

TALLINNA KAUBAMAJA GRUPP AS

CODE OF CONDUCT

The objective of Tallinna Kaubamaja Grupp AS and its subsidiaries (hereinafter the **Group**) is to be the flagship of Estonian trade and one of the most successful publicly traded companies in the Baltic region. The mission of the Group is to be the first choice for its customers, a valued employer for employees, and a reliable investment object for shareholders.

Following our core values and exemplary business principles on a daily basis is important for the Group. The core values of the Group are **integrity** – we are open and sincere, we do not bend the truth; **concern** – we are friendly and helpful and open to solutions; **reliability** – we keep our promises and adhere to applicable rules; **innovation** – we are open to innovative and modern ideas, we always try to be one step ahead; and **environmental awareness** – we care about the surrounding environment and use all resources as sustainably as possible.

The purpose of code of conduct is to consolidate and describe the most important principles, which the Group's employees and partners shall follow in their activity. Code of conduct forms a part of the Group's long-term business strategy. The Group expects honest, ethical, and law-abiding behaviour from its employees and partners in every situation.

In its operations, the Group follows and this code of conduct has been prepared in accordance with national and international guidelines and principles, including the Corporate Governance Code of the Financial Supervision Authority and OECD Guidelines for Multinational Enterprises, as well as the United Nations Guiding Principles on Business and Human Rights.

Exemplary business principles of the Group

In its activity, the Group adheres to the following principles, which are applicable to the Group, its employees, as well as to the members of the Management Board and Supervisory Board (hereinafter jointly referred to as **employees**). Following the principles is binding to all partners and their employees (hereinafter the **Partner**) and is a precondition for cooperation with the Group, whereas violation of the principles may serve as grounds for terminating the cooperation with partners.

Morality and legality

- The Group bases its entire activity on laws, effective legislation, and customs and practices applicable to the respective field of activity.
- In the event of any discrepancies between these principles or other mutual agreements and applicable legislation, the more stringent requirements shall be followed in its operations.
- The Group, employee, and Partner shall behave in an ethical, fair, and professional manner in their entire activity.
- The Partner shall apply these principles also in all of its business relations and shall make reasonable efforts to ensure that its partners follow the same principles.

Conflict of interests

- The employees and the Partner shall act in a reliable manner and avoid situations where their personal interests or the interests of those closest to them would be in conflict with those of the Group, or situations where they cannot act in the interests of the Group.
- The Partner and the employees shall immediately inform the competent persons of the Group of such situations, where a conflict of interests has emerged or where there is a risk of occurrence of such a situation.

Prohibition on corruption and prevention of money laundering

- The Group, employees, and Partner implement zero tolerance for all forms of corruption, including bribery, frauds or any other prohibited business practices, and follow this in all of their activities. It is prohibited to make use of the official position in any activity for the purpose of receiving personal gain or for giving unfair advantage to a third party or do any other favours.
- The purpose of giving and receiving gifts and providing mutual hospitality in bilateral relationships is solely aimed at developing friendly employment relationships and not at achieving preferential treatment or action by someone. When giving and receiving gifts or providing hospitality, the effective legislation and the more specific internal regulations shall be followed and situations, where it could be interpreted as illegal or suspicious activity, must be avoided at any cost. In the case of suspicions about the appropriateness of gifts and hospitality, the employees should always consult their line manager and prefer not giving or receiving the gift or hospitality.
- The Group, employee, and Partner strongly oppose all forms of money laundering and apply every measure to prevent using financial transactions for money laundering.

Confidentiality and handling of inside information

- The Partner and the employees shall maintain and forward confidential information in a secure and secret manner and abstain from misusing the inside information that they have become aware of. Whereas, inside information is deemed to be undisclosed precise information pertaining directly or indirectly to Tallinna Kaubamaja Grupp AS or its share and which, if disclosed, would likely have a significant effect on the price of the share. The Group considers as confidential the business secrets and other protected information of the companies of the Group concerning the company's activity, technology, tools, financial condition, contracts, customers, suppliers, partners, or pricing.
- The Partner and the employees shall consider in their operations that as a publicly traded company, the Group must adhere to the rules of NASDAQ OMX Tallinn (the Tallinn Stock Exchange) on disclosing price-sensitive inside information. In relation to this, the Group has established mandatory internal rules for the employees. The Partner shall follow the requirements on preserving and disclosing the inside information and on the transactions made on the basis of inside information.
- The Partner shall ensure that keeping the confidential information of the Group in all of its contractual relationships is covered with a confidentiality obligation and the respective obligation applies to all of its employees and partners.

Supporting free competition

- The Group, employee, and Partner support free and fair competition in their activity, precluding the prevention, limitation, or restriction of free competition in economic activities.
- The Partner and employees follow the competition rules and do not enter into illegal agreements or act in concert with anyone in a manner that would restrict free competition.

Social responsibility

- All persons are treated equally and internationally accepted human rights are followed in the activity. No group or individual is discriminated against based on any reason, including gender, age, race, sexual orientation, nationality, ethnic origin, disability, political beliefs, membership in associations, or religious beliefs.
- The Group and the Partner fully support the personal and professional development of employees, ensuring conformity of working conditions to local legislation, and providing them with a safe and healthy work environment.

Environmental awareness

- The Group, employees, and Partner are sustainable in their activity and always attempt to adhere to the principle of not damaging the environment.
- The Group, employees, and Partner consider important and support in their activity recovery, sustainable consumption habits, including saving of electricity, water, and heating, as well as implement comprehensive environmental measures in their activity.

Enforcement of code of conduct

All Group employees shall examine the principles set forth herein and follow these in their activity. The Group employees are responsible for examining the principles and acting accordingly and cooperate on behalf of the Group only with such partners who acknowledge the principles provided herein. Violation of the principles may lead to termination of the employment contract to the extent permitted by law.

The code of conduct is disclosed on the Group's website at www.tkmgroup.ee, signed as an annex to contracts, and binding to all Group companies and partners. The partners of the Group shall ensure the adherence of their activity to the principles covered herein and shall see that their employees are informed of the rights and obligations pertaining to the principles. The Group has the right to verify correspondence of the Partners or their partners to the presented principles, which *inter alia* may mean a request to submit relevant documents or on-site auditing before or after commencing cooperation.

Violation of this code of conduct is deemed a material breach of contract by the Partner. Upon detecting the violation, the Group may request that the Partner make adjustments to or specifications in its activity. Upon a material breach, the Group shall thereby be entitled to review the conditions of the bilateral contractual relationship, in certain cases resulting in fewer orders, reorganisation of work assignments, or termination of contractual relations.

Person: _____

Date: _____

Signature: _____