Standards recommended for the compliance management system on counteracting corruption and the whistleblower protection system in companies listed on markets organized by the Warsaw Stock Exchange S.A.

Introduction

1. For keeping the compliance of the operation of companies listed on markets organized by the Warsaw Stock Exchange S.A. (hereinafter the "Company") with the anti-corruption provisions and in order to keep the highest standards of transparency, the Management Board and the Supervisory Board of the Warsaw Stock Exchange S.A. (hereinafter the "WSE") based on the initiative of the Compliance Committee (the WSE Consulting Committee) recommend that the companies apply these standards of the compliance management in the field of counteracting corruption and protection of whistleblowers in companies.

2. It is recommended that the compliance management system in the Company shall be directed at identifying and managing the risk of non-compliance with the law, internal regulations of the Company and generally binding ethical rules.

Anti-corruption Code

1. It is recommended that the Company shall have and use the Company's Anti-corruption Code as a declaration of promotion of compliance, ethical activities and clear rejection of the corruption. The Anti-corruption Code may focus on corruption risks as well as definitions and rules of conduct in the event of a conflict of interest. However, if the Company has implemented a broad compliance management system or has a valid code of ethics, anti-corruption policy, compliance policy or any other similar document, then all the provisions that expressly refer to the corruption counteraction should become a part of such a document.

2. It is recommended that the Company, during the implementation of the Anti-corruption Code, shall include it in the Company's documentation as well as in the Company's internal regulatory system as an internal document. Through the implementation, it is also understood that all employees of the Company shall be familiarized with the content of the Anti-corruption Code and values expressed in it, and shall be obliged to follow them.

3. It is recommended that the principles set out in the Anti-Corruption Code shall be applied by all employees and associates of the Company, and their commitment to the application of such rules was confirmed in a way enabling verification. It is recommended that all associates of the Company, contractors, business partners cooperating on the basis of a civil law contract and performing any activities on behalf or in favor of the Company are effectively, in a way identified by the Company, familiarized with the Company's anti-corruption rules, particularly with the Anti-corruption Code.
4. It is recommended that the Company's Anti-corruption Code shall constitute a part of all contracts with the Company's suppliers that the Company deems relevant from the point of view of the Anti-corruption Code. In particular, this applies to contracts concluded by the Company in the area of consulting and brokerage activities.

5. It is recommended that the Anti-corruption Code, in addition to the declaration of rejection of corruption, should also contain:

   a. description of ways of identification of potential corruption risks, as well as reactions to corruption issues,
   b. description of the values enforced by the Company in relations between employees, with superiors and co-workers, contractors and partners, including business partners,
   c. description of ways of counteracting conflicts of interest,
   d. general rules of giving and receiving gifts in business relations,
   e. general rules on reporting irregularities and frauds and protection of Corporate Whistleblowers,
   f. rules of liability for non-compliance with the provisions of the Anti-corruption Code.

6. It is recommended that the Company's Anti-corruption Code shall be made available on its website, also from within the Company – for the Company's employees access, or other internal communication systems and/or systems used for storing the Company documents.

**Establishment of the compliance management function in the Company**

1. It is recommended that the implementation of the anti-corruption procedures in the Company shall be supervised by a person holding the position of Compliance Officer – person responsible for management of the compliance risk and the risk of corruption.

2. It is recommended that the Compliance Officer shall be a member of the Management Board or an employee directly subordinate to the Management Board of the Company, and he shall report to the Management Board of the Company or directly to the Supervisory Board or - if the Audit Committee has been established - to the such Audit Committee of the Supervisory Board.

3. It is recommended that in the absence of the separate Compliance Officer function, tasks related to counteracting corruption shall be entrusted to a member of the Management Board of the Company.
Recommendations on prohibition of creating mechanisms for financing personal benefits, including the use of the Company assets for such purpose

1. It is recommended that the Company should regularly identify the compliance risk as well as corruption risk in its operations. Under no circumstances shall the Company make decisions based on corrupted activities. It is recommended that the Company should pay particular attention to keeping transparent procedures of verification and acceptance of costs and expenditures, as well as transparent cooperation with third parties (including agents, distributors, subcontractors, consortiums and suppliers) in order to exclude the possibility of creating the mechanisms for granting financial benefits using the Company's assets.

2. It is recommended that the Company effectively prevents creation and maintenance of the so-called “corruption funds” in its structures, which would enable financing of personal benefits.

3. It is recommended that the Company regularly, at least once a year, carries out internal financial audits, or other audits of this type, in order to verify whether corruption funds are not present in the Company's structures. In order to carry out such audits, there should be a delegation of persons with appropriate knowledge and experience to perform them.

4. It is recommended that the Company shall be subject to a financial audit (or other type of control for the above-mentioned purpose) by an independent, specialized, external auditing entity at least once every three years in order to verify that no corruption funds exist in the Company's structures.

Compliance trainings

1. It is recommended that the Company should familiarize employees with the principles of criminal liability for corruption offenses through the organization of regular trainings.

2. It is recommended that such training should focus particularly on the ethical principles applicable in the Company, the principles of counteracting and preventing corruption or conflict of interest, the principles of preventing the creation of the so-called corruption funds, and only ultimately, on the criminal liability resulting from non-compliance with the applicable rules and regulations. The training should also ensure that the employees are familiarized with the rules of conduct for the Company's employees in the context of the rights of interrogated persons, the right to invoke professional secrecy and the need to protect the Company's secret in the event of control of law enforcement authorities.
3. It is recommended that the detailed rules for the implementation of training should be specified in the integrated procedure within the general training policy of the Company. It is recommended that the above-mentioned procedure should ensure that:
   a. the Company acquaints itself, in an effective and adapted to its operations manner, with the principles of counteracting corruption of the employees, taking into account the type of work they perform and corruption risks specific to a given type of work;
   b. the Company ensures that the trainings are adequate to their goals and to the target group of the training participants, effective and efficient. In order to do so, the Company may,
      i. organize traditional trainings, workshops or trainings by means of electronic training systems (e-learning with the possibility of accounting for trainings completed and passed by the employees),
      ii. determine which training courses are compulsory or optional for the employees,
      iii. determine the cycle of the training.

and designates persons or organizational units responsible for organizing trainings and keeping record of completed trainings.

4. It is recommended that each training should be evaluated through a properly constructed questionnaire, to be completed by the participants of the training.

**Contractual clauses to be used in contracts**

1. It is recommended that the Company applies appropriate anti-corruption clauses in all contracts with employees, co-workers, contractors, partners, including business partners and those cooperating on the basis of a civil law contract, and all persons performing any activities on behalf or in favor of the Company.

2. It is recommended that the Company shall develop the anti-corruption clauses for different contracts categories in the form of an appropriate procedure.

3. It is recommended that the anti-corruption clause procedure shall describe the proceedings in the case when one of the parties refuses to sign the clause or proposes to sign another clause. It is recommended that the procedure should regulate the case where the other party invokes its own ethical procedures.

4. The Company may review or audit existing agreements paying special attention to the analysis of corruption risk and supplement them with anti-corruption clauses in the form of annexes.

5. It is recommended that anti-corruption clauses ensure that no part of remuneration for performance of the contract is intended to cover the costs of providing any illegal benefits by either party.
6. Anti-corruption clauses may contain provisions regarding the right to conduct an audit, which is granted to the Company pursuant to the contract, ensuring the ability to check compliance by the party to the anti-corruption provisions (in particular those arising from the contents of the anti-corruption clause).

**Granting and accepting gifts**

1. Accepting and giving occasional gifts is common and accepted practice in most business relations, however, the Company shall adhere to this practice in a limited way, taking into account the principles of preventing corruption. Moreover, the Company shall conduct all marketing activities giving special consideration to the rules of counteracting corruption.

2. It is recommended that the Company should develop and apply an internal policy in this area, which shall set the general standards and define the rules for the transfer and receipt of occasional gifts (including invitations), also those of the marketing character.

3. Such policies may be expressed in one or more procedures, according to which:

   a. occasional gifts given or accepted in the Company’s business relations should not be accepted in situations that may affect the Company’s decision;
   b. the Company should not give or accept invitations to participate in meetings (i.e. meals, trainings, cultural, scientific or sporting events, leisure and integration trips, etc.) to the extent to which they do not meet commonly accepted standards of hospitality or may impact the nature of business relationships or the decision of the recipient;
   c. gifts, including invitations, should not be given in relations with public officials or persons performing public functions in situations that may give the impression of transfer of financial benefit of a corrupt nature;
   d. in no case the Company should transfer or accept money (cash or cash equivalent) or luxury invitations;
   e. the Company designates a group of employees/persons authorized to give or receive gifts on behalf of the Company;
   f. persons responsible for the selection of suppliers, in particular purchasing departments, public orders, etc., should not be entitled to receive gifts or other personal gratuities from the entities that submit their cooperation offers to the Company;
   g. the Company sets a maximum limit on the value of the gift given or accepted;
   h. the Company sets the rules for creating a detailed register of all gifts in the Anti-corruption Code, which includes invitations given or received by the Company’s employees. Employees and associates acting on behalf of the Company should be required to report the following information: the circumstances of the receipt, description of the gift and its approximate value, date and, in the case of invitations, the official positions of persons taking part in a given meeting and the company name they represent.
4. It is recommended that the procedure should take into account industry regulations and the specifics of the Company's operations.

5. The Company continuously undertakes activities in order to verify the scope of marketing activities conducted against persons and entities with whom relations may be characterized by a high level of corruption risk (in accordance with the results of the risk assessment), with the participation of the Company’s Compliance Officer.

6. It is recommended that the above-mentioned regulations regarding the handing and acceptance of gifts shall be made available on the Company's website.

Sponsoring

1. It is recommended that the Company shall develop and apply an internal policy in the area of sponsoring activities that would define the principles of this practice, and the principles of sponsorship, taking into account prohibitions of sponsoring directly or indirectly political organizations. Prior to the implementation of sponsoring activities, it is recommended to specify in the sponsorship rules the areas in which the Company may conduct such activities.

2. It is recommended that sponsorship shall not include, directly or indirectly, public officials or persons executing public functions, unless separate regulations do not explicitly allow such an action.

3. It is recommended that the Company shall develop, implement and announce the sponsoring rules, and shall maintain a list of sponsored entities, in which the main sponsorship conditions should be disclosed.

4. It is recommended that the Management Board of the Company shall prepare, consistently with the applicable marketing strategy, an annual plan of sponsoring activities including, in particular, assumptions, goals, estimated budget, and the expected level of sponsorship effectiveness.

5. It is recommended that the sponsorship agreement shall contain clauses enabling the sponsor to monitor the sponsored entity’s expenses. In particular, it is considered a good practice to introduce into the contracts a list of expenses for which funds received from the sponsor can be spent. In addition, it is worth to provide the Company with the right to inspect the documentation related to the implementation of the contract (the audit right) in the sponsorship agreement.
6. It is recommended that the sponsor (the Company) shall guarantee itself, in the sponsorship agreement, the right to the immediate termination of funding of sponsored activities in the event of a justified suspicion of a breach of law in the scope covered by the contract, or in the event of a conflict of interest or corruption. It is recommended that the contract shall guarantee the right to demand reimbursement of all payments related to the implementation of the sponsorship agreement in the event of a legitimate suspected violation of the law by the sponsored entity.

7. It is recommended that the sponsoring activity shall not be related to any other business relationship between the sponsored and the sponsoring entity, in particular the conclusion of another commercial transaction, for example a contract for the sale of goods and/or services between the sponsored entity and the Company.

Donations

It is recommended that the Company shall develop and apply an internal donation policy that will define the terms and conditions for donations. In the case of cash donations, it is recommended that the internal regulations of the Company should specify that cash donations may only be transferred via a transfer to a bank account of the recipient.

Corporate Whistleblowers - reporting irregularities and granting internal protection

1. It is recommended that the Company shall develop a culture of intra-organizational reporting of irregularities by the employees, as an expression of a positive concern for the good of the Company. It is recommended that reporting irregularities should be implemented through the appropriate irregularity reporting systems and by developing protection programs for people who want to report irregularities internally (hereinafter: the “Corporate Whistleblowers”).

2. The Company shall implement an internal procedure regulating the rules of reporting to the appropriate persons/bodies of the Company about the information on any proposals for corruption but also about other irregularities and abuse of law or breach of internal regulations of the Company.

3. It is recommended that the appointed reporting system enables employees, co-workers, contractors, partners, including business partners and all persons performing any activities on behalf or in favor of the Company to hand down the above-mentioned information in a confidential manner and ensures complete anonymity in order to protect the Corporate Whistleblower identity.
4. It is recommended that after the implementation of the reporting system, the Company informs all its employees, associates, contractors, business partners and all persons performing any activities on behalf or in favor of the Company about the option of confidential and anonymous reporting of information about corruption proposals and other irregularities or abuses, and about the rules of filing applications. This type of information can be forwarded as part of the Company's regular training. It is recommended that the above information and information on running information channels (e.g. an e-mail box allowing reporting of irregularities, hotlines, etc.) is posted on the Company's website, and shall be available without restrictions.

5. It is recommended that after the verification of the Corporate Whistleblower’s report by the Compliance Officer (in accordance with the developed procedure), the Company shall grant the status of the Corporate Whistleblower to such a whistleblower. It is recommended that such status should be granted after the consultation with the Compliance Officer to people who have provided reliable information about the suspicion of committing a crime or revealed irregularities in the Company in a good faith.

6. It is recommended that the status of the Corporate Whistleblower should result from the investigated notification in accordance with the procedure of reporting of irregularities developed by the Company, and would provide such a person with a special protective regime, consisting of, among others, protection of the identity of the Corporate Whistleblower, protection against repressions from the environment, discrimination or other unfair treatment and (when it concerns employees) prohibition of termination of the contract with them or changing the terms of their contract on less favorable, contrary to the decision of the Compliance Officer.

Handling of irregularities

1. It is recommended that the Company shall develop and implement a procedure that will define the rules for dealing with the notifications, verification of notifications, conducting internal explanatory proceedings and actions after their completion. It is recommended that the procedure should regulate the mode of informing state authorities about identified corruption cases and other identified irregularities.

2. It is recommended that the Company shall consider introducing a crisis management system to minimize the reputational and financial losses, which it may suffer as a result of the irregularities.

3. It is recommended that the Company shall develop and systematically run a register of all reports on situations of a corruptive basis. The register will be supplemented with information
on the scope of the proceedings, determining the circumstances of the reported issue, as well as information confirming the authenticity of the reported situation.

**Regular audit of the proper functioning of the anti-corruption system**

Binding legislation, such as Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR Regulation") requires that anti-corruption programs are effective and not ostensible. To this end, the Company maintains appropriate and comprehensive documentation of all anti-corruption activities referred to in these recommendations. The Company periodically conducts or outsources an audit of the anti-corruption solutions, in terms of their effectiveness, and the risk of corruption incidents, and conducts regular audits of the appropriate way of documenting the application of these solutions. Regularity and the cyclical nature of audit activities are defined by the Company independently in accordance with the needs resulting from the risk assessment.

**Contractors verification procedure**

It is recommended that the Company should have a counterparties verification procedure to check the entities cooperating with the Company in terms of the risk of non-compliance, and the risk of corruption in the scope adapted to the needs of the Company.

**Procedure in the event of an inspection**

It is recommended that the Company shall develop and implement a procedure for the employees of the Company in the event of a control of law enforcement agencies. Such a procedure shall define the rules of the employees' behavior from the time of the arrival of the officers to the Company, until the inspection is completed. It is recommended that the procedure should specify which documents and items can be inspected, and what may or must be handed over to the officers. It is recommended that the Company’s employees should be familiarized with the rules set out in such a procedure in the form of a practical training.

**Referring to the international standards**

It is recommended that the internal compliance management systems relating to anti-corruption shall be built or improved based on the international standards of corruption risk management such as ISO 37001: 2016 Anti-bribery Management System.