

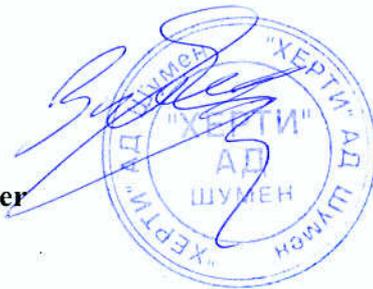


Ethical Code of Conduct

Of employee in Herti

Approved:

**Chief Executive Officer
Zahari Zahariev**



Shumen, February 2012

Ethical Code of Herti JSC

Herti strives for high standards in its work and aims to keep and develop its competitive position in the field it operates. We undertake to contribute for the sustainability of the society and try to balance the long and short term interests, having in mind the economic, ecological and social problems while taking business decisions.

Our Responsibilities:

- 1. To the Shareholders:** To take care and provide for return on their investment at a rate that is Competitive to other companies in the same industry.
- 2. To the customers:** to win new clients and keep customers by offering them high quality products and solutions
- 3. To our employee:** To keep their human rights and ensure health and safe working conditions. To develop our stuffs skills. Educated and dedicated personnel is the main power of our viability.
- 4. To our partners:** To create mutual relationship with our partners, suppliers and subsidiaries. Implementing the ethical principles in these relations.
- 5. To the Society:** To follow the principles of Corporate Social Responsibility in our business activity. To observe the Law in Bulgaria and in the countries we operate.

Our Principles:

- 1. Economic:** To achieve a profitable level that will ensure steady development and constant growth of the company. We judge the risk and take into account the economic, social and ecological impact on our sustainability before taking investment decisions.
- 2. Competitors:** We aim at honest and ethical competition in the fields we work.
- 3. Honesty in our work:** Herti is loyal to its clients, suppliers and partners. We commit to conducting our business fairly, honestly and transparently. We commit to not offering or accepting bribes, whether directly or indirectly, to give business advantages.
- 4. Exactingness:** If we promise something to our clients, we put maximum efforts for satisfying their expectations. We do this not because it is written, but because we believe this is the right thing to do according to the good business practices.
- 5. Our stuff** is our most valued capital and a guarantee of success. We respect human dignity and self respect of our employee. We try to help them grow professionally and got to perfection.

The management is aware that the growth and success of the company depend on the trust, support and the confidence of the shareholders, the employee, our clients and partners and the society as a whole.

Chapter I

General Terms

1. This Code is a system of ethical rules that all people working for the Company accept and undertake to follow.
2. All our employee work for the benefit of the Company following the principles of equal rights, loyalty, transparency, responsibility, confidentiality and professionalism.

The main principle for all is to observe the law in Bulgaria and the countries in which we operate. To be polite, honest and ethical to each other and to our partners. The breaking of this principles undermine the confidence of our clients, partners and stuff and threaten our competitiveness, our image and our long term vision.

Chapter II

Company relations

3. Herti guarantees equal rights to its workers regardless of their nationality, religion or gender. We evaluate people only on the basis of the efforts they put in their work and the results they reach.
4. Herti requires mutual respect, politeness, honesty and respect in everybody behaviour.
5. All people working in Herti
 - Follow the hierarchy in their duties
 - Try to be objective and judicial while taking decisions
 - Take responsibility of their activity
 - Respect others opinion and point of view
 - Tolerate free communication between management and employee.
 - Do not give or gain business advantages of their official position in the company
 - Aim for organization in their activity

Chapter III

Personal behaviour

6. People working at Herti keep the following regulations in fulfilling their official and social duties:
 - They carry out correctly their obligations to the Company
 - They do not threaten their colleagues and business partners rights
 - They blame any form of discrimination
 - They do not accept bribes or gifts whether directly or indirectly except advertising materials.
 - They respect business partners and competitors rights
 - They protect the intellectual property of the Company and its business partners.

- They don't take part in business transactions if they are inconsistent with their status.
- They keep to the rules and regulations of the Labour Code, health and safe working conditions and any company rules.
- They behave properly in their business and social life to keep Companies image.

Chapter IV

Relations with business partners

7. This Code ensures transparent policy of the Company and helps build a reputation as a business that trades ethically.
8. It encourages competition and builds confidence for the shareholders, business partners and society.
9. It drives against any form of corruption or personal favour
10. People working for the Company show respect to their business partners and behave in a positive not aggressive manner.
11. Herti conducts its business honestly and does not take or give any illegal advantages.

Chapter V

Responsibility of the management

12. The Management is engaged with the implementation of the principles in this Code
13. The Management ensures high standards for quality, health and safe working conditions and protecting the Environment.
14. It keeps the principles of transparency and proclaims undertaken duties to ISO standards, working conditions and environmental problems
15. It has respect to employees dignity and creates a feeling of confidence at work.
16. It gives equal rights for professional appearance
17. It supports leaders and helps them to motivate and help others
18. It stimulates men of enterprise in all ways including fair methods of payment
19. It encourages respectful behaviour to colleagues and loyalty to the Company
20. It does not tolerate irresponsibility, envy, lie, idleness, carelessness and villainy
21. It guarantees protecting personal information of its employees.
22. It guarantees observing human rights of its employees in their official activities
23. It is engaged in improving this Code and corporate culture.
24. Non-observance of this Code will be considered as non-observance of article 187 of The Labour Code that is "Lowering companies reputation".

Additional Orders

The regulations of this Code are voluntary and moral obligation for all employees of Herti. Every employee declares that he is aware with the rules of the Code and is obliged to follow them.