ERBUD GROUP

Anti-Corruption Policy



ERBUD	**ANTI-CORRUPTION POLICY AT ERBUD S.A.**

1. Purpose and intent of the policy.

1.1. This Anti-Corruption Policy sets out the standards of conduct for ERBUD S.A. and its employees and associates in counteracting corruption.

1.2. The purpose of introducing an Anti-Corruption Policy is to ensure the transparency of the Company's activities towards its stakeholders and to prevent corrupt behaviour by persons acting for or on behalf of ERBUD S.A., in addition to:

1.2.1. creating awareness among employees and associates on how to identify and counteract corrupt behaviour or conflicts of interest,

1.2.2. identifying ways to report suspected corrupt behaviour,

1.2.3. setting out rules on the avoidance of conflicts of interest,

1.2.4. defining transparent rules for accepting and giving gifts in the Company.

1.3. This Anti-Corruption Policy complements the applicable anti-corruption legislation and the provisions of the Company's Code of Ethics. The provisions of the Anti-Corruption Policy are inspired by international conventions, in particular: United Nations Convention Against Corruption, adopted by the United Nations General Assembly on 31 October 2003, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, and the provisions of the Recommended Standards for an anti-corruption compliance management system and a whistleblower protection system for companies listed on the markets organised by the Warsaw Stock Exchange.

2. Scope of application:

2.1. This policy applies to all employees and associates of the Company.

2.2. Ensuring compliance with the provisions of the policy shall be regularly monitored and any necessary corrective measures shall be identified and implemented promptly.

3. Terms and abbreviations:

Terms used in the policy are given the meaning indicated below:

3.1. ***'Company'*** - means Erbud Spółka Akcyjna with its registered office in Warsaw,

3.2. ***'Controller'*** **-** shall be understood to mean the person coordinating the process of drafting, reviewing, publishing and archiving regulations, and maintaining records, with e-mail contact: procedury@erbud.pl.

3.3. ***'Employee'*** - means a person providing work or services to the Company, regardless of the basis of the employment relationship, including a person employed under a civil law contract. For the avoidance of doubt, Employee shall also mean persons providing work or services to the Company in the value chain, regardless of the existence or nature of the contractual relationship with the Company, i.e.: employees/contractors of supply companies, subcontractors and other business partners.

3.4. ***'Policy'*** - shall mean this Anti-Corruption Policy.

3.5. ***'Material Benefit'*** - means a material benefit obtained as a result of corrupt activities, in particular contrary to the law or the rules of ethics and good morals that can be expressed in money, including a benefit to a third party.

3.6. ***'Personal benefit'*** - means an intangible benefit obtained as a result of corrupt activities, in particular contrary to the law or rules of ethics and good morals, which improves the situation of the person who obtains it or of a third party, such as, for example, the promise of a promotion or faster handling of the matter.

3.7. ***'Corruption'*** - shall be understood as promising, offering, giving, demanding, accepting by any person, directly or indirectly, any Material Benefit, Personal Benefit or otherwise, to themselves or any other person, or accepting the offer or promise of such in return for an act or failure to act in the exercise of a public function or the performance of official and professional duties.

4. Description of proceedings/content of the document:

4.1. **General provisions**

4.1.1. The adoption of this Policy by the Company's Management Board constitutes a declaration of zero tolerance for any form of Corruption and an expression of the belief that Corrupt behaviour impedes economic development, violates the rules of competition, reduces safety and quality of services, and threatens the interests and reputation of the Company and its stakeholders.

4.1.2. The Company conducts its business activities with respect for ethical standards, in a responsible and transparent manner. The Company does not accept or condone Corruption in both internal and external relations of the Company.

4.2. **Obligations of Employees, Management and the Company to counter Corruption**

4.2.1. Employees are obliged to take all necessary measures to combat Corruption. In particular, Employees are obliged:

4.2.1.1. not to accept a Personal Benefit or a Material Benefit or the promise of receiving one, nor to make the performance of an activity that is within the scope of their official duties conditional on receiving a Personal Benefit or a Material Benefit,

4.2.1.2. not to accept a Personal Benefit or a Material Benefit or the promise of one, nor to request it in exchange for an abuse of power or a breach of duty,

4.2.1.3. not to give any Personal Benefit or a Material Benefit to any person, in connection with their public function, and not to take any action with the objective of inducing such person to violate the law or to give or promise to give a Personal Benefit or a Material Benefit for a violation of the law,

4.2.1.4. not to invoke the influence and position of the Company and not to convince another person of the existence of the Company's influence to convince that person to help with a given matter in exchange for obtaining a Personal Benefit or Material Benefit or the promise of receiving them,

4.2.1.5. not to grant or promise to obtain a Personal Benefit or a Material Benefit in exchange for intermediation in a matter in a state or local government institution, international or national organisation or in a domestic or foreign organisational unit disposing of public funds, including a company of the State Treasury, consisting in unlawfully influencing a decision, action or omission of a person performing a public function in connection with the performance of the function,

4.2.1.6. not to commit any unlawful acts against the Company's assets, in particular, theft, misappropriation, destruction or damage of property, contrary to the law, internal regulations or ethics,

4.2.1.7. to be familiar with the contents of this Policy, to apply the rules contained herein, and to promptly report violations of this Policy as set out in item 4.10. below.

4.2.2. If an Employee receives a Corrupt Proposal from any entity or person, the Employee is obliged to expressly reject it and to immediately inform the Supervisor and the Compliance Officer or a Member of the Management Board of the Company of the incident.

4.2.3. Directors and Managers of organisational units are obliged to take all measures to ensure the implementation of the provisions of this Policy, in particular to familiarise all subordinate Employees with the anti-corruption rules set out in the Policy and to supervise its application by subordinate Employees.

4.2.4. Directors and Managers of organisational units are obliged to create ethical attitudes ensuring the achievement of the Policy's objectives.

4.2.5. The Company is obliged, with due diligence, to maintain transparent relations with third parties, in order to exclude the possibility of Corruption.

4.2.6. The Company takes steps to include in its contracts with business partners clauses prohibiting Corrupt Activities, in particular indicating that no part of the remuneration for the execution of the contract shall be used to cover the costs of granting Material Benefits and/or Personal Benefits.

4.2.7. The Company verifies and approves costs and expenses and ensures transparent partnerships with third parties in order to prevent the creation of mechanisms for offering Material Benefits using Company assets.

4.3. **Corrupt behaviour**

4.3.1. The most common and easily identifiable forms of behaviour that may be considered corrupt behaviour are:

4.3.1.1. bribery - including its two forms: passive - i.e. soliciting, coercing, agreeing to receive a benefit, accepting a benefit and active - offering, promising or giving a benefit;

4.3.1.2. use of Company funds and assets for personal or private gain,

4.3.1.3. paid protection/trading in influence - understood as invoking influence in an institution disposing of public funds, or inducing a conviction or belief in the existence of such influence by another person, which includes offering (active paid protection) or seeking (passive paid protection) an agency to settle a matter in exchange for a financial or personal benefit or its promise.

4.3.1.4. irregularities in public procurement procedures, (bid rigging) obtaining contracts, obtaining concessions or authorisations and decisions of courts and public administration bodies,

4.3.1.5. conscious unlawful use of public funds,

4.3.1.6. favouritism, nepotism, cronyism and other prohibited practices in the area of employee relations.

4.3.2. Corrupt behaviour can also take other forms; in any case, it is important to recognise what type of behaviour should raise concerns.

4.4. **Areas particularly threatened by corruption risks**

4.4.1. Employees, in particular managers of organisational units in the Company, are obliged to identify corruption risks within the scope of their activities on an ongoing basis, to have reliable and regular internal controls and to ensure transparency of processes and activities implemented in terms of anti-corruption and to promote an ethical attitude among Employees.

4.4.2. Areas particularly threatened by corruption risks:

4.4.2.1. Accepting and giving business gifts and other types of tangible and intangible benefits in order to develop and maintain business relationships;

4.4.2.2. Selecting suppliers of services and goods;

4.4.2.3. Preparing for or participating in public tenders;

4.4.2.4. Incurring obligations and making purchases on behalf of and for the account of the Company;

4.4.2.5. Entering into contracts, relevant by their nature, terms or the entity with which the contract is concluded;

4.4.2.6. Making payments on behalf of the Company;

4.4.2.7. Relationships with business partners, including suppliers;

4.4.2.8. Obtaining permits and positive national official decisions;

4.4.2.9. Inspections by state institutions, regulators;

4.4.2.10. External audit;

4.5. **Gifts and hospitality**

4.5.1. While the Company recognises that gifts and invitations can be beneficial in establishing and developing business relationships, they should not be the primary method of establishing and maintaining good business relationships and their giving or receiving should be done in accordance with the restrictions under this Policy. The Company does not tolerate excessive forms of hospitality or gifts.

4.5.2. Before giving or receiving a gift or invitation, an employee shall ensure that the nature of the activity and the value of the gift or invitation are in accordance with the provisions of this Policy.

4.5.3. A gift is any tangible or intangible thing of monetary value for which the recipient does not pay.

4.5.4. The acceptance or presentation of a gift or invitation shall not violate the following rules:

4.5.4.1. The gift or invitation has a value of no more than PLN 200 (a gift of 'insignificant value'),

4.5.4.2. The gift may not be in the form of cash or its equivalent (e.g. shares, vouchers, coupons, prepaid payment cards),

4.5.4.3. The gift or invitation does not indicate that the giver expects something in return, in particular the gift or invitation is not given in anticipation of a favourable business decision for the giver (e.g. selection of an offer, conclusion of a contract),

4.5.4.4. A gift or invitation is not given at the request of the Employee,

4.5.4.5. The acceptance or presentation of a gift or invitation shall not cause violation of the Company's good name or reputation,

4.5.4.6. The gift or invitation shall apply only to the Employee and not to the Employee's immediate family or third parties.

4.5.5. The Employee shall be obliged to report the receipt or giving of a business gift valued in excess of PLN 200 to the supervisor and to obtain the supervisor's approval to leave or give a gift or invitation, and to report the gift to the benefits register maintained by the Compliance Officer.

4.5.6. If doubts arise as to the nature of the gift or invitation and the giver's intentions in giving the gift or invitation, the Compliance Officer, the Supervisor or the Legal Department should be consulted.

4.5.7. Gifts or invitations which do not comply with the contents of the Policy and which are received against the will of the Employee may be disposed of or donated to the 'ERBUD - common challenges' Eryk Grzeszczak Foundation.

4.5.8. Employees of the Company may not promise or give to government officials any sums of money or other goods of any kind, regardless of their value, in exchange for arranging matters or favouring the Company's interests. The only exceptions are small gifts provided occasionally during presentations, events and other meetings organised by the Company.

4.6. **Avoidance of conflicts of interest**

4.6.1. A Conflict of Interest shall be understood as a situation in which an Employee or a member of the body of the Company takes decisions or deliberate actions on behalf of the Company in a way that brings or may bring an advantage (material or personal) to the Employee or persons related to the Employee or a member of the body of the Company, and in which the interests of the Employee or a member of the body of the Company affect or may adversely affect the assessment of the situation, the decisions taken or the performance of the tasks assigned.

4.6.2. The Company shall take measures to identify and avoid conflicts of interest and, if conflicts arise, shall manage them accordingly.

4.7. **Areas of identification of conflicts of interest**

A conflict of interest may occur between:

4.7.1. Company's business partners and the Employee, in particular when:

4.7.1.1. An Employee may gain a benefit or avoid a loss as a result of a loss or non-receipt of a benefit by a business partner of the Company, if this is related to the execution of the contract between the business partner and the Company;

4.7.1.2. The Employee has a financial or personal reason to treat one business partner more favourably than another;

4.7.1.3. The Employee accepts or gives a financial benefit with the objective of influencing the decisions of the recipient and which causes or is likely to cause the recipient to feel an obligation;

4.7.2. The Employee and the Company in particular when:

4.7.2.1. The Employee's activities outside the Company are incompatible with acting in the Company's interest. In particular, a conflict of interest may arise from business, professional, political activities, employment of related persons, use of the Company's business potential and information, know-how and experience gained within the Company, in a way that causes damage to the Company;

4.7.2.2. The employee, acting on their own behalf, gains an advantage or avoids a loss by using the knowledge or tools provided by the Company and thereby causes the Company to lose or not to gain an advantage;

4.7.3. the Company's business partners, in particular when the contracts or investments of the two business partners have conflicting objectives.

4.8. **Responsibilities of Employees and members of the bodies**

In order to minimise the risk of conflicts of interest Employees:

4.8.1. are required to identify and avoid conflicts of interest in the performance of their duties;

4.8.2. report the conflict of interest, if identified, to their immediate superior who may decide to report the conflict to the Company's Management Board or the Compliance Officer;

4.8.3. are obliged not to engage in any activity that might give rise to a conflict of interest between them and the Company, in particular for personal gain or competitive activities with the Company;

4.8.4. shall ensure that their own interests do not interfere either with their obligations to the Company or with the Company's obligations towards customers or business partners;

4.8.5. are obliged to act loyally and make decisions in line with the Company's interests;

4.8.6. involved in the decision-making process must not exert undue influence, either on those seeking investment or on persons linked to that entity;

4.8.7. are required to know and comply with the procedures in place for the management of conflicts of interest and to attend training courses organised by the Company;

4.8.8. In case of doubt, they are obliged to follow the provisions of the Policy.

4.9. **Measures to manage conflicts of interest**

For each type of conflict identified, the Company puts in place tailored measures to manage and monitor the conflict and prevent the potential adverse impact it may have on the Company and its environment. The above may include, in particular, an obligation for the Employee to:

4.9.1. specific supervision - in order to manage the conflict of interest in a reasonable manner, the Company may introduce non-standard monitoring and specific supervision of partnerships with one or more collaborating entities;

4.9.2. to refrain from undertaking professional activities in connection with a specific contract, project or order. The decision to delegate the performance of services shall be made by the Management Board member of the Company supervising the business area concerned.

4.10. **Reporting violations**

4.10.1. In the case of a corrupt event, a suspicion that such activity may have occurred or is highly likely to occur, an Employee is obliged to inform the Company, through dedicated channels, of the situation or suspicion.

4.10.2. Notifications may be made through the irregularity reporting channels listed below, which are set up and operated in such a way as to protect the Whistleblower and to protect the privacy of the Person who is the subject of the notification:

4.10.2.1. E- mail to: naruszenia@erbud.pl and in the event that the Person who is the subject of the notification is a Management Board Member to the e-mail address: radanaruszenia@erbud.pl and in case the Person who is the subject of the notification is a Compliance Officer at e-mail address: zarzadnaruszenia@erbud.pl

4.10.2.2. By letter, to the following address: ERBUD S.A. ul. Klimczaka 1, 02-797 Warsaw, notifications forwarded in this manner should be sent with the note on the envelope ‘Notification of violation of the law - personally to the Compliance Officer’ and, if the Person who is the subject of the notification is a Member of the Management Board, ‘Notification of violation of the law - personally to the Member of the Supervisory Board’ and, if the Person who is the subject of the

notification is a Compliance Officer, 'Notification of violation of the law - personally to the designated Member of the Management Board'.

4.10.2.3. In person or by telephone to the Person Receiving Notifications, tel: 539-092-510.

4.11. **Organisational provisions**

4.11.1. The highest level in the organisation, responsible for the implementation of the Policy and its enforcement, is the Compliance Officer.

4.11.2. This Policy needs to be reviewed at least every 2 years, but if there is no reason to update it the content of the document shall remain unchanged.

4.11.3. Failure by an Employee to comply with the principles contained in this Policy constitutes a breach of their basic employment duties.

4.11.4. Violations of this Policy by Business Partners may result in termination of the partnership with the Business Partner who has committed actions contrary to the rules expressed in this Policy.