



WE DO WHAT'S RIGHT.

For our clients.
For our partners.
For our employees.
For our community.

CODE OF BUSINESS CONDUCT

Dear Clients and Partners,

ESSCOM is an IT company from Banja Luka, consisting of a team of responsible and ambitious experts in the field of informatics, web design, marketing and education who are ready to meet the most diverse customer requirements. Our main rule is to respect the agreed deadlines and ensure the set goals with the maximum quality of workmanship. We are growth-oriented company and we believe in delivery and communication. We always focus on the quality of the work but also its long-term output.

The reputation and achievements of Esscom, along with your personal success, rely on your dedication as a Partner/Client to comprehend and uphold Esscom's principles. It is essential to act ethically in all business transactions. Every day, as a Partner/Client, you are required to commit to abiding by the guidelines of business ethics detailed in the Code. Your cooperation in maintaining Esscom's excellence is highly valued.



Ivana Sekulić



Dragan Sekulić

Ivana Sekulić
Chief Executive Officer



Dragan Sekulić
Chief Technology Officer
and Founder



Table of contents

Honesty, Integrity and Fair Play	3
Equal Opportunity for All Employees	3
Safety, and Health Practices	3
Antitrust and Competition	3
Improper Payments, Money Laundering, and Economic Boycotts	4
Dealing with the Government	4
Lobbying of Government Officials	5
Trade Compliance Laws and Regulations	5
Fair Competition	5
Financial Reporting	6
Government Contracts and Services	6
Governance and anti-corruption	6
Restrictive Agreements with Third Parties	6
Acceptance of Advantages	7
Conflict of Interest	7
Misuse of Official Position	8
Handling of Classified or Proprietary Information	8
Property of the Company	8
Outside Employment	8
Compliance with the Code	8
Sanctions	9
Reporting	9
Ethics officer	9
Appendix 1: Definition of Advantage and examples of prohibitions	10
Appendix 2: Examples of ways to dispose of gifts presented to a staff member in his official capacity	11
Appendix 3: Examples of Conflict of Interest Situations	11

Honesty, Integrity and Fair Play

Esscom and its staff are fully committed to the principle of honesty, integrity and fair play in the delivery of services and goods to the public. All staff should ensure that the business operations, applications for services, procurement or staff recruitment, are dealt with in an open, fair and impartial manner.

This Code of Conduct sets out the basic standard of conduct expected of all staff and the Company's policy on matters like acceptance of advantages and conflict of interest of staff in connection with their official duties. This Code also applies to temporary and part-time staff employed by the Company.

Equal Opportunity for All Employees

The company is an equal employment opportunity employer. Employment opportunities are available regardless of race, color, sex, religion, national origin, age, disability or other legally protected status. This Principle applies to all aspects of the employment relationship, including recruiting, hiring, training, work assignment, promotion, transfer, termination, and wage and salary administration.

Safety, and Health Practices

The company is committed to an injury-free and illness-free workplace that is operated in an environmentally sound manner in compliance with all relevant laws and regulations that protect worker safety and the environment.

Employees should perform work in a safe manner.

Antitrust and Competition

Esscom and its staff are committed to observing rigorously the applicable antitrust or competition laws of all countries. Although these laws vary from country to country, they generally prohibit agreements or actions that reduce competition without benefiting consumers. They seek to protect the competitive process so that consumers receive the benefits of vigorous competition. Violations of antitrust or competition laws may result in severe penalties, including large fines and jail terms. Esscom always complies with these laws.

Esscom does not agree with any competitors to fix or control prices; structure or orchestrate bids to direct a contract to a certain competitor or reseller (bid rigging); boycott suppliers or customers; divide or allocate markets or customers; or limit the production or sale of products or product lines.

In addition, Esscom refrains from discussions with competitors about:

- prices,
- costs,
- profits or profit margins,
- production volumes, or
- bids or quotes for a specific customer's business.

Certain sales tactics or other arrangements with customers or suppliers may also raise antitrust and competition law risks if they unfairly restrain or prevent competition by competitors or among customers. Examples of sales arrangements that have been found to violate the antitrust laws include pricing below cost, exclusive dealing contracts, bundled or tie-in sales, agreements with customers about resale prices, and

different prices to competing customers. Esscom will not enter into any such agreements or arrangements without having them reviewed and approved by the Vendor Legal Department.

Esscom is aware that, despite its location, the antitrust laws of the United States might be applicable to it because these laws apply to business operations and transactions related to imports to, or exports from, the United States.

Unfair methods of competition and deceptive practices are also prohibited.

Improper Payments, Money Laundering, and Economic Boycotts

Esscom and its staff must not make or promise to make corrupt payments of money or anything of value, directly or indirectly, to any government or public international organization officials, political parties, or candidates for political office, or any company director, officer, employee, or agent of a commercial customer or supplier, for the purpose of obtaining or retaining business or securing any improper advantage.

In addition, Esscom complies with all laws on preventing money laundering and the financing of terrorism. Money laundering involves obfuscating illegal sources of funds by introducing such funds into legal business and financial systems.

All payments must comply with tax laws as well as anti-money laundering and anti-corruption regulations.

Esscom must not participate in any economic boycott not sanctioned by the United States Government.

Esscom must not provide information that could be construed to support any such unsanctioned boycotts.

Dealing with the Government

Esscom strictly observes the laws, rules, and regulations that govern the acquisition of goods and services by any governmental entity of any country and the performance of government contracts.

Activities that may be appropriate when dealing with non-government customers may be improper and even illegal when dealing with government. If Esscom deals with any governmental entity, including public international organizations, it is responsible for learning and complying with all rules that apply to government contracting and interactions with government officials and employees, including but not limited to the following requirements:

- It must not attempt to obtain, directly or indirectly, from any source, procurement-sensitive government information that is not publicly available or otherwise authorized for disclosure by the government, confidential internal government information, such as pre-award, source selection information, or any proprietary information of a competitor, including, for example, bid or proposal information, during the course of a procurement or in any other circumstances where there is reason to believe the release of such information is unauthorized.
- It must ensure the submission of accurate invoices to the government and comply with all laws regarding invoicing and payments.
- In dealing with government employees and officials, Esscom

shall not give or offer, either directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of monetary value to any government official or employee except as may be permitted by applicable law. Esscom will establish appropriate internal controls and advance approval mechanisms over any such payments or gifts to or on behalf of government officials to ensure compliance with local country and U.S. laws.

- Esscom will not provide, attempt to provide, offer, or solicit a kickback, directly or indirectly, to obtain or reward favorable treatment in connection with any transaction.
- Esscom will not pay or enter any agreement to pay, directly or indirectly, a contingent fee to any party for the purposes of obtaining a government contract or influencing government action.
- If Esscom is selling or offering to sell commercial products to the United States Government, it should be familiar with and ensure compliance with the laws and regulations concerning the sales of commercial products and sales to government, and, if applicable to it, the Multiple Award Schedule (MAS) contracting regulations of the General Services Administration (GSA).

Lobbying of Government Officials

Lobbying is generally any activity that attempts to influence laws, regulations, policies, and rules. In certain jurisdictions, however, the legal definition of “lobbying” can also cover procurement and business development activity.

Esscom will not lobby government on behalf of any company. Esscom may not be paid contingent fees or participate in the influence/referral fee program on any transaction involving a public sector end user (including public Higher Education, Healthcare, Tax, and Utilities).

Esscom is responsible for understanding when its activities may legally be considered lobbying in a particular jurisdiction and complying with the applicable laws.

Trade Compliance Laws and Regulations

Esscom and its staff fully complies with all applicable US and global trade laws and regulations. Violation of these laws and regulations may result in fines and imprisonment. Esscom is responsible for understanding how the global trade laws and regulations apply and for conforming to these laws to ensure no technology, data, information, program, and/or materials resulting from services (or direct product thereof) will be imported or exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws and regulations.

Fair Competition

The company's policy will prohibit any anticompetitive practices which could effect in bounding, restraining or distorting competition, as well as any practices of an unfair competition. Accordingly, our employees cannot agree (formally or informally) with competitors to fix prices or any other conditions of transaction; to limit or control the production, commercialization, technical development or investment; to manipulate or divide markets or sources of provisioning; to participate with fake offers in tenders or any other forms of competitions for offers; to limit or restrain access to market and freedom of competition for other enterprises; to apply unequal conditions for equivalent performance to commercial partners, creating in this way a disadvantage in competition; to condition signing of acceptancy contracts by the partners

for supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts. Our employees are prohibited from performing any act of unfair competition manifested through: misappropriating clients of a company by using the relations established with such clients within the function previously held at the company, dismissal or attracting employees of a company for the purpose of setting

or hiring employees of a company in order to disorganize of its work. Our employees must not take actions that harm the legitimate interests of consumers or other operations in breach of the competition law.

Financial Reporting

All transactions of the Company must be duly recorded so as to permit preparation of clear financial statements in conformity with generally accepted accounting principles. No false or misleading entries may be made in the books and records of the Company for any reason, and no employee may engage in any arrangement that results in such a prohibited act.

No undisclosed or unrecorded fund or asset of the Company may be established for any purpose. No payment on behalf of the Company (including those by cash) may be done without adequate supporting documentation or made with the intention or understanding that any part of such payment is to be used for any purpose other than as described by the documents supporting the payment.

From time to time, the Company may publish or inform of policies on financial reporting, disclosure and compliance to reinforce the financial reporting expectations in this Code. All employees at any level are expected to implement and strictly follow these policies.

Government Contracts and Services

The Company is committed to complying with all applicable laws and regulations relating to government (public procurement) contracts and services and to ensuring that its reports, certifications and declarations to government officials are accurate and complete and that any deviations from contract requirements are properly approved.

Governance and anti-corruption

The Company has zero tolerance for corruption. All employees must never offer to provide anything of value directly or indirectly to government officials and business partners to secure an undue advantage. The company prohibits payment, offers of payment as well as anything of value directly or indirectly with the purpose of influencing or obtaining undue business or personal advantage.

Third parties will only be contracted to perform tasks which aid business interests provided: fees to be paid are reasonable; all arrangements are clearly documented; arrangements are in compliance with company's policies.

Restrictive Agreements with Third Parties

The Company does not condone activities that seek to gain an unfair competitive advantage. No individual may engage in any activity which violates any valid restrictive agreements entered into by that individual for the benefit of a third party, and no individual may, directly or indirectly, use or disclose any confidential information or trade secrets of a third party that the individual obtained while employed by or associated with such third party.

Acceptance of Advantages

It is the policy of this Company to prohibit all staff from soliciting or accepting any advantage from any persons having business dealings with the Company (e.g. clients, suppliers, contractors). Employees who wish to accept any advantage from such persons should seek advice and permission from the responsible ethics officer.

Any gifts offered voluntarily to the staff in their official capacity are regarded as gifts to the Company and they should not be accepted without permission. By default, staff should decline the offer if the acceptance could be perceived as against the interest of the company, or that of society, or lead to complaints of bias or impropriety. For gifts presented to staff in their official capacity and of low nominal value (below 1000 MDL), the refusal of which could be seen as unsociable or impolite, can be exceptionally accepted. In other circumstances, the staff should seek for a clear (i.e. in writing) and immediate (within 5 days from the offer) consent from the ethics officer to accept the gifts.

The ethics officer should keep proper records of the applications and permissions. Each permission will indicate the name of the applicant; the occasion of the offer; the nature and estimated value of the gift, and whether permission has been granted for the applicant to retain the gift or other directions have been given to dispose of the gift. The permissions must be signed and dated by both the ethics officer and the applicant. Possible ways of disposal of such gifts are listed at Appendix 2.

Conflict of Interest

A conflict of interest situation arises when the "private interests" of the staff compete or conflict with the interests of the Company. "Private interests" means both the financial and personal interests of the staff or those of their connections including: family members and other close affiliates; personal friends; the clubs and societies to which they belong; and any person to whom they owe a favor or are obligated in any way.

Staff should avoid using their official position or any information made available to them in the course of their duties to benefit themselves, their affiliates or any other persons with whom they have personal or social ties. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Company. Failure to avoid or declare any conflict of interest may give rise to criticism of favoritism, abuse of authority or even allegations of corruption.

In particular, staff involved in the procurement process should declare conflict of interest if they have beneficial interest in any company which is being considered for selection as the Company supplier of goods or services. Appendix 3 provides some examples of conflict of interest situations that may be encountered by staff. When called upon to deal with matters of the Company for which there is an actual or perceived conflict of interest, the staff member should make a declaration in writing to the ethics officer. He should then abstain from dealing with the matter in question or follow the instruction of the ethics officer who may reassign the task to other staff.

Misuse of Official Position

Staff who misuses their official position for personal gains or to favor their relatives or friends are liable to disciplinary action or even prosecution. Examples of misuse include a staff member responsible for the selection of suppliers giving undue favor or leaking information to his/her relative's company with a view to giving away an undue advantage.

Handling of Classified or Proprietary Information

Staff is not allowed to disclose any classified or exclusive information to anybody without authorization. Staff who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse. Examples of misuse include disclosure of information in return for monetary rewards, or use of information for personal interest. It should also be noted that unauthorized disclosure of any personal data may result in a breach of the applicable legislation on privacy.

Property of the Company

Staff given access to any property of the Company should ensure that it is properly used for the purpose of conducting the Company's business. Misappropriation of the property for personal use or resale is strictly prohibited.

Outside Employment

Employees who wish to take up paid outside work, including those on a part-time basis, must seek the written (date and signed) permission and guidance from the ethics officer before accepting the job. Approval will not be given if the outside work is considered to be in conflict with the interest and values of the corporation.

Compliance with the Code

It is the personal responsibility of every staff member to understand and comply with the Code of Conduct. Every member of the staff shall sign a declaration of Principle to this purpose. The ethics officer or other mandated employee will keep declarations of Principle.

Higher ranked employees should ensure that their subordinates understand and comply with the standards and requirements stated in the Code. Any doubts of interpretation or problems encountered, as well as any suggestions for improvement, should be addressed to the ethics officer for consideration and advice.

Any staff member who violates any provision of the Code will be subject to disciplinary action. In cases of suspected corruption or other criminal offences, a report will be made to the appropriate authorities.

Sanctions

Employee who engages in conduct prohibited by the Code as determined by the ethics officer will be subject to discipline actions and sanctions in accordance with the labor law.

Once a complaint has been placed, the ethics officer will initially analyze it and s/he may meet privately with the applicant to understand the facts surrounding the issue. Following a fact-finding phase, an investigative meeting could be held with the employee alleged of the violation, to further ascertain the facts and receive observations.

The decision should be issued in writing (date and signed), indicating a summary of the facts, reference to the specific violation and motivations.

The sanction may be under the form of:

- Warning;
- Private or public letter of reprimand;
- Transfer to other tasks or unit;
- Suspension from duties;
- Termination or removal.

In every case of violation, the employee will be fined for an amount estimated between a 1/5 (one fifth) and 5 (five) times the most recent monthly salary. The fine will be applied through a direct deduction from the employee's following salary or any past credit s/he may have towards the company.

The ethics officer shall report serious violations to appropriate government or legal authorities.

Reporting

Employees have a responsibility to promptly report to the Company any violation of the Code. The Company shall put in place an appropriate mechanism (i.e. complaints/suggestion boxes, telephone, emails, etc.) as to allow employees to address communications to the ethics officer with the highest degree of trust and confidentiality.

Employees will not be disciplined or retaliated against in any way for reporting violations in good faith. Retaliation against any employee for reporting policy violations, or for testifying, assisting or participating in any manner to inspections is strictly prohibited. Any employee who believes he or she has been subjected to or has witnessed retaliation must immediately report the alleged retaliation to the ethics officer.

Ethics officer

The ethics officer is appointed inside the Company. The ethics officer is a person of trust, independence and competence; s/he is prepared, trained and/or certified in dealing with matters related to this code of conduct. The ethics officer performs his duty with the utmost tact, confidentiality, respect, fairness and proficiency.

The ethics officer handles day-to-day compliance matters, including:

- Receiving, reviewing, investigating and resolving concerns and reports on the matters described in this Code;
- Interpreting and providing guidance on the meaning and application of this Code; and
- Reporting periodically and as matters arise to senior staff of the Company on the implementation and effectiveness of this Code and other compliance matters, and recommending any updates or amendments to this Code deemed necessary or advisable.

Appendix 1: Definition of Advantage and examples of prohibitions

“Advantage” means:

- any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- any office, employment or contract;
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- any other service, or favor, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- the exercise or tolerance from the exercise of any right or any power or duty; and
- any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs above.

Every employee commits to:

- Do not solicit, accept, offer, promise or pay a bribe either directly or through a third party. This includes “facilitation payments”.
- Do not accept transportation, travel expenses or accommodations for trips that are not business related.
- Do not offer or accept donations for parties, including going-away parties.
- Do not solicit or accept personal discounts that are not available to all employees or available to the general public.
- Do not offer or accept personal rebates or refunds that are a result of company's purchases.
- Do not offer or accept excessive or inappropriate meals or entertainment. Generally, an excessive amount would be an amount you would not normally spend on yourself.

Gifts provided should not give the appearance of unduly influencing, obligating the recipient, or providing an improper advantage to the company. Gifts or entertainment should not reflect adversely on the company or the recipient's company and the gifts should be given openly. The gift or entertainment should be accurately accounted for in the employee's expense report and on the company's books and records. If you have questions regarding whether or not to accept or offer a gift or invitation, consult with the ethics officer.

Appendix 2: Examples of ways to dispose of gifts presented to a staff

- If the gift is of perishable nature (e.g. food or drink), it shall be shared among the office or during an activity organized by the Company.
- If the gift is a useful item, it may be sent to a charitable organization.
- If the gift is of historical or other interest, it may be sent to a library or museum.
- If the gift is suitable for display (e.g. a painting, vase, etc.), it may be retained for display in the Company's premises.
- If the gift is a personal item of low value (below 100 KM), it may be retained by the recipient.

Appendix 3: Examples of Conflict of Interest Situations

- A staff member has a financial interest in a company that is being considered for selection as the company's supplier of goods or services.
- A staff member accepts frequent gifts from the company's suppliers or contractors.



ESSCOM®