



Code of Conduct of Centrum Techniki Okrętowej S.A.

I. Objective

The objective of the Code of Conduct of Centrum Techniki Okrętowej S.A., hereinafter referred to as the "Code", is to promote best practices among employees and persons/companies/institutions/entities cooperating with the Company.

The Code specifies the standards of conduct and obliges the Employees to obey them.

Both Employees and Partners of the Company are expected to obey the standards of conduct specified in the Code.

II. Definitions

Company – Centrum Techniki Okrętowej S.A.

Employee – a person who is employed at CTO S.A. on the basis of labour contract or any other works contract

Partner – person/company being a supplier/subcontractor/contractor of the Company; person/company/institution/entity cooperating with the Company

Representative of authorities – person who is a member of central or local government authorities as well as person being employed in agencies such as Social Insurance Institution (ZUS), Tax Office (US) or in other bodies of public administration

III. General Provisions

1. The Company is committed to maintain the highest standards of business ethics and integrity through following the legal regulations of the applicable law in Poland and in Partners' countries if they are not in contradiction to the Polish Law.
2. The normative acts of the Company reflect the merits and principles included in this Code.
3. The responsibility for the Company's business actions and undertakings means the necessity of profit making at various risks kept at the acceptable level. However, the profit making can not justify any infringement of the legal regulations and violate the standards of the conduct specified in this Code.
4. All employees of the Company, who undertake the cooperation with the Partners, are obliged to make themselves certain, that Partner is familiar with the Code, understands its provisions and its business activity is not in contradiction to the Code.

5. The Company reserves the right to terminate a contract/abort the cooperation with the Partner, if it recognizes that the Partner is conducting its activity in contradiction to the standards specified in the Code.
6. The Company avoids the business contacts with the entities, which are directly connected or related to any political power or group (political party).

IV. Standards of Conduct

1. Labour Law and Human Rights

1) Discrimination

The Company does not apply any discriminatory practices resulting from sex, age, disability, ethnic origin, confession, race, religion, nationality, political convictions, union membership, and sexual preference.

All decisions related to the employment, starting from labour contract or works contract, which are the base for legal cooperation up to their termination are based on the objective criteria justified by the Law.

2) Legal basis of employment

Any labour contracts are allowed to be concluded only in writing irrespective of a legal basis of the employment. Company as well as Employee shall receive one counterpart of the labour contract.

3) Forced labour

The Company does not apply any form of forced labour. The employees are allowed to leave their work-places after their working day is finished.

4) Retaining of original personal documents

The Company does not retain any original personal documents of Employees and only requires presenting them in order to make the copy of them or to verify the reliability of the presented copies or to confirm the identity of a person.

5) Employment of juveniles

The Company does not employ any juveniles. It is allowed for employments of adolescents above the age of sixteen in order to teach them practical profession.

6) Freedom of association and collective negotiation

The Company observes the rights of the Employees for trade unions establishment and for conducting the collective negotiation.

7) Counteracting the abuse

The Company takes the appropriate actions to protect the Employees against any form of physical or mental violence, tactics of mobbing and also against any other acts in form of threats in the workplace, expressed by associates, superiors as well as by subordinates.

8) Work-time (concerns the Employment relationships)

The Company respects the rules related to work-time, including daily and average weekly legal standards of work-time and also daily and weekly rest time.

Daily standard work-time amounts to 8 hours.

Overtime work is required only in extraordinary and short-time circumstances. Averagely overtime work may amount up to 8 hours per week in a determined settling period. The overtime work is compensated by extra salary and/or by an additional rest time / a day off.

Sundays and civil holidays are non-working days.

The average five-day working week in a determined settling period is in force in the Company.

9) Salaries

The Company provides the Employees with access to the information on the principles of salary, promotions and other additional work-related benefits.

The Company provides the Employees with the rights to the fair salary for the performed work in the amount not lower than statutory minimum paid out in accordance with adequate provisions of Law.

10) Industrial Safety

The Company provides the Employees with the proper work conditions according to the provisions of Law in relation to industrial safety, fire safety, particularly by:

- providing the Employees with work clothes and individual protection measures,
- providing the proper hygienic and sanitary conditions,
- taking actions preventing the accident at work and minimizing the professional risk,
- providing the regular training activities within health and safety at work regulations,
- establishment of the company committee for industrial safety matters and consulting all related issues with it.

2. Protecting the environment

- 1) The Company operates in line with all national environment protection related regulations and it runs a business activity in environmental friendly manner.
- 2) The Company applies the procedures relating to usage, collection, stocking, treatment and disposal of both non-hazardous and hazardous wastes that might be used or produced during its business activity.
- 3) The Company is focused on increasingly wider usage of technologies and solutions oriented directly at the significant reduction of emission of pollutants.

3. Business ethics and integrity – anti-corruption strategy

The Company performs its business activity in ethical way, i.e.:

- any form of bribery, corruption and fraud are strictly prohibited by applicable law,
- observes the law within monopoly and competition practices,
- protects the confidential information and data of its Partners.

1) Bribery and corruption

None of the Company's employee can provide the Partners with wrongful benefits nor require/accept such benefits from the Partners.

Each requirement or offer of bribery must be immediately refused and reported to the superior.

2) Gifts

Assuming that gifts influence directly the donee in order to achieve its required behaviour being in line with expectations of the person who gives a gift., the employees must therefore not offer, make, seek or accept gifts, payment, entertainment or services to or from actual or potential Partners which might reasonably be believed to influence business transactions.

However, there are some exceptional situations, during which the probability of influence on the particular decision is excluded under the determined circumstances, which are as follows:

- the value of the gift must not cause the expression of dishonesty or impropriety on the side of donee,
- taking the countries, where the gifts are within the bounds of customary business hospitality, into consideration, the Company observes the applicable law in those countries and in Poland as well as investigates the consequences of such proceeding for the Company Goodwill.

4. Fair competition, conflicts of interests

- 1) The Company observes the rules of fair competition. The Employees are not allowed to take any actions, which might be in conflict with the rules of fair competition, therefore any compounds with other enterprises or predetermination of particular actions, which are aimed at prevention, limitation and/or falsification of competitors' activities are strictly prohibited.
- 2) The Employees are obliged to immediate inform their superior about the existing or potential conflict of interests.

5. Public actions and civic contribution

- 1) The Company commits its potential towards preparation of the drafts of legal acts and other regulations, which influence on the interrelations between business and administration as well as science and business. The commitment is based on direct involvement or on active membership in various national and international organisations as well as associations.
- 2) Every kind of charitable donation is carried out under the regulations and procedures being in force in the Company.
- 3) The Company is not connected with any political power and it does not sponsor any political party, group or other organisations which are known to be linked with the particular political power.

6. Communication

- 1) The Board and managers of the organisational units of the Company take care of keeping the employees informed about all essential regulations which refer to them in order to observe those regulations properly.
- 2) The Company pays special attention to appropriate communication with Partners based on reliability and professionalism.

- 3) The information announced or provided to central offices in particular is complete, impartial and actual.
- 4) The Company does not comment rumours.

V. Final provisions

1. As far as the adjudicating whether the way of understanding or conducting compliant with the Code is considered, the Company refers to the acquired professional experience, long-life knowledge related to the work and business standards as well as applicable law.
2. The duty of each Employee is to know and follow the rules included in the Code.
3. The Code is published in intranet and in the Company home page.
4. In case of infringement of the rules included in the Code, the appropriate actions envisaged by the applicable law are to be applied towards those Employees who are considered as guilty.

VI. Fundamental regulations for rules of the Code of Conduct:

1. Act of 26 June 1974 – The Polish Labour Code (Journal of Laws no. 21, item 94 with subsequent amendments) as well as implementing regulations related to Labour Code.
2. The Universal Declaration of Human Rights (UDHR) is a declaration adopted by the United Nations General Assembly on 10 December 1948.
3. Guidelines for Safety and Health at Work of the International Labour Organization (ILO-OSH-2001).
4. ILO Declaration on Fundamental Principles and Rights at Work dated on 1998.
5. ILO Conventions no. 87 and 98 concerning Freedom of Association and Collective Bargaining dated appropriately on 1948 and 1949.
6. Convention of Children Rights, ILO Conventions concerning: Minimum Age for the Employment of Children (no. 138 signed in 1973) and Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (no. 182 signed in 1999).
7. ILO Conventions concerning: Forced Labour (no. 29 signed in 1930) and Abolition of Forced Labour (no. 105 signed in 1957).
8. ILO Conventions concerning: Discrimination in Respect of Employment and Occupation or Discrimination (no. 111 signed in 1958) and Equal Remuneration for Men and Women Workers for Work of Equal Value (no. 100 signed in 1951).
9. Environment protection - Rio de Janeiro Declaration concerning Environment and Development as well as Agenda 21.
10. The United Nations Convention against Corruption (UNCAC).