

ANTI-CORRUPTION POLICY

POLON-ALFA S.A.



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I COMPANY ATTITUDE

Corruption is a crime of high social and economic damage. The Board of Directors of POLON-ALFA S.A., having due regard to the applicable law, the Company's objectives and welfare, as well as the values and ethical principles that underlie the organisation, decided to implement solutions expressing the Company's negative attitude towards any form of corrupt activity in its business operations. One of the paramount principles of POLON-ALFA S.A. and the entire Capital Group is to act in a fair and ethical manner, both within the scope of its management practices and in its relations with Business Partners.

This Anti-Corruption Policy, together with the Code of Ethics of POLON-ALFA S.A., are the pillars representing the Company's values and organisational culture. The standards of conduct contained in the Policy are of universal nature, and are aimed at strengthening the image and good reputation of POLON-ALFA S.A. and of the entire Capital Group, by pursuing the principle of "zero tolerance for corruption".

The rules contained in the Policy are binding for the Company's Employees, all persons co-operating on the basis of civil-law contracts, as well as other persons performing any activities on behalf of or for the benefit of POLON-ALFA S.A. and its subsidiaries. All the above-mentioned persons are obliged to read carefully the Anti-Corruption Policy and comply with its provisions when performing their duties.

The current provisions of the Anti-Corruption Policy are available at the Company's website (www.polon-alfa.pl).

Board of Directors of POLON-ALFA S.A.

II DEFINITIONS

1. **Company** - POLON-ALFA S.A.
2. **Capital Group (Group)** - POLON-ALFA S.A. and its subsidiaries.
3. **Policy** – the Anti-Corruption Policy of POLON-ALFA S.A.
4. **Code of Ethics** – the Code of Ethics of POLON-ALFA S.A.
5. **Employee** - an individual performing work on the basis of an employment contract, for POLON-ALFA S.A., or an individual not conducting business activity, providing services under a civil-law contract, as well as an associate of the Company, if they act for or on behalf of the Company.
6. **Management** – Company managers, directors, Board of Directors, in accordance with organisational structure adopted in the Company.
7. **Customer** -- an entity purchasing goods or services from POLON-ALFA S.A., for its own or further distribution or for direct use.
8. **Supplier** – an entity selling goods or services to POLON-ALFA S.A.
9. **Business Partner** – **Customer** or **Supplier**.
10. **Relative** – Employee’s spouse or common-law partner, who runs a joint household with the Employee, and their own or adopted children, as well as parents or parents-in-law.
11. **Gift** - an object or service having a specific material value, e.g. a gift basket, a voucher of value offered or accepted by an Employee for themselves or their Relative.
12. **Material benefit (Benefit)** - any goods, including but not limited to money, gifts, services, trips or other forms of material or financial value.

III PURPOSE OF THE ANTI-CORRUPTION POLICY

In particular, the purpose of implementing the Anti-Corruption Policy is to:

1. define guidelines of conduct for Employees and other participants in business processes conducted with the participation of the Company;
2. create awareness among Employees and other entities co-operating with the Company on how to identify and counteract corrupt behaviours and those constituting a conflict of interest;
3. establish universal principles for the Company with regard to preventing and combating all forms of corruption;
4. determine the rules of accepting and giving gifts at POLON-ALFA S.A., define the methods of reporting suspected acts of corruption or a conflict of interest.

IV SCOPE

1. This Policy sets out the principles applicable at POLON-ALFA S.A. in the scope of counteracting corruption and incidents of conflict of interest.
2. Every Employee of POLON-ALFA S.A. undertakes to accept and respect the principles contained in this Policy and is responsible for their implementation and application within their area of activity in the Company.

V COUNTERACTING CORRUPTION

1. Corruption, as defined in this Policy, means:
 - a) offering or accepting, directly or indirectly, any material or personal Benefits, as well as making or accepting promises to do so in the future, in exchange for corrupt behaviour, in particular for:
 - breach of employee duties, contractual, common law obligations or internal regulations of POLON-ALFA S.A.;
 - actions and omissions that may be detrimental to POLON-ALFA S.A., which constitute an act of unfair competition or an unacceptable preferential behaviour;
 - b) corruption in the public sector, which shall be understood as offering, directly or indirectly, any material or personal benefits, including promises to do so in the future, to a person holding an official position, in order for them to take or to refrain from taking any action within the scope of their official duties;
 - c) paid protection, which shall be understood as granting a material or personal Benefit or a promise to do so in exchange for intermediation in settling a matter in a public institution, which involves unlawful influence on the behaviour or decision of a person holding a public function (hereinafter each section a through c separately as: "Corruption");
2. The above-mentioned conduct constitutes Corruption also when a material or personal Benefit or the promise thereof is or will be provided to a designated third party. This applies, in particular, if such Benefit is received by a Relative, a charity or foundation supported by that Relative, a company of which that Relative is a shareholder or an entrepreneur with whom that Relative cooperates (any other legal entity in the support of which that person may have an actual or legal interest);
3. POLON-ALFA S.A. does not accept any form or expression of Corruption. Corrupt behaviour constitutes gross violation of the values represented by the Company. Giving or accepting material or personal Benefits is permitted only on the basis of and in accordance with the principles set out in this Policy and only when it does not constitute Corruption and is in compliance with the generally applicable law.
4. The Company is committed to the following principles in all its activities:
 - a) contacts between Employees and our dealings with Business Partners are always of a fair nature;
 - b) decisions taken by the Company are objective and transparent,
 - c) we do not intermediate in, agree with or approve any behaviour of a corrupt nature;
 - d) we exercise the utmost diligence to ensure that all actions taken by us comply with generally applicable law and internal regulations applicable at POLON-ALFA S.A.
 - e) we do not accept, ask for or offer any material or personal Benefits that are unlawful or non-compliant with internal regulations, in exchange for any actions, particularly those taken by other Employees or Business Partners;
 - f) we never make the execution of our duties contingent on a material or personal Benefit provided by others or on a promise to do so in the future;

- g) all dealings with Business Partners are transparent and are performed in compliance with relevant contracts and generally applicable law;
- h) we never offer or give any material or personal Benefits to representatives of public institutions such as courts, administrative authorities or law enforcement agencies;
- i) we immediately report cases or reasonable suspicions of Corruption. This includes cases where an Employee has been instructed to behave in a way that may constitute Corruption. Reporting is compliant with the applicable procedure (Internal Reporting Procedure).

VI ACCEPTING AND GIVING GIFTS

1. In customary situations when dealing with Business Partners and Customers, the Company allows for receiving and giving occasional Gifts whose value does not exceed PLN 500 (e.g. Christmas presents) or when giving or accepting Gifts is aimed at promoting POLON-ALFA S.A. or aims at strengthening the Company's business relations.
2. Categories of Gifts which, regardless of their value, are prohibited to give, ask for, offer or accept:
 - a) money or its equivalent, as well as goods and value vouchers, gift vouchers and other vouchers of an equivalent nature,
 - b) Gifts, giving or accepting which may violate generally applicable laws or POLON-ALFA S.A.'s internal procedures; including, in particular, when giving or accepting the Gift would constitute Corruption,
 - c) Gifts of an inappropriate nature, which may adversely affect the reputation of POLON-ALFA S.A. or the personal interests of the Employee, Business Partner or Customer,
 - d) any Gifts given to or accepted from representatives of public institutions, including courts, administrative authorities and law enforcement agencies.
3. Expenses incurred by the Company for buying Gifts shall be settled in accordance with the generally applicable legal regulations.
4. In specific cases, the Company (its Board of Directors collectively), after having assessed the compliance with this Policy and generally applicable law, may agree to deviate from the rules set out in this Policy.
5. Gifts which are in breach of this Policy and which are not subject to the Company's exemption, but which have been provided to Employees despite not being authorised, shall be forwarded to the Board of Directors, which shall decide on their use and, in particular, may decide to return them or donate them to charity.
6. Gifts that may constitute an act of Corruption shall be returned immediately to the person who gave the Gift. When returning a Gift, the Employee shall inform the person from whom the Gift was received in an accessible manner of the reasons for returning it and the rules of this Policy.
7. Any doubts about giving or accepting a Gift must be discussed with the Management.

VII BUSINESS MEETINGS, TRIPS, ENTERTAINMENT

1. An Employee is allowed to invite and accept invitations to the following free of charge events: lunch, dinner, industry event, training, conference or any other event of similar nature, when it has legitimate business purposes, in particular, when it:
 - a) is related to enhancing knowledge and skills,
 - b) is intended to consolidate business relations,
 - c) is intended to promote POLON-ALFA S.A.
2. The duration and costs of such an event must be proportional to the business purpose.
3. Regardless of the value and duration of such an event, it is not allowed to invite or participate in it, if:
 - a) the invitation or participation would violate generally applicable laws or POLON-ALFA S.A.'s internal procedures, including in particular when the participation or invitation would constitute Corruption;
 - b) the invitation or participation would be inappropriate or would be detrimental to the reputation of POLON-ALFA S.A. or to the personal interests of the Employee or Business Partner.
4. Each time the Management shall be informed of the acceptance of the invitation.

VII SPONSORSHIP, CHARITY

1. Sponsorship, charitable activities and other socially responsible or image-building activities, including those of a pro bono nature, may not violate generally applicable laws and POLON-ALFA S.A.'s internal regulations, in particular they may not constitute Corruption.
2. We do not make donations to organisations that are primarily geared towards profit-making activities.
3. We do not finance any political activities.
4. Expenditures related to such activities must be transparent, recorded and eligible for accounting and tax purposes in accordance with generally applicable laws.
5. Any sponsoring or charitable activities should be each time considered on a case-by-case basis with the Management, who will consider the permissibility of such activities.

IX CONFLICT OF INTERESTS

1. A Conflict of Interest means a situation where a decision-maker, or someone involved in the decision-making process, has or may have an interest in a particular way of resolving the matter, so that the impartial and objective performance of that person's duties is compromised (hereinafter: "Conflict of Interest").
2. A Conflict of Interest is not necessarily equivalent to Corruption. It may arise, inter alia, from family, emotional, economic, friendly relations, political sympathies, personal, capital, contractual or organisational relations.
3. A Conflict of Interest may occur, in particular, when:

- a) a person related to the Employee or the Employee's Relative is the other party to the transaction (e.g. when we outsource a service to a company whose shares are held by a brother-in-law);
 - b) a person related to the Employee or Employee's Relative is an opponent in a dispute or participates in the same proceedings (e.g. when bidding in a tender for the purchase of a property against a brother's company);
 - c) a person related to the Employee or Employee's Relative is approached with a sponsorship proposal (e.g. a father-in-law is looking for a sponsor for a sports team);
 - d) a decision to hire or enter into a cooperation agreement is made by a non-objective person related to or close to the candidate (e.g. when deciding to hire a colleague);
 - e) a decision on promotion, salary, bonus or any other related to the Employee's rights and obligations is made by the Employee's Relative (e.g. when we decide on a fiancé's salary increase).
4. Each Employee shall avoid Conflicts of Interest in:
- a) external relations, e.g. in relations with Business Partners, public institutions and in the course of establishing a relationship with a potential Employee or Associate;
 - b) internal relations, e.g. in relations with other Employees.
5. An Employee is obliged to verify in advance whether there is a potential Conflict of Interest, at the stage of establishing a relationship with a Business Partner, a public institution or a potential Employee or Associate.
6. Each Conflict of Interest must be reported to Management. In the event of a Conflict of Interest, the Management shall provide the Employee with guidelines for resolving the issue.

X REQUIREMENTS TOWARDS BUSINESS PARTNERS

1. POLON-ALFA S.A., together with its Employees, strives to cooperate with Business Partners who share our values and act in accordance with the applicable legal regulations.
2. Expectations of POLON-ALFA S.A. towards Business Partners may be communicated in a manner appropriate to the significance and nature of cooperation with a given entity.
3. The Company's intention is that the Business Partners shall read this Policy and follow its provisions, which is expressed by the reference to the Policy in the General Terms and Conditions of POLON-ALFA S.A.

XI REPORTING IRREGULARITIES

1. In accordance with the Internal Reporting Procedure, POLON-ALFA S.A. provides its Employees with communication channels enabling them to safely report any breaches, including cases of corruption and any other misconduct. Registered Reports will be investigated in accordance with the aforementioned Procedure.
2. Any employee who is aware of or suspects a Corruption, Conflict of Interest or other violation of this Policy is required to make a Report.

XII SANCTIONS

1. Any violation of the provisions of this Policy may constitute gross violation of fundamental employee obligations (or obligations resulting from a contract other than an employment contract).
2. Other disciplinary measures or other actions provided for by generally applicable law, including criminal or civil proceedings, may also be taken against a person who has violated this Policy.

XIII FINAL PROVISIONS

1. This Policy has been adopted and may be amended by the Board of Directors of POLON-ALFA S.A.
2. Every Employee of POLON-ALFA S.A. is obliged to read and follow this Policy.