



TITLE:
CODE OF CONDUCT

CODE: 5.3.Code of conduct

EDITION: 2

REVISION: 0

VALID FROM: 28.03.2017

ISSUER: General Manager

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Industrial M.D. Trading S.R.L. having as activity object the import and sale of pipes, fittings and accessories for the oil and gas industry, as well as water and sewage systems, has aimed ever since incorporation to meet customer requirements to the best of its abilities, by offering high quality service and products that provide technically and economically optimal solutions while taking special care of the environmental and social impact upon the people who come into direct or indirect contact with the results of our activity.

The main objective of S.C. Industrial M.D. Trading S.R.L. is to systematically provide quality products on the Romanian market, to provide customers with state of the art materials with which to carry out sustainable works and offer the best quality/price ratio.

Legal obligations are a permanent duty and the additional requirements applied and identified by the organization are the basis for ongoing improvement.

Industrial MD Trading S.R.L. promotes human rights in general and employee rights in particular, and ensures that suppliers and subcontractors promote these ethical aspects as well.

Our role in the business world comes with responsibility towards customers, employees and society as a whole.

The Code of Conduct of Industrial MD Trading S.R.L. defines the basic values of our organization and underpins its entire activity that must comply with the law and oriented towards ethical principles.

The information generated by the operation of the organization is communicated openly and promptly to all interested parties by making available all system elements in order to generate correct and consistent information.

The provisions of the Code of Conduct of Industrial MD Trading S.R.L. apply to and must be observed by all the employees of the organization.

In addition, all third parties acting for and/or on behalf of Industrial MD Trading S.R.L. must comply with the provisions of the Code of Conduct of the organization.

The purposes of this Code of Conduct are:

- to maintain the credibility and reputation of the organization by respecting human rights and employee rights;
- to gain the trust of stakeholders by ensuring compliance with ethical and social principles;
- to improve relationships with all institutions, especially with those specialized in work health and safety regulation compliance control;
- to control ethics and social correctness in the supplier-customer chain, so that the principles of compliance with human rights should be respected throughout;
- to improve the organizational environment by creating an open dialogue between all parties (employees, managers, owners), to improve work conditions and thus to achieve common goals;

Our fundamental guiding principles are:

1. Respect for human rights and the non-involment of the organization in human rights abuses;
2. Freedom of association and right to collective negotiation;
3. Elimination of all forms of forced or compulsory labour;
4. Abolition of child labour;
5. Elimination of all forms of discrimination;
6. Fighting against all forms of corruption, including extortion and bribery;
7. Prevention of incidents, accidents, occupational disease and environment pollution;

By respecting and promoting these principles we make sure that our behaviour in business and ethical matters will always be in accordance with the highest standards that are based on the following values:

- Attention to the customer;
- Professionalism;
- Quality;
- Mutual respect;
- Initiative;
- Team work;
- Integrity;
- Concern for the environment where we carry out our activity;
- Concern for people's safety and security;

A) COMPLIANCE WITH LEGAL REQUIREMENTS

Our entire activity must be conducted in accordance with all laws and regulations applicable to the organization.

Any action or behaviour contrary to the legal provisions in force applicable to the organization are strictly prohibited.

If the legal provisions applicable to the organization allow an action or a behaviour that does not comply with the Code of Conduct, its provisions shall prevail.

In case of doubt about the application or interpretation of a law or regulation, please consult the Administrator, the CEO, or an external provider of legal services.



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B) WORK ENVIRONMENT AND COLLEAGUES

B.1. Mutual respect, honesty and integrity

We respect both the opinions of others and their personal dignity, the right to private life and their personal rights.

We do not condone any discrimination or harassment, such as on account of nationality, culture, religion, race, gender, sexual orientation, age or physical disability.

We vehemently reject any form of forced or compulsory labour.

We recognize the freedom of employees to associate and to appoint representatives.

We promote our ethical principles through the education and the protection of children and youth against all forms of exploitation.

Hiring, promoting and assessing our employees are based exclusively on performance criteria, such as achieving goals and/or professional expertise.

The remuneration policy follows the applicable legislation and supports the business strategy, interests, values and long-term objectives of the company.

This also includes measures to avoid conflicts of interest.

Employees are prohibited from using the strategies of coverage or payment such as professional liability insurance to eliminate the risks embedded in payment agreements.

B.2. Personal responsibility of the employees and managers

Within the organization, all employees must act responsibly and without inappropriate behaviour of any kind.

Managers must act as a good example for the employees.

This behaviour serves the purpose of protecting and securing the organization, the employees and the customers of the organization.

For these reasons, the following control duties must be observed and carried out with due care:

- To identify customer needs and comply with them
- To identify the applicable legal and other requirements of the organization and comply with them
- to comply with the rules on competence limit
- to comply with (personal) competencies granted

The persons authorized to sign the entire written correspondence of the organization, especially that leaving the organization must be aware of the responsibilities and consequences of signing those documents.

B.3. Conflicts of interest

All employees must ensure that their interests do not conflict with the tasks they have within Industrial MD Trading S.R.L. or in relations with customers and other stakeholders.

Conflicts of interest can arise from a close (personal) relationship between employees and customers, representatives of business partners or other employees.

In particular, potential conflicts of interest may arise in connection with gifts, invitations, conclusion of contracts and transactions with financial instruments.

Conflicts of interest may also be about corruption, fraud or market abuse.

These situations must be reported to Top Management, who will decide whether there is indeed a conflict of interest and what measures may be necessary.

B.4. Data protection

We treat data with utmost care when we receive, process and store information (financial, technical, operational, customer information, etc.).

For this, we comply with data security standards and procedures, and make sure that unauthorized persons cannot see, use, change or destroy this information.

C) BRIBERY AND CORRUPTION

C.1. Bribery

We do not tolerate any form of bribery or corruption.

We neither accept nor grant any improper advantage of any kind (incentives), regardless of whether the person offering or requesting such an advantage works in the public or private sectors.

C.2. Enabled payments

Neither the employees nor other persons working for Industrial MD Trading S.R.L. make enabled payments;

The enabled payments are small amounts of money given to civil servants in order to obtain or speed up the acquisition of advantages in connection with the services provided by these persons, to which anybody has access by law (e.g.: customs).



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Exceptions are allowed only in cases that have legal protection, i.e. if life and physical integrity are in danger, and the only way to remove such danger is to make such a payment.

C.3. Direct and indirect bribery through third parties

We create the correct framework by carefully selecting service providers and other third parties acting on behalf of Industrial MD Trading S.R.L. and supporting us in carrying out our business.

We also make sure that such third persons do not pay nor accept any bribe or enabled payment in their business relationship with Industrial MD Trading S.R.L.

C.4. Gifts and Invitations

On the one hand, exchanging gifts and/or invitations of symbolic value may be a socially accepted component of successful business relationships.

On the other hand, accepting and providing gifts and/or invitations may have an improper impact upon business relationships.

Accepting and making gifts of money is prohibited as a matter of principle.

All other types of gifts and invitations are subject to strict rules.

C.5. Benefits granted to Political Parties and Politically Exposed Persons

The Top Management of Industrial MD Trading S.R.L. may authorize the granting of benefits to political parties and politically exposed persons if the following conditions are met:

- the benefits are not contrary to any applicable law;
- benefits are within the ordinary limits for the respective country;
- benefits will not have a negative impact.

Such benefits should be granted in a transparent manner by the Top Management of Industrial MD Trading S.R.L.

C.6. Expenses/expense accounts, donations, charity and sponsorship

Benefits in the form of expenses, donations, charitable acts and sponsorships cannot be granted to circumvent rules related to the acceptance and receipt of gifts, bribes, benefits granted to political parties and politically exposed persons.

D) RELATIONS WITH CUSTOMERS AND BUSINESS PARTNERS

D.1. Sales Service

Industrial MD Trading S.R.L. supports a strong culture of providing services and products that consistently exceed customer expectations.

This includes the fact that we provide a service or product if we have licenses and expertise as well as functions and/or capacity necessary to provide such services and products in the interest of our customers.

We shall always provide the best possible service or product in the interest of our customers.

False or misleading advertising is unacceptable to us.

D.2. Privacy

Industrial MD Trading S.R.L. is obliged to treat all customer information as private.

As a matter of principle, we do not transmit customer information to third parties.

Exceptions are allowed only if the customer has given advance written consent or if we are required to provide information to supervisory authorities and/or courts or other authorities/institutions which are entitled, under legislation in force, to request and/or receive such information.

D.3. Customer knowledge

Knowledge about the customers, their reputation, credit worthiness and nature of business helps us provide the highest quality services.

In order to meet customer goals and demands we must make sure that we are not used for illegal business practices, such as financing terrorism, money laundering or fraud.

We perform frequent checks in order to know the origin of our customers' funds and identify any suspicious activities.

D.4. Money laundering

Industrial MD Trading S.R.L. supports the international movement against money laundering and applies very strict precaution and prevention measures.

E) MARKET ABUSE

E.1. Fair competition



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Industrial MD Trading S.R.L. and all its employees commit to unconditionally comply with the principles of fair competition, which must comply with legal requirements on competition and anti-trust.

Agreements with the competition and the coordinated behaviour that can narrow or restrict the competition are forbidden.

In particular, agreements on prices, offers, sales quotas and distribution of customers, markets and programmes are forbidden.

Not only formal agreements are forbidden, but also the coordinated behaviour resulting from formal discussions.

F) ACCOUNTING AND FINANCES

F.1. Accounting and Reporting

In its decision-making processes, Industrial MD Trading S.R.L. relies on the correctness and accuracy of its accounting records.

In this context, it is important that both security information and personal data, as well as accounting and financial data be treated as confidential.

All business transactions must be recorded in our books in accordance with specified procedures and verification principles and generally accepted accounting principles.

These records contain the necessary information on the respective transactions.

F.2. Obligations to disseminate information

Industrial MD Trading S.R.L. undertakes to periodically provide complete, accurate and understandable data in its communications with stakeholders.

To provide information to supervisory authorities and stakeholders is one of our obligations.

Our methods of public information about financial data comply with current industry standards.

F.3. The cooperation with the Supervisory Authorities

Our professional relations with the supervisory authorities of Industrial MD Trading S.R.L. are open, transparent and cooperative.

Our goal is to develop professional relations between Industrial MD Trading S.R.L. and authorities, which are based on trust and safety.

G) SENSITIVE BUSINESS FIELDS

G.1. Human rights

Industrial MD Trading S.R.L. will not directly or indirectly finance any transaction, project or party that is involved or has been involved in forced labour (including compulsory labour or child labour) or:

- violations of the European Convention on Human Rights
- breaches of labour law and social legislation
- violations of applicable regulations issued by international organizations
- violations of local or native population rights.

Industrial MD Trading S.R.L. is not involved in business whereby products can be used to suppress demonstrations, political unrest or other violations of human rights.

This is especially true with partners in countries where the political system is unsafe or where military conflicts or other violations of human rights are expected or ongoing.

G.2. The environment

Funding or participating in any transaction or project which put the environment at risk with lasting effect, such as environment and water pollution, etc. infringe the business policy of Industrial MD Trading S.R.L.

When making decisions, the employee concerned must bear in mind the potential reputation risk brought upon Industrial MD Trading S.R.L. which can be caused by any decision or project that may have adverse effects upon the environment.

Moreover, we must ensure that the organization receiving the goods / services of Industrial MD Trading S.R.L. will be using them in accordance with:

- the provisions of national environment protection legislation
- the provisions of EU environment protection legislation
- mandatory international conventions on environmental protection.

If there are doubts about the direct and indirect effects of the decision on the objectives that Industrial MD Trading S.R.L. intends to achieve under its environmental policy, Top Management's opinion should be requested.

G.3. Atomic energy

Industrial MD Trading S.R.L. does not participate in the construction of nuclear power plants and does not do business with nuclear plants or their operators.



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Recent experience shows that the risks associated with nuclear power plants, both for the environment and human beings are not currently manageable.

G.4. War materiel

Industrial MD Trading S.R.L. does not do business with weapons or other military equipment (including equipment used for internal repression or aggression against foreign countries) with countries where there are ongoing military conflicts or political unrest are expected.

Industrial MD Trading S.R.L. does not invest in companies producing military equipment or weapons.

G.5. Commercial restrictions and sanctions

Industrial MD Trading S.R.L. adheres to international regulations concerning embargoes and sanctions in the financial sector.

For sensitive cases stricter rules will apply, for e.g. business policy with countries such as Iran and North Korea.

G.6. Business relationships with the gambling industry

Business relationships with companies in the gambling industry are possible only if it is guaranteed that the applicable legal framework will not be violated.

The applicability of foreign regulations and licenses require special attention.

G.7. Illicit Business Relationships

Industrial MD Trading S.R.L. does not maintain business relationships with organizations that have no physical presence in any country.

The Code of Conduct of Industrial MD Trading S.R.L. is part of the general conditions of employment.

Any violation of the Code of Conduct of Industrial MD Trading S.R.L. has consequences under the legislation of labour law and can be punished by disciplinary action, up to termination of employment without notice, in accordance with the applicable legislation.

If the breach of the Code of Conduct includes a violation of law, the matter shall be submitted to competent authorities that may subject the involved persons to civil and/or criminal penalties.

In addition, Industrial MD Trading S.R.L. reserves the right to take additional measures, including legal action against the persons involved in and/or having benefited from illegal activities and/or contrary to the Code of Conduct in order to recover any damage to the Industrial MD Trading S.R.L. and any amounts or benefits that were incorrectly paid or received.