



**ANTI-CORRUPTION CODE
IN GRUPA AZOTY
ZAKŁADY AZOTOWE "PUŁAWY" S.A.**

PREAMBLE

Taking into account the fact that the Grupa Azoty Zakłady Azotowe „Puławy” S.A. carries out business activities in a responsible and transparent way compliant with the highest legal and ethical standards and that the knowledge of anti-corruption laws and the compliance with rules and regulations indicated in the Ethics Code by all Employees constitute the necessary condition for protecting the Grupa Azoty Zakłady Azotowe „Puławy” S.A. reputation and safety, the Anti-corruption Code has been created.



ARTICLE 1. DEFINITIONS AND ABBREVIATIONS

CBA - Central Anti-Corruption Bureau (Centralne Biuro Antykorupcyjne).

Working day - period from Monday to Friday in each week, except for public holidays.

Public Official - each natural person who is: a public administration official or employee, an official or employee in the structure of public international organisations (e.g. in bodies of the European Union or the United Nations), has been elected or appointed to a public function in legislative authorities (e.g. a member of parliament or senator) or executive authorities (e.g. a minister) or works within the structure of judicial authorities (e.g. a judge).

Azoty Group - a capital group being one economic entity without separate legal personality, comprising the Azoty S.A. Group and legally autonomous affiliates subordinated to the Azoty S.A. Group in the capital or organisational scope and subject to its control within the meaning of the Act on Competition Protection.

Grupa Azoty Zakłady Azotowe „Puławy” S.A. - company of the Azoty Group.

Management - Members of Management Board and Supervisory Board of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.

Anti-corruption Code - Anti-corruption Code of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.

Code of Ethics - Code of ethical conduct of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.

Code of Conduct for Business Partners - Code of Conduct for Business Partners of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.

ARTICLE 1. DEFINITIONS AND ABBREVIATIONS

Corruption - promising, offering, giving, demanding or accepting, directly or indirectly, a Material or Personal Benefit, for oneself or another person, as well as accepting such an offer or promise in exchange for acting or omitting to act in the course of official duties (public functions or business activities).

Material Benefit - objects or activities which lead to obtaining any undue or unjustified increase in assets (whose value may be expressed in an amount of money) for oneself or another person, e.g. gifts, meals, invitations to a sporting or cultural event, donation, release from debt or winning a tender.

Personal Benefit - an undue or unjustified increase in assets improving the situation of a person or other persons related thereto, e.g. a promise of employment made to a given person, a promise of promotion for a close relative, a foreign scholarship, an award or sexual relations.

Cronyism - abuse of a position held by favouring socially connected persons, which means particularly giving favours to persons without appropriate skills or qualifications.

Compliance Management Coordinator - a person in the structure of the Grupa Azoty Zakłady Azotowe „Puławy” S.A., appointed by the Management Board, whose liability includes the supervision over the compliance with the Anti-corruption Code by Employees.

Nepotism - abuse of a position held consisting of giving favours to family members. The most important, but not the only indicator of nepotism, is the direct professional subordination.

Person performing a public function - a public official, member of a local government authority or other public administration authority, person employed in an organisational unit having public funds at its disposal unless they carry out exclusively service activities, as well as other person whose powers and obligations in the scope of public activities are determined and recognised by an act or international agreement binding on the Republic of Poland.

ARTICLE 1. DEFINITIONS AND ABBREVIATIONS

Business Partner - every business partner (i.e. supplier, service provider or recipient of products or services of companies belonging to the Grupa Azoty Capital Group), representative (i.e. entity or person representing the Grupa Azoty Zakłady Azotowe „Puławy” S.A. or Grupa Azoty Capital Group or a company belonging thereto in contact with business partners or state authorities, e.g. consultant, law firm), intermediary (i.e. entity or person supporting the Grupa Azoty Zakłady Azotowe „Puławy” S.A. or Grupa Azoty Capital Group or a company belonging thereto in attracting business partners or sells products or services on behalf of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. or Grupa Azoty Capital Group or a company belonging thereto) or another entity with the Grupa Azoty Zakłady Azotowe „Puławy” S.A. or Grupa Azoty Capital Group any have any business relation.

Whistleblowing Policy - the Whistleblowing Policy of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.

Employee - Management and every person employed by the Grupa Azoty Zakłady Azotowe „Puławy” S.A. on the basis of an employment contract or cooperating with the Grupa Azoty Zakłady Azotowe „Puławy” S.A. on the basis of any other civil-law contract.

Superior - a person supervising an Employee, except for the Management.

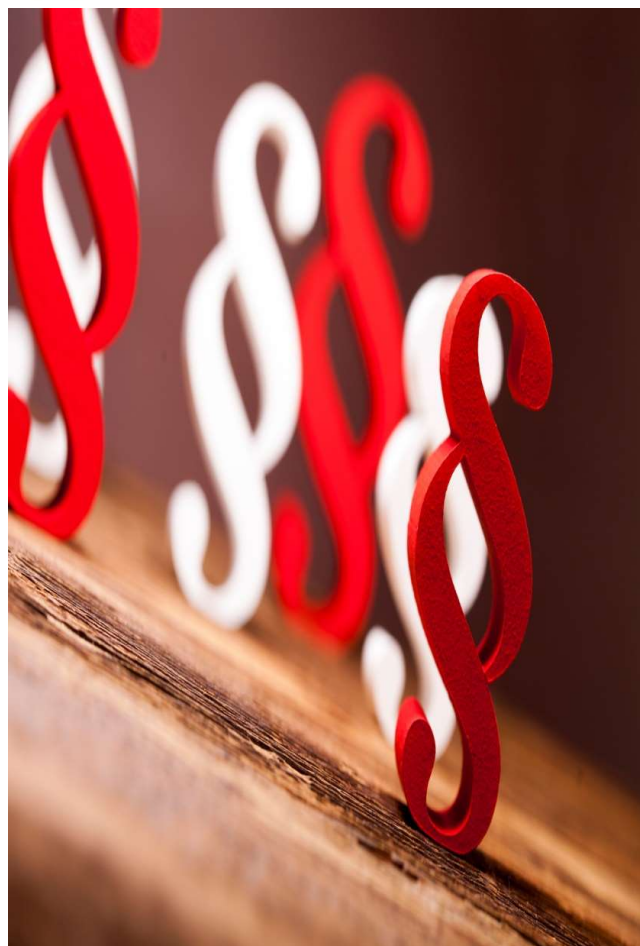
Vice President - Vice President of the Management Board of Grupa Azoty Zakłady Azotowe „Puławy” S.A. supervising the Compliance Management Coordinator, responsible for the area of the Corporate Division, in accordance with the division of duties between members of the Management Board.

ARTICLE 2. OBJECTIVE OF THE ANTI-CORRUPTION CODE



1. The objective of the Anti-corruption Code is to eliminate or limit the corruption risk in business activities of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. in all jurisdictions in which the Grupa Azoty Zakłady Azotowe „Puławy” S.A. operates, pursuant to the principle of “zero tolerance for corruption”.
2. In order to achieve the indicated objective, the Anti-corruption Code is addressed to all Employees from the Grupa Azoty Zakłady Azotowe „Puławy” S.A. and is binding on all levels of the organisational structure.

ARTICLE 3. TYPES AND FORMS OF CORRUPTION



In internal relations and in relations with Business Partners, Employees of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. follow values described in the Ethics Code and the Anti-corruption Code. Types and forms presented below constitute examples of Corruption activities, but not their closed catalogue:

- a. **Business Corruption in Public Trading** - a case in which the entity accepting a Material or Personal Benefit is a Person performing a public function or employed by a public entity (e.g. by a sole shareholder Treasury Corporation or state-owned enterprise) and the entity giving the benefit may be any person or entity.
- b. **Business Corruption in Private Trading** - a case in which the entity accepting a Material or Personal Benefit is an entity connected only with a private entity and the entity giving the benefit may be any person or entity.
- c. **Business Corruption in Public-Private Trading** - a case in which the entity accepting a Material or Personal Benefit is a person connected with an entity of a mixed ownership structure (e.g. a company with majority or minority Treasury shareholding) and the entity giving the benefit may be any person or entity.
- d. **Administrative Corruption** - a case concerning the behaviour of a Person performing a public function in the Republic of Poland (the entity accepting a Material or Personal Benefit or its promise is a Person performing a public function in the Republic of Poland) and a Person performing a public function in other countries and international organisations (the entity accepting a Material or Personal Benefit or its promise is a Person performing a public function in a foreign country or a Public Official in an international organisation).
- e. **Corruption at the Management Level** - a case concerning the behaviour of the entity accepting a Material or Personal Benefit or its promise in exchange for which the accepting entity brings their influence in a specific manner to bear on its own or a third party's business activities.

ARTICLE 3. TYPES AND FORMS OF CORRUPTION



- f. **Bribery** - one of examples of Administrative Corruption or Corruption at the Management Level in public, private and public-private trading. It consists of offering, giving and making promises of Material or Personal Benefits in exchange for support in achieving a purpose intended by a third party.
- g. **Venality** - one of examples of Administrative Corruption or Corruption at the Management Level in public, private and public-private trading. It consists of demanding or accepting any Material or Personal Benefits in exchange for support provided to a third party in achieving a purpose intended thereby.
- h. **Paid protection (“claiming to have influence”)** - one of examples of Corruption. It consists of undertaking to intercede in the settling of a matter in a public or local government institution, an international or domestic organisation or a foreign organisation having public funds at its disposal, in exchange for a Material or Personal Benefit or for a promise thereof. The perpetrator claims to have influence or arouses a belief in the concerned person about having such influence or confirms the concerned person in this belief. The perpetrator may be any person or entity.
- i. **Active paid protection (“trading in influence”)** - one of examples of Corruption. It consists of giving or a promise of giving an intermediary a Material or Personal Benefit in exchange for interceding in the settling of a matter in a public or local government institution, an international or domestic organisation or a foreign organisation having public funds at its disposal. Interceding consists of an illegal exertion of influence on a decision, action or omission of a Person performing a public function. The perpetrator’s purpose is to pay an intermediary, not necessarily a Person performing a public function. The perpetrator may be any person or entity.
- j. **Corruption in a public tender** - one of examples of Corruption. It consists of preventing or hindering the performance of a public tender or of entering into an agreement with another person aimed at achieving by the perpetrator a Material Benefit. It may also consist of disseminating information or withholding relevant facts crucial for signing the agreement being the object of a public tender.

ARTICLE 4. RULES OF PROCEDURE

1. All direct or indirect kinds and forms of Corruption in business activities of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. are prohibited, in particular offering, giving, making promises of giving or granting approval of giving a Material or Personal Benefit or accepting them.
2. Cases of Nepotism or Cronyism in business activities of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. are prohibited.
3. Giving Material or Personal Benefits to a Person performing a public function, including even small benefits, in order to expedite or to secure the performance of a routine action by such a person is prohibited.
4. Funding political parties and their representatives as well as candidates for public office is prohibited.
5. If there are reasonable grounds to suspect such cases of Corruption, the Employee is obliged to exercise due diligence in order to ensure whether the Business Partner or a potential Business Partner is not involved in Corruption.
6. The Employee is obliged to notify immediately (i.e. within up to 7 working days at the latest from the events leading to the suspicion) the Compliance Management Coordinator through one of dedicated channels described in the Whistleblowing Policy about each case of suspicion of Corruption, Nepotism or Cronyism in business activities of the Grupa Azoty Zakłady Azotowe „Puławy” S.A.
7. The Employee is obliged to notify immediately (i.e. within up to 7 working days at the latest from the events leading to the suspicion) the Compliance Management Coordinator through one of dedicated channels described in the Whistleblowing Policy about each case of suspicion about Corruption in the Business Partner’s company or reasonable doubt about activities conducted by the Business Partner.
8. The Employee is obliged to notify immediately (i.e. within up to 7 working days at the latest from the events leading to the suspicion) the Vice President through one of dedicated channels described in the Whistleblowing Policy about each case of suspicion of Corruption, Nepotism or Cronyism in business activities of the Compliance Management Coordinator.
9. Before signing an agreement with a Business Partner, the Employee is obliged to submit to the Business Partner the scan of the Code of Conduct for Business Partners or the Anti-corruption Code and to draw up a contractual provision (clause) on the basis of which the Business Partner will declare that they have become acquainted with the provisions of the Code of Conduct for Business Partners or the Anti-corruption Code and taken note thereof.
10. The Employee is obliged to comply with rules indicated in the Anti-corruption Code.
11. The employee of each of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. located outside the territory of the Republic of Poland is also obliged to become acquainted and comply with rules indicated in the local anti-corruption code in force in the company with which the Employee is connected (employed thereby or cooperating therewith on the basis of another agreement).



ARTICLE 5. SANCTIONS IN THE CASE OF NON-COMPLIANCE WITH THE RULES OF THE ANTI-CORRUPTION CODE



1. Non-compliance with the rules of the Anti-corruption Code may result in imposing on the Employee disciplinary sanctions, e.g. it may constitute the basis for the termination of the employment agreement or a civil law contract constituting the grounds for cooperation with the Grupa Azoty Zakłady Azotowe „Puławy” S.A.
2. Behaviours non-compliant with the rules of the Anti-corruption Code may violate the provisions of generally applicable law, which may result in imposing on the Grupa Azoty Zakłady Azotowe „Puławy” S.A. or the Azoty Group criminal, civil or administrative sanctions (e.g. fine, financial penalty, exclusion from public tender procedures or loss of orders), and may result in the violation of the Grupa Azoty Zakłady Azotowe „Puławy” S.A. good reputation.

ARTICLE 6. RED FLAGS

1. This article presents the list of red flags which may indicate the occurrence of the Corruption risk:
 - a. demanding unusual manners of making payments, e.g. payment of large sums in cash or payment of the remuneration to a third party,
 - b. lack of an objective reason for using services of the given Business Partner,
 - c. the selected Business Partner does not have appropriate skills, resources and experience necessary for the declared scope of cooperation,
 - d. the occurrence of very high commission or unusual payment schemes (e.g. transfer to other entity or country),
 - e. the Business Partner's reluctance to make a written agreement,
 - f. the Business Partner's negative reputation, in particular its previous participation or suspicion about its participation in Corruption or other indications of the Business Partner's untrustworthy behaviours,
 - g. limited knowledge about the Business Partner's activities,
 - h. frequent or disproportionate gifts for or hospitality towards the Employee,
 - i. the Business Partners behaves in a manner not compliant with the provisions of the Agreement.



ARTICLE 6. RED FLAGS

2. The Employee should pay attention to other red flags, basing on their experience or expert assessment in order to identify situations which may potentially lead to Corruption.
3. In the case of the occurrence of any red flag, the Employee is obliged to inform about this fact the Compliance Management Coordinator or the Vice President pursuant to the rules indicated in Article 4(6) and (7) above.
4. In the case of intention to initiate the cooperation with a new Business Partner about which the Grupa Azoty Zakłady Azotowe „Puławy” S.A. has little information and, despite exercising due diligence, inability to obtain this information, the Employee is obliged to notify about this fact the Superior or the Compliance Management Coordinator, who in justified cases, will advise the Vice President to perform a due diligence of such a Business Partner. It does not concern cases when the net value of the contract which is to be made with the Business Partner does not exceed PLN 50,000 or the equivalence of this amount.
5. In the case of obtaining in any manner a negative opinion about the Business Partner in the course of the cooperation therewith, the Employee is obliged to notify about it the Superior or the Compliance Management Coordinator, who in justified cases, will advise the Vice President to perform a due diligence of such a Business Partner. The negative result of the due diligence should constitute a contractual basis for the termination of the cooperation with this Business Partner.



ARTICLE 7. OTHER PROVISIONS

1. The Compliance Management Coordinator is liable for increasing Employees' awareness of Corruption, in particular for ensuring anti-corruption training for Employees.
2. The Employee is obliged to take part in anti-corruption training.
3. In the case of any doubt concerning the interpretation of the provisions of the Anti-corruption Code, the Employee is obliged to clarify this doubt with the Superior. If the case of such doubt on the part of the Superior, they are obliged to clarify the doubt with the Compliance Management Coordinator.
4. The Anti-Corruption Code is reviewed and updated at least once a year by the Compliance Management Coordinator.
5. The Anti-corruption Code constitutes more detailed description of rules indicated in the Ethics Code.





P U Ł A W Y