

CODE OF BUSINESS CONDUCT AND ETHICS

ENERGO-PET is the leading producer of PET bottle preforms on the territory of Serbia. As a company and as a team, we are oriented towards quality improvement of products, services and work, under the slogan

"ONCE YOUR PARTNER - ALWAYS YOUR PARTNER!"

ENERGO-PET has established the code of correct business conduct of each employee towards, suppliers, contractors and other employees. Our opinion is that the ethical code must be observed in everyday work and relationship towards the environment.

The results of our long-term work are incorporated in the trust our customers have towards our products and services. This is the value that each employee must protect and improve by expressing respect towards colleagues, customers, suppliers and shareholders.

So, each employee is expected not only to observe the existing principles and regulations but also to contribute to further building of ENERGO-PET's reputation.

Basic ethical principles according to which Company operates are, in the first place, protection of human and work rights, work safety, environmental protection, prohibition of discrimination and observance of all laws regulating to our operation.

All employees, seasonal laborers, contractors and other outsourcing companies that work on the factory's location or in Company's name are obliged to familiarize with the Code of Business Conduct and Ethics and must observe it.

Principles and rules of business ethics

Observance of principles and rules of business ethics means but is not restricted to:

1. professional performance of business activities;
2. conscientious and complete adoption and performance of obligations and responsibilities;
3. performance of business activities in the manner that does not endanger professional reputation;
4. using of allowed means for achievement of business objectives;
5. observance of rules relating to incompatible activities;
6. keeping of Company trade secrets;
7. avoidance of collision between personal and interests of Company;
8. performance of business activities so as not to harm existing shareholders' interests, members or associates;
9. performance of business activities that increase the value of Company's capital;
10. abstaining from using of political influence or pressure for achievement of business objectives;

11. *bona fide* realization of business co-operation with other business subjects;
12. settlement of disputes with business partners by negotiations or mediation, with attempt to continue business relations;
13. respect of intellectual property rights;
14. performance of business activities in accordance with environmental protection regulations;
15. respect of business ethics standards and contribution to further affirmation of business ethics.

Purpose of the Code

Objectives of the Code are:

1. to contribute to performance of Company's business activities in the spirit of business ethics, good business practice and principles of conscientiousness and honesty,
2. to enable the transparency of Company's business.

Persons to whom the Code concerns

Principles and rules of business ethics oblige all Company's employees, agents and members of boards of directors and executives, supervising and auditing boards as well as all contractors engaged by the Company.

Relation to laws and other codes

The Code does not affect application of laws regulating Company's status, rights and responsibilities.

Disrespect of the Code exists independently from responsibilities imposed by applicable laws and it will be sanctioned.

Code application

Each act contrary to respect of principles of business ethics, acts contrary to the rules of this Code as well as any other acts generally considered as breach of business ethics will be considered as breach of business ethics.

Procedure for protection of business ethics

Existence of breach of business ethics is defined by Company's management.

Protection of business ethics i.e. procedure for protection of business ethics may be initiated by an interested party, a subject participating in transactions and each customer and user of services.

BASIC PRINCIPLES

Principle of personal responsibility

ENERGO-PET performs in accordance with the Code's provisions and is responsible for its breaching as well as for the cover-up of unethical conduct of other business subjects and employees.

Principle of business legality

Ethical conduct in business activities is based on respect of laws, other regulations, contracts between business subjects and business practices.

It is not allowed to incite disrespect of laws and cover up breach of laws.

Company's operations must be in compliance with laws and regulations of the Republic of Serbia.

Principle of conscientiousness and honesty

In establishment of business relations and realization of rights and responsibilities, ENERGO-PET and all employees are obliged to adhere to the principles of conscientiousness and honesty.

Prohibition of abuse of rights

It is prohibited to exercise law in business relations adversely to the objective for which it is established or recognized.

Respect of business partners

ENERGO-PET and their partners are obliged to express respect and appreciation in their mutual business relations.

Conduct of negotiations

Business ethics requires that ENERGO-PET should send offers and commence negotiations only if there is intention of agreement conclusion.

It is considered that intention of agreement conclusion did not exist if Company had cancelled agreement conclusion with no justified reasons.

Composition of agreement provisions

Upon agreement conclusion, ENERGO-PET is obliged to compose agreement provisions in the manner that leaves no doubt concerning their sense or meaning.

In the case the agreement is concluded according to contents printed in advance (pro forma agreement) or the agreement is otherwise prepared and proposed by a contracting party, unclear provisions will be interpreted in favor of the other party.

Contract elements imposed by pro forma agreements, use of difficult economic situation, threats, cheating or delusion are not in accordance with business ethics if they undermine equal positions of contracting parties.

Contract elements that are not in proportion with business risk taken by the contract will be considered as contrary to business ethics.

Prohibition of conclusion of fictive and simulated agreements

Contracting relations must reflect real subject of business relation.

Fictive and simulated agreements are not allowed.

Duty of obligation fulfillment

ENERGO-PET is obliged to responsibly execute obligations defined by laws or agreements.

Execution of obligations and realization of rights

In executing their obligations, ENERGO-PET is obliged to act with increased attention towards professional rules and practices.

Peaceful settlement of disputes

ENERGO-PET inclines to settle all disputes amicably with intention to continue business cooperation.

Disputes may be settled by negotiations, mediation or reconciliation.

If dispute is not settled in any of anticipated manners, it may be settled in proceedings in front of arbitrators or court.

INTERIOR RELATIONS

RIGHTS AND RESPONSIBILITIES OF EMPLOYEES

Prohibition of discrimination

Relations among employees of ENERGO-PET are based on respect of human dignity and appreciation of human rights.

Upon establishment of or during employment, persons to whom Code provisions refer enjoy equal rights and may not be restricted in fulfillment of rights with regard to gender, race, skin color, language, religion, national or social origin, relation to national minorities, membership in political or trade union organizations, wealth, birth or any other status.

Entitlement to healthy work environment

Employees are entitled to clean and healthy work environment and protection at work.

Employees may not be exposed to health and other risks if they are not provided with appropriate information, training or insurance from consequences of such risks.

ENERGO-PET provides protection at work in compliance with appropriate regulations.

Prohibition of drugs and alcohol use

It is prohibited to take drugs or alcohol during performance of jobs and work duties.

Entitlement to professional improvement

ENERGO-PET invests in professional improvement of employees and creates incentive conditions for creative work, in accordance with Company's possibilities.

Entitlement to wages and limited work hours

Employees are entitled to wages for their work whose amount is determined in compliance with regulations and according to work performance, qualifications, experience, conditions and duration of work.

Work hours are adjusted to legal provisions and all variations are defined by employment agreement.

Wages and work compensations are paid on time and in compliance with laws, collective agreement, regulations and employment agreement.

Respect of employees' political rights

Employees are entitled to take active part in political life, after work hours and outside the workplace.

ENERGO-PET will not allow influence on employees by threats, pressure or promise of award in order to join a political party, support a political candidate or participate financially or in any other way in a campaign of a political party, movement or group.

ENERGO-PET does not condition the realization of the right to work, or any other rights, on political engagement.

Prohibition of use of professional position for political purposes

It is prohibited to use professional position or Company's property for providing support to a political candidate, political party, movement or group.

Employees of ENERGO-PET are not allowed to point out their position in Company when they stand up in the name of political party, movement or group.

Organization and actions of trade unions

Code's provisions regarding political engagement do not refer to organization and actions of trade unions.

Leave due to political duties

Employees of ENERGO-PET who perform political functions or activities that require absence from work are entitled to leave without pay.

If political activities affect the quality of job performance, these persons may be asked to decide if they will retain the work status in Company or perform political functions and activities.

Rights of employees in case of breach of legal or contractual rights

In case of breach of legal or contractual rights, employees or persons engaged on contractual basis have the right and obligation to initiate procedure inside Company.

If dispute is not settled, employees or persons engaged on contractual basis have the right to turn to trade union and protect their rights in court.

Protection of information about employees

Information about employees represent confidential data and enjoy special protection.

Information about candidates for workplaces may be used only for employment purposes.

Employees have the right to be informed about procedures of gathering and manner of use of information about them and their activities during employment.

Information about employees may not be disclosed to third persons except for the needs of proceeding being held in front of competent authority and only based on official order.

Protection of persons with permanent or temporary special needs

Persons with permanent or temporary special needs have the same rights as other persons upon employment, performance of work duties and other activities, with special regard to their special needs.

**POSITION OF COMPANY'S MANAGEMENT, EMPLOYEES AND PERSONS ENGAGED
ON CONTRACT BASIS**

Fiduciary duty towards Company

All employees have duty to perform in Company's best interest.

Duty of conscientious business estimation

All persons employed in Company are obliged to perform their jobs conscientiously, with attention of a good businessman, in reasonable belief they perform in best Company's interest.

Conflict of interest

All persons employed in Company are obliged to perform assigned jobs so as not to subject Company's interest to their private interest or to inflict conflict between them.

Conflict of interest exists when employee makes decisions or influence decision making so as to gain material or non-material benefits for himself or for persons related to him.

Personal interest

Personal interest exists when person employed in Company may influence decisions or Company's legal transactions and thus realize benefits for himself or other persons, obtain rights or advantages or in any other way create benefits for himself or other persons.

Personal interest is considered to exist if employee or member of his family is:

1. contracting party in legal transactions with Company;
2. in financial relation with person who concludes contracts with Company, performs legal transactions or business for him or has financial interest in contracts, transactions or business on the basis of which he can be reasonably expected to influence his performance in opposition to Company's interests;
3. under controlling influence of party who concludes legal transactions with Company or performs business for him or is under controlling influence of persons who have financial interest in legal

transactions or business so that they can be reasonably expected to influence his performance in opposition to Company's interests.

Members of employee's family are considered to be:

1. spouse, spouse's parents, brother or sister;
2. child, parents, brother, sister, grandchild or spouse of any of these persons;
3. first-degree blood relative or collateral relative to the second degree of kinship, adopter or adoptee, in-law in first line;
4. other persons who live with the person in the same household.

Obligation of avoidance of conflict of interest

Person employed in Company is obliged to avoid conflict of interest and specifically not to:

1. use Company's property for own interest;
2. use Company's confidential information to increase personal and other persons' property;
3. abuse position in Company to increase personal and other persons' property.

Authorization of legal transaction in case of conflict of interest

Person who concludes legal transaction with Company does not breach the rule on prohibition of conflict of interest if the legal transaction is in *bona fide* authorized by Company members, members of board of directors or shareholders' assembly.

The authorization is valid if Company members, members of board of directors or shareholders who decide about it are familiarized with all facts related to personal interest.

Prohibition of conflict of interest is not considered to be breached if it is proven that legal transaction was in Company's interest at the time of conclusion or at the time of realization.

Prohibition of competition

Persons employed with Company may not, directly or indirectly, be engaged in another competitive company unless they are authorized to do so.

Prohibition of engagement especially means:

1. employment;
2. entrepreneurship;
3. status of partnership or complementary;
4. status of controlling member or shareholder;
5. status of member of Company's body;
6. status of Company's representative;

7. status of Company's liquidator;
8. contracted authorization to manage a business subject.

Consequences of breach of prohibition of conflict of interest and prohibition of competition

Besides the right on indemnification of damage, the breach of prohibition of conflict of interest and the prohibition of competition makes Company entitled to:

1. recognize operations effected by the person for his own account as operations effected for Company's account;
2. transfer any amount of money realized in transactions effected for the person's account to Company's account;
3. cede all claims coming out of transactions effected for personal account to Company.

Rights belonging to Company based on the above mentioned may be realized within 60 days from breach discovery and at the latest within three years from the day of breach.

Keeping Company secrets

Persons employed with Company, members of its organs and all other persons who perform contracted business activities in the name and for the Company's account are obliged to keep Company secrets obtained by performing the activities.

Company secret is considered to be any information or data whose unauthorized disclosure to third persons could harm Company's interests or could be useful to competition.

Information or data disclosed in proceedings in front of competent authorities is not considered to be Company secret.

Confidential information include data that refer but are not limited to:

1. negotiations, contracts with business partners, customers and other persons as well as Company's business plans not known publicly;
2. other business transactions in progress or about to occur, especially if they refer to changes of legal status or changes of ownership structure;
3. researches and Company's further development, patents and innovations;
4. data about business partners, customers or employees;
5. technology used by Company;
6. know-how;
7. unpublished information about products and services;
8. unpublished financial and accounting information;
9. other information whose publishing may affect the price of Company's shares.

Measures of protection of confidential information

With the aim of fulfilling the obligation of keeping Company secrets, persons employed with Company, members of Company's organs and all other persons who perform contracted business activities in the name of and for Company's account are obliged to sign statement by which they are obliged not to disclose information of confidential nature to third parties.

Employed persons:

1. have the obligation to ensure protection of confidential information even after termination of employment or contractual relationship with Company;
2. may not take possession of, make a copy of or retain any document containing confidential information after termination of employment or contractual relationship with Company;
3. are responsible for damage caused to Company if with regard to confidential information i.e. their disclosure they do not act in compliance with laws, other regulations and the Code.

Exceptions from prohibition of disclosure of business secret and confidential information

Obligatory publication of information related to infringement of law, good business practices or business ethics principles is not considered to be disclosure of Company secrets or confidential information.

Prohibition of use of confidential information and business possibilities for personal interests

Employees, members of Company's organs and members of their families may not use confidential information and business possibilities for obtaining of material and non-material benefits for themselves and for related persons.

With the aim of fulfilling this obligation, employees, members of Company's organs and members of their families specifically may not:

1. use information obtained on the basis of their position in Company for personal purposes;
2. use business possibilities for which Company is interested or could be interested for personal purposes;
3. cover information they obtained on the basis of their position in Company which could be important for decision making in Company.

Prohibition of corruption

Employees, members of Company's organs and members of their families may not offer, give, put in perspective, promise or accept money, things, right, services, gifts of higher value or a possibility of influence on another person who is in business relation with Company.

Gift of higher value is considered to be money, things, rights or services as well as any other benefit obtained or performed without payment of appropriate money compensation, with compensation at the price much lower than the market price or without appropriate counter indemnity deed whose value exceeds one half of the amount of average monthly net wages in the Republic of Serbia.

It is allowed to accept and give gifts of lower value unless acceptance of such gifts represents a condition for business conclusion or brings the donor in a more favorable position in relation to competition.

Acceptance of invitation to lunch or any similar invitation which is a part of a generally accepted business practice which is not considered to influence decision making is allowed as an expression of showing kindness toward business partners.

PROTECTION OF COMPANY'S PROPERTY

Treatment of Company's property

Protection and increase of Company's property is of crucial importance for providing of regular performance of undertaken obligations and the quality of operating.

Obligation of protection of Company's property

Employees of ENERGO-PET are responsible for protection, increase and sensible use of Company's property.

Appropriate procedure will be initiated against employee who intentionally or out of blunt disregard inflict harm to Company's property.

Responsibility for assigned objects

Company's employees are responsible for protection and sensible use of object that make up Company's property and which are assigned to them for job performance.

The person who in performance of job duties uses Company's money or money that will be compensated to him must submit appropriate documentation.

KEEPING OF BUSINESS DOCUMENTATION AND RECORDS

Obligation of keeping business documentation

ENERGO-PET is obliged to keep business documentation and compose financial statements in compliance with laws.

Business documents must truthfully and objectively present the state of property, capital and liabilities and operating results.

Business documentation and financial statements must be prepared within time limits laid down by laws.

Obligations related to keeping of business documentation

Persons responsible for keeping of business documentation and composition of financial statements especially may not:

1. fail to fulfill the obligation of entering any object or fund that must be registered in business documentation and financial statements;
2. enter false information into business documentation and financial statements;
3. change information contained in business documentation and financial statements without authorization and after performed audit procedures.

EXTERIOR RELATIONS

RELATION TOWARDS CUSTOMERS

Respect of customers

Respect of customers and pursuit to satisfy their needs is the basic characteristic of Company's relation towards customers.

Duties towards customers

In relation to customers, ENERGO-PET is obliged:

1. to act in accordance with business ethics and respect customers as business partners;
2. not to discriminate customers with regard to kind, quality, price of products and services or quantity of products as well as with regard to terms of delivery of purchased products or to terms of providing services to customers;
3. to respect all contracted and legal standards referring to product characteristics and manner of service providing which protect safety and health of customers;
4. to precisely and clearly inform customers about product or service (contents, safe use, maintenance, storage and disposal) including obligatory display of necessary information on the label;
5. not to undertake activities by which false image about products or services is created;
6. to take in consideration customer's interests by enabling him a choice among several products of the same kind, clearly indicate the prices of offered products, provide, in compliance with laws, warranties and obligatory servicing;
7. to cooperate with customers regarding complaints by creating easily accessible and efficient procedure for their submitting and resolving;
8. to issue invoice;
9. to make sure that use of their products does not endanger environment;
10. to take in consideration the customer's privacy and provide protection of their personal information.

Prohibited behavior towards customers

It is prohibited to:

1. refuse to sell a product which is displayed or in any other way prepared for sale or refuse to provide a service that can be performed;
2. condition sale of product or providing of services by sale of another product or providing of another service.

Prohibition of deceit and deceiving advertisements

It is prohibited to deceive customers by offering and advertising products and services and providing incorrect and false information, covering up information about products and services that are of crucial importance for customer's decision making as well as by any kind of presentation by which the receivers of offering or advertising are brought to delusion.

Deceit is considered to be:

1. advertising of own products or services in exaggerated manner, when Company is presented as only distributor of product or when Company's product is advertized as the best;
2. sale of product to customers without warning about consequences that may arise by long-term use of the product;
3. sending of offer that does not contain sufficient information for correct decision making or contain false information;
4. use of customer's inexperience, credulousness, fear or neediness;
5. advertising of own products or services by comparison with competitor's products of services or by damaging competitor's reputation.
6. advertising by indicating low prices in comparison to the prices of competitor's products or services as well as advertising by showing products of ENERGO-PET as more presentable than those of the competitor's;
7. advertising which may create confusion regarding advertiser's identity, especially concerning his business name, business activity, profession, property and personal rights, author's and industrial property rights, awards and acknowledgements;
8. advertising which violates national, religious or other feelings, personal customer's values or public morality.

RELATION TOWARDS CUSTOMERS

Right to product advertising

ENERGO-PET is entitled to advertising and promotion of their products and services.

ENERGO-PET, media, agencies and other participants in market communication are obliged to conform to the Law on public announcement and the Code of public announcement.

Direct announcement by personal conversion is not allowed if the person make it clear that he no longer wishes to take messages.

Obligations of business subjects in public announcement of products and services

ENERGO-PET is obliged to provide quality, clear and credible information to potential users of their products and services.

ENERGO-PET is obliged to make precise, clear and truthful offer of products and services with regard to prices, kinds, quality, available quantities and other features.

Untruthful information, cover up of important product characteristics or refusal to provide required information are considered as unethical conduct.

ENERGO-PET is obliged to provide appropriate information regarding the risks of product use.

Obligations of business subject regarding customers' complaints

ENERGO-PET is obliged to immediately, and within eight days from the receipt at the latest, response to customers' complaints.

Company's attitude regarding complaints, change of purchased product or money return must be clearly made known to customers upon sale.

If it is found that complaints regarding product or service are justifiable, ENERGO-PET is obliged to offer to customers another product of the same kind, return the money paid or remove the defect.

Prohibition of disclosure of information about customers to third parties

Information about customers and business relations with them have the character of confidential information and may not be disclosed to third parties without customers' consent.

Information about customers may be disclosed without their consent to court authorities based on court order.

Online sale

In case of organized online sale of products and services, ENERGO-PET is obliged to provide safe transactions.

ENERGO-PET should make sure that offer contains elements important for its acceptance (price, time-limits, delivery expenses, complaints, warranties), that the elements are presented unambiguously and in the manner understandable to customers, without possibility of any additional subsequent requirements.

Customers concluding online agreements have the same rights as customers purchasing the same product or service in any other way.

RELATION TOWARDS SUPPLIERS

Co-operation with suppliers

It is a duty of ENERGO-PET to develop co-operation with suppliers and to regularly fulfill contracted obligations.

Business ethics towards suppliers

Business ethics require that upon business conclusion and realization usual requirements regarding quality, price and other characteristics of products and services should be observed.

Respect of supplier's property

ENERGO-PET will not use material or non-material property of another business subject, which is the subject of contract, without previous agreement or payment of appropriate compensation.

This obligation includes observance of real and intellectual property rights, confidential information, reputation and contact network of another business subject.

RELATION TOWARDS FINANCIERS

Informing of the financier

In the procedure of obtaining loans or other forms of financing, Company should present objective results and business plan to the potential financier.

It is not allowed to compose or submit statements by which this obligation is fulfilled and by which potential financier may be brought to delusion regarding Company's operating results and its payment capabilities.

Fulfillment of obligations towards financiers

ENERGO-PET is obliged to fulfill obligations towards financiers in contracted manner.

RELATION TOWARDS OWNERS

Responsibility towards owners

Management of ENERGO-PET is obliged to manage business operations responsibly towards owners with the aim of protection of their rights and investments.

Shareholders are entitled to timely, quality and truthful information regarding business operations.

Shareholders have the right to influence the strategy of Company's development through the assembly, including ethical dimension of business operations.

Observance of equal treatment of owners

All shareholders, including minor and foreign shareholders, are entitled to equal treatment.

Transactions of Company with majority shareholders or with business subjects related to them must not result in decreased value of Company's capital or any other damage to minor shareholders.

PUBLIC AND RELATIONS TOWARDS STATE AUTHORITIES

Participation in social life

Business activities of ENERGO-PET are oriented towards social development.

ENERGO-PET encourages employees to actively participate in social life.

Participation in social activities, with or without compensation, on the basis of elections or appointment, must not be in opposition to the rule on prohibition of conflict of interest.

Publicity of business operations

ENERGO-PET is obliged to provide timely, regular and reliable public information about their business operations, with restriction by the right on protection of confidential information.

Correct relations and co-operation with the media, competent authorities, professional associations and representatives of services users are integral parts of Company's business strategy.

Persons responsible for public relations

Public relations are the duty of the director or the representative of Company's management.

Company's employees must not get in relations with the media for making announcements without prior information and consent of the director.

Donations and sponsorships

ENERGO-PET makes autonomous decisions regarding donations and sponsorships.

All donations must be in compliance with the law and with precise purpose.

Co-operation with competent authorities

It is Company's duty to co-operate with competent authorities and take measures in order to find out whether employees violated law.

Employee who is invited to testify at court in the procedure referring to Company's business activities is obliged to immediately inform his superiors unless it is the person authorized to represent the Company in front of competent authorities.

Prohibition of undertaking of actions preventing implementation of procedures

ENERGO-PET employee must not:

1. damage or destroy documents for which they know or expect to be required by competent authorities;
2. change the text of minutes or other Company's documents;
3. make untruthful statements at court;
4. put others under pressure with the aim of covering up or giving incorrect information that may be of importance for further course of the procedure.

PROTECTION OF FREE COMPETITION

Prohibition of undertaking actions which endanger free competition

ENERGO-PET has adjusted their operations with regulations on prohibition of endanger of free competition.

ENERGO-PET must not use inappropriate forms of competition including: abuse of monopoly position, dumping pricing policy, corruption, unethical acquisition of information about competitors and, especially, spreading of untruthful information about them.

ENERGO-PET must not use incorrect and modes of market co-operation that are contrary to good business practice including: agreement about prices, market division, boycott of customers or suppliers, limitation of product sale or any other form of secret agreement for the purpose of acquisition of favorable market position.

Acquisition of information about competitors

Acquisition of information about competitors is allowed under condition that it is performed in compliance with laws, business ethics and by usual means.

Forbidden means of information acquisition are considered to be abuses, bribery of employees in competing business subject, misrepresenting and inadequate use of information acquired during provision of services to competing business subject.

Prohibition of endangering and harming of business reputation of other business subjects

It is prohibited to endanger and harm business reputation of other business subjects by publication of untruthful information about them.

Harming of reputation is considered to be:

1. announcing and informing by which business name, business activities, products or services of another business subject are degraded or belittled;
2. untruthful information about the financial state of another business subject;
3. ungrounded informing about existing or oncoming change of legal status of business subject or its part;
4. ungrounded informing about ineligibility or harmfulness of products or services of another business subject.

Prohibition of support of another subject's products or services

It is prohibited to support another subject's products or services by which a confusion on the market is or may be created regarding origin, quality, price or market value of products or services if in this way the reputation or business dealing of another business subject is or may be harmed.

Prohibition of boycott

It is prohibited to call, oblige or in any other way require from business subjects or their associations or groups not to conclude or realized contracts with a particular business subject or group of subjects with no justifiable reason.

Prohibition of abuse of dominant position

It is prohibited to abuse economic dominance in relation to other business subjects.

Abuse of economic dominance exists but is not limited to situations in which:

1. company uses its dominant position to compel another party to accept agreement or general terms of co-operation which are less favorable for this party;
2. company does not provide the user with service at agreed price or subsequently arbitrarily defines or changes the prices;
3. company makes it impossible or hard for other business subjects to sell products or provide services;
4. company concludes a contract that creates exclusive rights and no obligations;
5. company requires a payout from the other contracting party before due date or limits its responsibility in the case of unfulfillment to inappropriately low amount;
6. company requires from its business partner not to commence economic relationships with other business subjects.

Prohibition of monopoly agreements

It is prohibited to conclude monopoly agreements.

A monopoly agreement is an agreement between business subjects about terms of co-operation which is directed towards undermining or prevention of free competition and by which one or more business subjects is or may be brought to favorable position in comparison to other subjects or customers i.e. consumers.

Monopoly agreements are considered to be:

1. agreements on market division or close-up;
2. agreements by which seller is obliged not to sell certain goods to another purchaser or by which purchaser is obliged to sell purchased goods on particular part of the market or to particular purchasers;
3. agreements on prices;
4. agreements on limited scopes of production or used capacities;
5. agreements on purchase i.e. sale of goods of the same kind only under certain terms and in agreed manner;
6. agreements on sale and placement of goods exclusively through particular wholesaler;
7. other agreements that bring or may bring to abuse of monopoly position.

Prohibition of abuse of monopoly position

A business subject must not undertake acts of monopoly position abuse.

The acts of monopoly position abuse are:

1. discontinuation or decrease of sale, production or technological development;

2. direct or indirect forcing to accept inappropriate terms in contracts and especially forcing to accept a special convenience coming out of unequal position of contracting parties;
3. imposing of additional conditions that are not in relation to basic contract subject;
4. not allowed change of price;
5. increase of margins and trade costs upon import of goods for the purpose of acquiring property illegally;
6. abuse of convenience upon placement of duty free goods i.e. of goods for which value added tax is reduced;
7. abuse of tax exemptions for domestic VAT free goods i.e. for goods for which value added tax is reduced;
8. other acts of monopoly position abuse.

Prohibition of unloyal competition

ENERGO-PET must not undertake actions which are in opposition to regulations on prohibition of unloyal competition.

Actions which are in opposition to regulations on unloyal competition are:

1. advertising, announcing or offering of goods by declaring information or by use of expressions which create or may create delusion about the goods and by which a particular business subject may be brought into a more favorable position;
2. spread of untruth about another business subject which harms its reputation and operations;
3. sale of goods with marks or information that create or may create confusion regarding origin, manner of production, quantities or other characteristics of the goods;
4. cover-up of defects of goods and bringing the customer into delusion in another way;
5. undertaking of actions directed towards break up of business relations with other business subjects as well as towards prevention i.e. aggravation of establishment of such relations;
6. announcing of seeming sales or seeming price reduction or performance any other similar action by which a customer i.e. consumer is brought or may be brought into delusion regarding prices;
7. unauthorized use of legally protected outside marks of another business subject or use of marks that are not legally protected by which a delusion is created or may be created about turnover of goods at expense of another business subject who uses these marks in its operations;
8. unauthorized use of services of trade agent or representative of another business subject;
9. winning of customers or service users by giving or promising awards or other material benefits or conveniences whose value exceeds usual standards.

Prohibition of speculative behavior

The Company must not undertake actions by which it acquires ungrounded property gain including:

1. cover-up of goods, limitation or discontinuance of sales of goods or other actions which cause market disturbance;
2. conditioning of sale of goods or provision of services by sale of other products or provision of others services;
3. conclusion of false sales agreements or agreements on provision of services;
4. failure to observe delivery deadlines or delivery of goods after contracted deadlines with the aim of achieving higher prices;
5. failure to observe sequence of delivery when the goods are sold by advance payment.

Prohibition of market limitations and constraints

By its actions, Company must not limit exchange of goods and services and free appearance on the market by using:

1. acts and actions by which a business subject is brought into unequal position by preventing spreading of its business activities or by limiting its development;
2. other actions which bring or may bring to limitation of free market.

ENVIRONMENTAL PROTECTION

Strengthening of ecological awareness

Within its activities, ENERGO-PET encourages strengthening of ecological awareness.

Strengthening of ecological awareness is provided by improvement of work processes, introduction of the system of research and technological development as well as by popularization of environmental protection.

Obligation of environmental protection

Company is obliged to fulfill obligations regarding regulations on environmental protection and undertake the following measures:

1. apply and implement prescribed standards on environmental protection;
2. define environmental protection as one of the aims of business activities;
3. aim to use of renewable natural resources;
4. use products, processes, technologies and practices which endanger environment to a lesser degree;
5. undertake preventive measures and remove consequences of endangered environment;
6. take regular records on the use of raw materials and energy, discharge of pollution materials and energy, classification, characteristics and quantities of waste as well as on other matters and submit them to competent authorities;

7. take intensified control of facilities that may represent a risk or cause environmental and health danger;
8. predict consequences of its business activities with regard to environment and take them in consideration upon decision making;
9. require from business partners to respect prescribed environmental standards;
10. make public announcements about all issues concerning environment that arise in their operations.

Obligations in case of environmental pollution

If by its active or passive actions ENERGO-PET causes environmental pollution, it is obliged to undertake appropriate measures without delay to remove or reduce the damage as well as to remove further risks and dangers for the environment.

If the damage made to the environment by the pollution cannot be removed by appropriate measures, ENERGO-PET and its responsible person are obliged to compensate for the damage in the value of destroyed goods and to compensate to physical persons for the damage created by environmental pollution.

OBSERVANCE OF THE CODE

APPLICATION OF THE CODE

Familiarization with the Code

Upon signing of employment agreement or any other agreement which is the base of work engagement, employees of ENERGO-PET must be familiarized with obligatory character of the Code.

Interpretation and application of the Code

An employee of ENERGO-PET who has a dilemma regarding interpretation or application of some article or provision of the Code should turn to his superiors.

Obligation of notification on the Code breach

The person to whom the Code refers is obliged to inform the person or the board in charge of the supervision over observance of the Code about the breach of the Code provisions or about the grounded doubt that the breach has been made.

Failure to inform about the breach of the Code made intentionally or from blatant disregard is considered to be the breach of the Code.

Upon received notification or upon his own discovery, the supervision board is obliged to initiate a procedure in front of the court of honor of the chamber of commerce.

SUPERVISION OVER CODE APPLICATION

Responsibility of the Company for Code application

Company's management is in charge of application of the Code and it undertakes the following measures:

1. makes sure that Company's employees are acquainted with the Code contents;
2. undertakes measures so that the mentioned persons could adjust their behavior with the Code;
3. makes sure that the procedures and activities in Company are adjusted with the Code.

PROCEDURES IN CASE OF BREACH OF CODE PROVISIONS

Protection of identity of person who notifies on breach of Code provisions

Secrecy of identity of person who notifies Company's management about breaches of the Code provisions or about grounded suspicion that breach has been made is guaranteed except in the following cases:

1. when disclosure of whistleblower's identity is necessary for conduct of proceedings on existence of breach of the Code provisions;
2. when disclosure of whistleblower's identity is required by law;
3. when whistleblower himself allows disclosure of his identity;

All Company's employees are obliged to cooperate and contribute to bringing to light and defining of breaches of the Code, with the obligation of protection of their identities.

Prohibition of undertaking repressive measures towards whistleblower

The person to whom the report refers must not undertake repressive measures against the person who, *bona fide*, pointed to the existence of the Code breaching i.e. to grounded suspicion that the Code breach has been made.

Conduct in opposition to this is considered as breach of the Code.

The person who was exposed to repressive measures because of pointing to the existence of breach of the Code provisions or to existence of grounded suspicion in relation to this has the right to submit a complaint to competent authority.

Delay of procedure against report

Company's management responsible for discovery of existence of breach of the Code provisions is obliged to timely i.e. in shortest possible time resolve upon the report.

If the procedure is delayed, which may result in breach of the law, life peril, health or environmental hazard, large-scale material damage or breach of public interest, any person inside Company may turn to higher instance of the court of honor of the chamber of commerce.

Failure to act against report

In case of existence of grounded suspicion that Company's management has unjustifiably rejected the report or has refused to initiate the proceedings, any person who has interest based on the Code may require explanation.

If the Company does not respond within appropriate time limits, the interested party is entitled to submit a report to the court of honor of the chamber of commerce.

The court of honor will consider the report within appropriate time limits and announce the decision acting as a second level authority.

Decision of the court of honor is definite and executive.

MEASURES IN CASE OF CODE DISOBEDIENCE

Kinds of measures towards the Company

In case of breach of provisions of the Code by Company, the court of honor of the chamber of commerce, after conducted proceedings, announces measures in compliance with the Law on chambers of commerce and regulations of the court of honor with the chamber of commerce.

In this case, the court of honor announces one of the following measures to the Company:

1. warning;
2. public warning by announcement at the meeting of the chamber's board of directors;
3. public warning by announcement in one or more printed or electronic media.

Kinds of measures towards the responsible person

The responsible person in the Company or another person who is engaged under contract and for whom it was discovered that he breached the provisions of this Code, the authorized body of the Company may announce one of the following measures:

1. warning;
2. sending to education;
3. other measures laid down by laws.

CLOSING PROVISIONS

For all cases on unethical, unbusinesslike and immoral conduct, which are not included in this Code, the Code of Business ethics is valid ("Official Gazette RS" No. 1/2006).

Miroslav Popović, dipl.ing.
Director