

Edition I

Policy regarding the rules of conduct
with business partners and public
administration bodies

1. THE SCOPE AND PURPOSE OF THE DOCUMENT

- 1.1 This policy sets out the requirements to assess the risks associated with undertaking cooperation with new business partners and defines the manner of cooperation with public administration bodies. The policy is aimed at minimizing reputation risk and preventing corruption.
- 1.2 The rules described in the policy apply to the employees and associates of the Company and representatives of the Company who submit a written statement that they familiarised themselves with this policy and understand its provisions. Employees and representatives described in sections 4.3 and 5.6. respectively, also submit a declaration of absence of conflict of interest. The statements are archived by the Human Resources Department.
- 1.3 Persons responsible for relations with business partners are required to inform them of the requirements arising from this policy.
- 1.4 All deviations from the policy need to be documented and are possible after obtaining a written approval from the immediate superior and the compliance officer.
- 1.5 Employees should report any breaches of this policy through the communication channels described in the Whistleblowing policy.

2. DEFINITIONS

Company - ROBYG S.A. together with all its organisational units and subsidiaries.

Business partner - a contractor performing a contract for delivery of products or services for the benefit of the Company, for a fee or free of charge.

Public administration bodies - state and local administration bodies equipped with administrative powers shaping the rights and obligations of the Company (e.g. issuing permits, licenses, making approvals, etc.).

Public Official- a person within the meaning of the provisions of Section 115 § 13 of the Penal Code; in the context of this policy, first of all:

- a person who is an employee of a government administration, other state body or a local government, unless he/she performs only service activities (e.g. secretary, telephone operator, cleaner, supply and maintenance worker), and another person to the extent that he/she is authorised to issue administrative decisions,
- a person who is an employee of a state control authority or a local government control authority, unless he/she performs only service activities,
- a person holding a managerial position in another state institution.

Employees - all persons cooperating with the Company at any level and position, regardless of the type of employment contract, including managers, members of the Company's bodies, directors, consultants, contractors, interns, volunteers, trainees, and persons employed under a contract other than an employment contract.

Representative - a business partner who has the authority to act on behalf of the Company. In particular, the representative may represent the Company before public administration bodies.

Corruption - a situation in which a person promises, proposes, transfers a material, personal or other benefit to a public administration body or an employee of that body, a Public Official, a candidate for a Public Official position, entrepreneur, employee or representative of an entrepreneur; the above may take place directly or through intermediaries. The most common form of corruption is bribery. Bribery refers in particular to the act of offering, giving, promising, asking, agreeing, receiving, accepting or soliciting something of value or effect on an action or decision.

Conflict of interest - a situation in which there is a risk that employees will be guided by their own benefits (material or personal), which may expose the Company to economically or legally unjustified decisions or actions.

Facilitation fees - a generally accepted small amount of money or a modest gift for a Public Official to speed up or facilitate routine governmental or administrative activities.

International sanctions - coercive measures taken by countries against another country/government or person/entity, implementing the decision of the competent authority.

Risk assessment system - a set of warning signals describing the functioning of a business partner or representative, which due to their risk of negative impact on legal or tax security or reputation of the Company, should be subject to intensified monitoring.

Compliance Officer – a person appointed by the Management Board, responsible for ensuring that the Company's operations are in compliance with laws and regulations, standards, recommendations and good practices in order to minimise risks and prevent financial losses or loss of reputation for the Company.

3. GENERAL RULES

- 3.1 The Company does not tolerate bribery and corruption by operating ethically and honestly and is committed to implementing and applying mechanisms that prevent bribery.
- 3.2 The Company does not make donations, whether in cash, in kind or in any other way, to support political parties, social movements, committees, e.g. electoral or political, or for their individual representatives and candidates, organisations in which offices are held by members of parliament, senators, councillors, employees of government and local government bodies, employees of state and local government control bodies, as this may be considered as an attempt to obtain an improper business advantage or a form of a bribe.
- 3.3 The Company operates professionally, honestly and reliably in all relations with business partners and public administration bodies. All arrangements that the Company makes with a business partner are subject to clear contractual terms, including detailed provisions that require the business partner to meet the minimum conditions described in Section 0. The detailed wording that should be included in the agreements with partners should be prepared jointly with the legal department of the Company and the compliance officer.

- 3.4 The Company obligates Employees to avoid conflicts of interest in relations with business partners and public administration bodies.

4. RELATIONS WITH BUSINESS PARTNERS (NOT BUYERS OF FLATS)

- 4.1 The Company treats all business partners the same, in a manner that guarantees the maintenance of fair and effective competition, in particular ensuring equal access to information related to the procurement process.
- 4.2 The establishing of a relationship with a business partner is based on selection criteria which are set out in the order before receiving offers. The selection criteria should be documented (e.g. confirmed in the material documenting the selection of the offer, given in the offer request / information request, etc.).
- 4.3 Employees involved in relations with business partners (including decision makers on the selection of a contractor, persons placing orders) shall submit once a year a no conflict of interest statement in accordance with the specimen set out in Appendix No. 1. In particular, the following situations are considered to be conflicts of interest:
- Employee of the Company applies by him/herself for the execution of a given contract or has any shares in a business partner entity that is applying for the implementation of a given contract or carrying out a given contract,
 - Employee is married, in a family relationship or affinity in a straight line or side line to the second degree or is associated through an adoption, custody or a guardianship with a business partner, his/her legal deputy or a member of the management or supervisory bodies of the business partner applying for the implementation of a given contract or carrying out a given contract,
 - Employee, before the lapse of 3 years from the date of initiation of a given procurement process, remained under an employment contract, job order contract, contract for a specific job or other similar civil-law relationship with a business partner or was a member of the management or supervisory bodies of a business partner applying for the contract or carrying out a given contract,
 - Employee remains with a business partner in such a legal or factual relationship that it may raise justified doubts as to the impartiality of these persons.
- 4.4 Employees responsible for establishing and maintaining relationships with business partners, the value of which exceeds PLN 500,000 per annum, are required to assess the business partner in terms of operational, legal, tax and reputational risk in accordance with the risk assessment system presented in Section 4.7. In justified cases, the Company may reserve the right in the contract to verify the information provided by a business partner (e.g. through a visit to the partner's office, an economic intelligence agency). The Company may determine the overall level of risk associated with a business partner (low, medium, high) based on the risk assessment.
- 4.5 Employees responsible for establishing relationships with business partners are required to verify sanctions lists. Establishing a relationship with a natural person, legal entity, organisation or a country against the imposed sanctions is a violation of these sanctions. Actions taken or

restrictions applied depend on the type of sanctions imposed. In particular, the verification should be carried out on the basis of generally available sanctions lists:

- for European Union sanctions: <https://webgate.ec.europa.eu/europeaid/fsd/fsf> (EEAS homepage> EEAS> Consolidated list of sanctions)¹
- for the sanctions of the Office of Foreign Assets Control, operating within the US Department of Treasury <https://sanctionssearch.ofac.treas.gov> (Home »Resource Center» Financial Sanctions »SDN List» Consolidated Sanctions List Data Files),
- for UN sanctions: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list> (Home> Consolidated Sanctions List)
- for UK sanctions: <https://www.aov.uk/aovernment/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

4.6 Employees responsible for maintaining relationships with business partners classified as high risk are obliged to monitor periodically (no less than 6 months) the partner not only in terms of performance of the contract, but also in terms of operational, legal, tax and reputational risks that could arise after establishing the partner relationship.

4.7 In order to facilitate the assessment of business risk, the Company has developed a risk assessment system enabling an objective assessment of the partner and its documentation:

- in the area of operational risk, the assessment should concern, inter alia, financial credibility (balance sheet, profit and loss account and cash flows), human capital and operational experience based on publicly available registers, public information or, if necessary, documents requested from the business partner, including in particular financial forecasts,
- in the area of reputational risk, the assessment should concern, inter alia, industry commendations and certificates, implemented quality management systems,
- in the area of legal risk, the analysis should include verification of, inter alia, whether the business partner has contact with public administration bodies and how often and in what form (e.g. routine administrative proceedings, reconciliation meetings, presentations),
- in terms of tax risk, the analysis should include, inter alia, verification of the partner in the National Court Register or in the Central Information and Business Activity Register, verification in the REGON database, checking the VAT status in the national tax registers (<https://ppuslugi.mf.gov.pl/>) and in the European ones (<http://ec.europa.eu/taxation/customs/vies/?locale=PL>), submission of an application to the competent head of the tax office to confirm whether the taxpayer is registered as active or exempted VAT payer, and in the area of "sensitive" goods - to check whether the partner is listed as an entity that has provided a guarantee deposit (<http://kaucia-gwarancvina.mofnet.gov.pl>).
- as part of a periodic monitoring, the analysis should concern available public information on irregularities in the partner's activity, interest of the regulators in the partner (e.g. construction supervision authorities, FSA, OCCP, OPPD), inconsistent or untruthful facts or documents determined in the course of cooperation.

¹ Registration required on the website of the European Commission

- 4.8 The performed risk assessment and periodic monitoring should be documented in a way that allows for the subsequent determination of the actually conducted analyses and verification activities.

5. RELATIONS WITH PUBLIC ADMINISTRATION BODIES

- 5.1 The Company does not accept and will not make any facilitation payments regardless of their form. The Company recognises that facilitation fees are a form of bribery.
- 5.2 Representatives of the Company do not have the power, as part of their powers of attorney, to make any facilitation payments regardless of their form.
- 5.3 It is forbidden to give presents, invitations and hospitality to Public Officials. This prohibition does not apply to invitations to formal meetings and events organised by the Company, such as 'Cornerstone' [*'kamien węgielny'*] and Topping out [*'Wiecha'*], or meetings initiating or finalising business projects.
- 5.4 Invitations to participate in events/meetings organised by the Company addressed to Public Officials should indicate the full extent of the event allowing to estimate reasonably its costs to be covered by the Company. The best practice is to issue an invitation to representatives of public administration bodies to the address of the office, allowing for the secondment of appropriate persons.
- 5.5 The Company requires that at least two employees of the Company and/or Representatives of the Company participate in meetings with representatives of public administration bodies that go beyond routine formal or administrative activities. The course of such meetings should be documented in a way that allows later to determine the topics discussed during the meeting (e.g. drawing up of an internal note or by sending an e-mail to persons dealing with a given subject and/or their superiors).
- 5.6 Employees and Representatives of the Company involved in relations with public administration bodies (including persons making decisions regarding the selection of a contractor, persons placing orders) shall submit once a year a statement of absence of conflict of interests in accordance with the specimen set out in Attachment No.2. In particular, the following situations are deemed to be a conflict of interest:
- Employee or Representative remains married, in a family relationship or affinity in a straight line or side line to the second degree or is related to as a result of an adoption, custody or guardianship with a Public Official involved in the decision-making process regarding the Company's affairs,
 - Employee or Representative remains in such a legal or factual relationship with a Public Official involved in the decision-making process regarding the Company's affairs that it may raise justified doubts as to the impartiality of these persons.
- 5.7 The head of the legal department maintains a register of business partners who are in contact with public administration bodies and act as the Company's Representatives.

6. AUDIT ACTIVITIES

- 6.1 The person in the Company responsible for identifying risk areas and minimizing them is the compliance officer.
- 6.2 The audit of compliance with this policy is carried out at least once a year by the compliance officer. The audit should include at least the timeliness and completeness of the submitted declarations of no conflict of interest and completeness of declarations on familiarisation with this policy and the fulfilment of the reporting obligations referred to in Section 4.8.

7. FINAL PROVISIONS

- 7.1 The Management Board of ROBYG SA is responsible for reviewing this policy at least once a year and updating its contents.
- 7.2 Failure to comply with any of the rules set out in the policy may, following explanatory proceedings, lead to a disciplinary action in accordance with the Work Regulations and general provisions of the labour law and may result in a criminal liability resulting from generally applicable law.