

ANTI-CORRUPTION PROCEDURE
of Polsaros Sp. z o.o.

1. Introduction

Polsaros Sp. o.o. is aware of how destructive the influence of corruption on economic, public and social life is. Polsaros Sp. o.o. opposes corruption in all its forms and takes measures to counteract and combat corruption with respect to all aspects of the company's operations.

In recognition of the above, Polsaros Sp. z o.o. has adopted this Anti-corruption Procedure, which contains instructions on conduct, compliance with which will allow to avoid actions of a corrupt nature.

This Anti-corruption Procedure is complementary to the Code of Ethics adopted by Polsaros Sp. z o.o. and constitutes its supplement in the scope of the company's anti-corruption policy.

2. Definitions

The following terms used in this Anti-corruption Procedure have the following meaning:

Business Partner	-	a company or other organization or enterprise or a natural person who is an entrepreneur, that is involved in a business relation with the Company as the Company's contractor (in particular a supplier of goods or services) or client, or which is a potential contract or client for the Company;
the Code	-	this Code of Ethics adopted by the Company;
Corruption	-	has the meaning specified in section 6 of the Anti-corruption Procedure;
the Company	-	Polsaros Sp. z o.o., incorporated under the laws of Poland, registered in the register of entrepreneurs of the National Court Register under KRS number 0000364605;
Company's Professionals	-	the Employees and the Members of the Management Board;
Employee	-	a person who is employed by the Company under an employment contract or a civil contract;
the Ethics Officer	-	a person appointed by the Management Board to act as the ethics officer of the Company for the purposes indicated in the Code; it is possible for the Member of the Management Board to be the Ethics Officer;
Public Official	-	a person who is in a position of official authority that is conferred by a state, e.g. a member of central or local administration;
Management Board	-	the Management Board of the Company;
Member of the Management Board	-	a person appointed to the Management Board of the Company, regardless of his or her position in the Management Board;
Public Authority	-	any state authority (either central or local or of any other kind), including all branches of the executive power of a state or a local

		government unit, etc.;
Anti-corruption Procedure	-	this Anti-corruption Procedure;
the Report	-	a notification of a case of Corruption or of a reasonable suspicion of Corruption;
Superior	-	a person who is the direct superior to a given Employee.

3. Purpose of the Anti-corruption Procedure

- 3.1. The Anti-corruption Procedure is designed to provide the Company's Professionals and all persons acting in the name or on behalf of the Company with a set of general principles aimed at preventing, recognizing and combating Corruption.
- 3.2. The Anti-corruption Procedure is also intended to enable Business Partners and all interested parties to get to know and understand the Company's approach to the problem of Corruption and the measures aimed at counteracting corruption-related situations.
- 3.3. The Anti-corruption Procedure has been adopted by the resolution U/Z/12/2018 of the Management Board dated 11 October, 2018 and may be subject to periodic updates also outside the circumstances specified in subsection 14.2 by making the new edition public on the Company's website: <https://polsaros.com>. The Anti-corruption Procedure is in force from the date of its adoption.
- 3.4. The Company is open to comments regarding the content of the Anti-corruption Procedure and encourages Employees to submit suggestions as to how the Anti-corruption Procedure can be improved.

4. Who must follow the Anti-corruption Procedure?

- 4.1. The Anti-corruption Procedure is binding upon all of the Company's Professionals as well as other individuals who are occasionally authorized to manage certain affairs of the Company, acting in its name or on its behalf.
- 4.2. Every Employee is obliged to get acquainted with the content of the Anti-corruption Procedure. Every Employee shall submit a written confirmation that he or she has met this requirement, according to the template constituting Appendix 1 to the Code.

5. Legal environment

- 5.1. Corruption is a serious problem both in a global and domestic scale. It is addressed internationally by many conventions [e.g. the United Nations Convention against Corruption (UNCAC) or the OECD Anti-Bribery Convention], as well as by internal legislation of particular countries.
- 5.2. The Company's Professionals are obliged to respect the laws of any country they operate in, in particular when co-operating with a foreign Business Partner or Public Official. For example, when conducting business activities in the United States of America the Company's Professionals should respect American anti-corruption regulations featured in the U.S. Foreign Corrupt Practices Act (FCPA).

6. What is Corruption?

- 6.1. Corruption means to promise, propose, give, demand or receive undue financial or personal gain (a bribe), for oneself or another person, or to accept the offer of such a benefit, in order to influence a decision in the performance of a person's duties.
- 6.2. In particular, in Poland the criminal offences specified in articles 229, 230, 230a, 296a, 299 and 305 of the Polish Criminal Code dated June 6, 1997, all constitute Corruption.
- 6.3. Corruption can be committed in various ways (including financial and non-financial means). Ordinary daily activities, such as accommodation, small gifts, may also be considered Corruption in some situations.
- 6.4. Corruption may arise in any business situation. In particular, Corruption may be used to obtain or retain business or gain an unfair advantage over the competitors, e.g. to:
 - win a contract;
 - purchase goods at preferential prices;
 - avoid contract termination;
 - influence procurement process (especially public procurement), e.g. by gaining access to undisclosed tender information;
 - evade taxes or penalties, e.g. evade tax control or an unfavorable tax decision;
 - obtain a concession, license or permit to conduct a specific type of activity (e.g. for the processing of waste);
 - obtain another type of administrative decision;
 - obtain financing (e.g. a loan) at a bank or other financial institution;
 - obtain an official certificate that states untruth, e.g. in terms of tax liabilities or social security contributions;
 - illegally obtain confidential commercial information about competing companies, in particular information that constitutes their business secret within the meaning of article 11 of the Polish Act of April 16, 1993 on suppression of unfair competition;
 - influence the legislative process, both on the national level (for example, by leading to the adoption of a statute or a regulation containing favorable provisions), as well as local (for example, bringing about a change in the local spatial development plan to enable carrying out a construction investment).

7. Combating Corruption

- 7.1. The Company runs a "zero tolerance for Corruption" policy.
- 7.2. Prohibition of Corruption is not only limited to giving or receiving cash, but – subject to the provisions of section 8 – may include the giving or receiving of:
 - gifts;
 - material and financial benefits (e.g. payments for accommodation, meals and transport, training opportunities or membership programs, granting financing);
 - commercial agreements (e.g. for consulting services or sponsorship);

- job / internship positions or investment opportunities for the interested person or his or her close relatives;
 - confidential information that may be used to carry out financial investments;
 - support for family members.
- 7.3. The Company prohibits, opposes and fights Corruption in any form, including those mentioned above (regardless of the person who is the beneficiary of such actions).
- 7.4. The Management Board and the Ethics Officer will undertake to:
- train Employees in counteracting, identifying and combating Corruption;
 - raise awareness of Employees and Business Partners in the field of counteracting, identifying and combating Corruption;
 - encourage Employees and Business Partners to report cases of Corruption or suspected Corruption;
 - notify law enforcement authorities of cases of Corruption that violate generally applicable laws;
 - encourage Business Partners to implement policies and practices similar to the Code.

8. Gifts and other benefits

- 8.1. Gifts and other benefits may be given by the Company's Professionals to Business Partners, their representatives or employees, or to other entities, or accepted by the Company's Professionals, but only if they are considered to be customary activities and provided that they are not acts of Corruption and do not damage the reputation of the Company.
- 8.2. Gifts and benefits that are permitted in accordance with subsection 8.1 include (when assessing whether a gift is allowed you should be guided by your own reasonable judgment, taking into account the applicable rules and customs) modest gifts of value not exceeding PLN 400, e.g. flowers, coffee, confectionery, calendars, t-shirts, pens, inexpensive alcohol, small business gadgets related to the enterprise of the Business Partner (especially bearing the Business Partner's logo), meals in restaurants for the price which does not exceed the above-mentioned amount.
- 8.3. No gifts or other benefits should be accepted in a short space of time from the same organization or the same person if their total value would exceed the amount indicated in subsection 8.2. Similarly, no gifts or other benefits should be given to the same organization or to the same entity in a short space of time if their total value would exceed that amount.
- 8.4. Gifts or other benefits that are never allowed include:
- money (in cash or transferred in the form of a bank transfer) or its equivalent (e.g. vouchers, loans, shares);
 - expensive alcohol or expensive jewelry;
 - any inappropriate gifts, i.e. anything that is indecent or could otherwise negatively affect the Company's reputation;
 - gifts that are prohibited by generally applicable law;
 - gifts received or offered on a "something for something" basis, i.e. as part of arrangements according to which something should be done in exchange for a gift;

- gifts having a significant impact on a business transaction which the Company is or may be involved in or which may otherwise result in a conflict of interest.
- 8.5. In case of doubt whether a given gift or other benefit received by the Employee or which the Employee intends to offer does not violate the Code, the Employee should consult the issue with the Ethics Officer.
- 8.6. Gifts and benefits other than those referred to in subsection 8.2 received by the Employee or which the Employee intends to offer to a Business Partner require a prior consent of the Ethics Officer.
- 8.7. Employees are required to report to the Ethics Officer any gifts and other benefits received from a Business Partner or other entity or which the Employee intends to offer to a Business Partner or other entity.
- 8.8. The Ethics Officer keeps a register of gifts and other benefits.
- 8.9. If the Employee receives a gift or other benefit that violates the Code, he or she should immediately report this fact to the Ethics Officer and after consulting with him or her return the gift or other benefit to the person who gave it. If the Employee is not sure about the exact origin of the gift or other benefit, the decision in this matter will be made by the Ethics Officer.

9. Entertainment, travel and accommodation

- 9.1. All business entertainment, travel and accommodation provided by the Company to the representatives and employees of the Business Partners and to the Public Officials, or received by the Company's Professionals from such entities must be moderate, proportional to the situation and clearly intended to facilitate business discussions.
- 9.2. The Company's Professional's should not take part in or organize events as the Company's representatives if such events are not related to the Company's business operations or otherwise fail to meet business objectives.
- 9.3. The Company may only cover the travel and lodging-related expenses of the representatives and employees of the Business Partners and Public Officials, which are directly related to:
- the promotion and demonstration of the Company's products or services;
 - marketing events organized by the Company;
 - performance of a contract concluded between the Company and a Business Partner or a Public Authority.
- 9.4. The level of entertainment, travel and accommodation provided by the Company should be reasonable and appropriate to the circumstances. Under no circumstances should it be extravagant, in order not to arouse suspicion in the guests that it may be directed at influencing their business decisions.
- 9.5. Whenever possible, the Company will make the payment directly to the pertinent service providers (airlines, hotels, etc.) for any travel or accommodation services.

10. Sponsorships and donations

- 10.1. Sponsorships and donations made by the Company must have clear objectives and should be used to assist only worthy initiatives and projects, e.g. charitable goals.
- 10.2. The Company's Professionals responsible for verifying the project or initiative to be supported by the Company should ensure that such project and initiative will not be used for money laundering or other unlawful or unethical activities. Sponsorship or donation cannot be a hidden form of Corruption.
- 10.3. No Public Authority or political party can be made part of a sponsorship or donation made by the Company without prior approval of the Management Board.
- 10.4. All sponsorships and donations must be governed by a written contract that clearly defines the Company's contribution, the other participating parties, the project's or initiative's goal and their beneficiaries. The contract should contain anti-corruption clauses against the use of funds, which were provided by the Company, for purposes not directly related to the supported project or initiative.
- 10.5. The Employee responsible for the sponsorship or donation will regularly monitor and evaluate the initiative or project in order to reduce the risk of Corruption and conflict of interest and to maintain control over the appropriate use of the Company's funds.

11. Public Authorities and politicians

- 11.1. Due to the special role of Public Authorities and Public Officials, as well as due to the very wide scope of application of articles 229 and 305 of the Polish Criminal Code, which regulate the offenses of bribery of a person holding a public office and disruption of a public tender, the Company's Professionals should exercise extreme caution in relations with Public Authorities and Public Officials, and in particular adhere to the rules of conduct set forth in this section.
- 11.2. All contacts with Public Authorities, Public Officials and politicians should take place in a transparent and official manner and communication should be conducted solely through official channels.
- 11.3. The Company's Professionals should not discuss business issues during private meetings with Public Officials, i.e. meetings in which a Public Official does not participate as a representative of a Public Authority.
- 11.4. Official meetings, talks or communication should be documented, e.g. with a note. During official meetings or communication with Public Authorities, Public Officials and politicians, particular care should be taken to avoid any behavior of the Company's Professional being read as an incitement to Corruption or an attempt to obtain classified information.
- 11.5. Employees can collect, process and store information obtained in the course of contacts with Public Authorities and Public Officials. In the event of obtaining, as a result of such contact, information the possession of which or the use of which could be considered as affecting the activity of a Public Authority or a Public Official or a unit with public funds, in particular be considered as Corruption, or which constitutes classified information or a protected legal secret that the Employee does not have the right of access to, the Employee is obliged to promptly inform his or her Superior or the Ethics Officer of the above in accordance with section 16 of the Code.
- 11.6. Particular care should be taken when offering gifts or other benefits to Public Officials or politicians. In this case the Ethics Officer must first be consulted.

- 11.7. Any contributions made to political parties individually by the Company's Professionals or any services provided by them to political parties must be voluntary and personal, i.e. having no connection with work at the Company.

12. Reporting Corruption

- 12.1. Every Company's Professional has the right and the obligation to make the Report.
- 12.2. Every Business Partner has the right to make the Report by contacting Company's Ethics Officer (e-mail: ethics@polsaros.com).
- 12.3. Report should be made in accordance with the rules set out in section 16 of the Code, i.e. in the same way as in the case of reporting violations of the Code.

13. Sanctions for violating the Anti-corruption Procedure

- 13.1. The Company's Professionals who violate the Anti-corruption Procedure will face serious disciplinary actions. These actions range from disciplinary fines specified in the Polish Labor Code to termination of employment.
- 13.2. Apart from the above the Company may claim damages under civil proceedings from the person whose action or omission constitutes violation of the Anti-corruption Procedure.

14. Miscellaneous

- 14.1. The Anti-corruption Procedure is available to the Company's Professionals, Business Partners and the general public on the Company's website.
- 14.2. The Anti-corruption Procedure will be updated if necessary due to change in the current provisions of the law or introduction of new legal provisions regarding the issues covered by the Anti-corruption Procedure.
- 14.3. The Code has been drawn up in two language versions: Polish and English. In case of any discrepancies between these language versions, the Polish version shall prevail.