of information about the gift will not put the Company or presenting persons into an unpleasant position.
- Accept invitation to sport or entertainment events (including to a restaurant), if:
 - there is a sound reason related to production activities;
 - an event is not very expensive and not very eccentric.
- Present corporate gifts and offer participation in reasonable entertainment events to business partners. At that any gift or offer should:
 - promote legal business interests of the Company;
 - not cause any inconvenience to the Company or its recipient in case of disclosure of information.

10. Enforcement of the Code.

10.1. Enforcement of the Code is performed by General Director of the Company. General Director of the Company reports to the Founder of the Company about practices of observance of the Code.

10.2. If there are any grounds to consider that a Company employee violate laws of the Russian Federation, Articles of Association or by-laws of the Company, including this Code, by its acts, or perform any other actions which may negatively affect reputation of the Company, they should be reported, as appropriate, to an immediate supervisor.

10.3. Immediate supervisor of the reporting person, upon receipt of a notice about acts that may cause damage to image and reputation of the Company, shall arrange according to the established procedure a check of its facts, and shall take steps to prevent unfavorable consequences.

10.4. To check facts of the received report about acts that may damage image and reputation of the Company, the immediate supervisor initiates convening a meeting of the Ethics Committee, which will make an objective and impartial decision after consideration of the issue.

10.5. Each person reporting acts that may damage image and reputation of the Company is guaranteed confidentiality of information about the fact of reporting. If a reporting person presents false facts discrediting honor and dignity of the other person, the reporting person may be brought to liability stipulated in laws of the Russian Federation.

10.6. The Company guarantees that sanctions will apply only subject to results of an objective consideration of circumstances of the violation, with due consideration of its seriousness and any acts of a person to eliminate its consequences.

10.7. According to the Company rules, any employee who violated requirements of the Code will be subject to disciplinary measures, including potentially dismissal/termination of contract, omission of incentives (bonuses), refusal to promote, and other measures based on actual circumstances of each individual situation, and according to applicable laws.

11. Final Provisions.

11.1. This Code is approved by the General Director of the Company and commences from the date of approval hereof.

11.2. Any amendments to the Code shall be approved by the General Director.

11.3. Within 2 (Two) weeks from approval of amendments to the Code by the General Director, all employees of the Company should obligatory read the text.

11.4. Text of the Code is published on website of the Company www.puls.ru and on the internal corporate portal of the Company.