



GTC Ethical Compliance Manual

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1. Definitions

MB – GTC Management Board;

PMB – President of the GTC Management Board

Employees – refers all GTC Employees and MB Members;

Employer – pursuant to section 1 of the Labour Code Act of 26 June 1974 – an organisational unit, even if with no personality at law, as well as a natural person, all if employing people.

Investor – a natural or legal person, or an organisational unit with no personality at law, who/which invests temporarily free funds in projects which may generate a profit.

Breach – conduct which infringes on legal regulations, delegated acts, and guidelines to the acts, as well as laws adopted internally by the member countries such as the Constitution, acts of laws, or regulations.

CC – GTC Compliance Coordinator;

Contractor – a company providing works or services for GTC;

2. Code of Conduct

2.1 Principles underlying our conduct

Our prime purpose is to run and develop a profitable business. We assume corporate responsibility for our business towards the Republic of Poland, the community, and the environment the business affects, as well as towards our shareholders, Employees, business partners, and the broadly understood public.

Therefore, we have defined the fundamental principles guiding us in our activities:

- We comply with the laws of the countries we operate in;
- We covenant to do business in accordance with the top standards of reliability and morals;
- We are open to dialogue with natural persons and entities affected by our activities.
- We react to external signals in a timely and effective manner and respond to those whom our business affects.

We use our best efforts to cause that our Contractors and subcontractors follow the principles laid down in our Code of Conduct.

2.2 Employee relationships

We care about dedicated and harmonious relationships with our Employees, built on mutual respect. To that aim, we satisfy the minimum requirements of the law valid in the Republic of Poland, the rules laid down by the International Labour Organisation and the regulations of the Universal Declaration of Human Rights relating to the labour conditions.

We provide equal opportunities to our Employees, irrespective of the race, sex, nationality, faith, ethnic origins, or distinctive individual features. We do not accept discrimination, debasing, bullying, or harassment.

We ensure safe and healthy working conditions and support continual improvement. We shall maintain our management systems embracing all work posts, dedicated to ensuring continuity of the improvement process. We adjust our internal employee support systems to address the rising needs.

2.3 Ethics in business

We shall not take any actions in contravention with the binding law.

We shall not offer or present any undue pecuniary gratifications or financial advantages to any person or entity to induce them to take any illicit actions to generate any financial or business gain for GTC.

We have developed and implemented the following programmes to assure compliance with the relevant regulations of the law and this Code of Conduct:

- Hospitality and gift program – see 3 below
- Whistle-blower program – see 4 below
- Anti-bribery program – see 5.1 below
- Anti-corruption program – see 5.2 below
- Conflict of Interests program – see 6 below

2.4 The GTC Code of Conduct is based on the following norms:

- The rule of law, i.e. abidance by the laws of the countries where the business is conducted;
- The ban on abusing authority, i.e. making use of the influence enjoyed because of e.g. the position or function held at GTC;
- The rule of non-discrimination based on sex, nationality, citizenship, ethnical group, disabilities, age, or membership in social or professional groups;
- The rule of honesty transpiring in commitment of the GTC Employees to respecting and abiding by the principles of ethics;
- The rule of kindness, i.e. courtesy and kindness in dealing with clients, superiors, subordinates and co-workers;
- Data protection, construed as protection of personal data in accordance with the law and GTC's internal procedure;
- Maintaining registers of personal data – this applies to the GTC Employees being personal data controllers.

2.5 Nature and environment

Care for the environment invariably permeates our work. Compliance with the labour regulations relating to environment protection lays the foundation for our ambition of acting in the spirit of ecology and sustainable development. We covenant we shall take care of the natural environment, minimise any negative impact thereon, and protect the natural resources.

We forecast the environmental, including climatic, effects of our actions and make informed decisions based on significant available facts.

We do not employ materials and methods posing a risk to the environment, if any reasonable alternative solutions exist. We also endeavour to encourage our clients to reach for environmentally friendly solutions, whenever the circumstances allow.

We do not engage in actions potentially hazardous to the environment or the society. Our goal is to identify any potential environmental risks as early as possible so that proper decisions and actions can be taken at their appropriate time.

3. Inducement, gifts and entertainment

3.1 Inducements

An inducement is a reward for a specific behaviour and is designed to encourage that behaviour. It may take the form of a monetary or non-monetary incentive that is paid or provided to or by, GTC, an Employee, or a Contractor in relation to the provision of a service. Within GTC no inducements are permitted other than:

- proper fees calculated on commercial terms;
- benefits designed to enhance the quality of the service provided to GTC;

3.2 Gifts and Entertainment

A gift is when a GTC Employee gives/receives a tangible benefit of item of value to/from an Investor of any commercial service provider. Gifts may also take the form of credit, property, or any service or information. The giving or receiving of gifts may result in the opportunity for a financial advantage (to make, receive, or increase any gain or revenue; to avoid or reduce any loss or expense) or create an inappropriate expectation or feeling of obligation.

Employees are prohibited from offering, giving, soliciting, or accepting gifts in connection with the duties they perform. Under no circumstances may money or cash-convertible gifts be offered or accepted.

Customary business courtesies such as lunch or dinner, an invitation or entry tickets to concerts, exhibitions, social or sporting events do not require prior approval, provided a GTC's host is present. Repeated and/or lavish entertainment of hospitality is not acceptable. If an Employee has any doubts about whether an activity or entertainment is acceptable and complies with this policy, he/she must ensure that advance approval is obtained from the CC of MB Member.

4. Whistleblowing

GTC takes the issue of unacceptable conduct very seriously and recognises the importance of having an effective whistle-blowing policy.

4.1 Unacceptable conduct

It is impossible to give an exhaustive list of activities that may constitute unacceptable conduct but broadly speaking such actions may consist e.g. in:

- dishonest, fraudulent or corrupt behaviour (including offering or accepting bribes);

- illegal action (including theft, drug sale/use, violence or threatened violence, and criminal damage against property);
- breach of any legal or regulatory obligations;
- unethical behaviour;
- other improper conduct; and
- any unsafe work practices.

If an Employee or Contractor reasonably suspects that unacceptable conduct has occurred or will occur, they must disclose their suspicions to the CC at the address:

compliance@gtdsa.pl

It is not always clear whether an action constitutes unacceptable conduct and an Employee and Contractor must use their own judgement in this regard. If there are any doubts, they should informally discuss the matter in advance with the CC. If a report is made in good faith, then even if it is not confirmed in an investigation, the initial concern will be valued and appreciated, and the individual will not be liable to disciplinary action. If a false report is made maliciously or for personal gain, disciplinary actions may result.

4.2 Making a report and what happens afterwards

A report must be made in good faith, be it orally or in writing, to the CC and MB. GTC does not expect absolute proof of the reported conduct, although the reporter will need to be able to show the reasons of his/her concern. She/he may be requested to clearly set down the concerns giving rise to the reporting in writing and/or enclose any supporting evidence.

Upon receiving the report, if the CC and the MB are of the opinion that there is enough evidence of unacceptable conduct, the matter will be investigated by the PMB. In case the report concerns the PMB, the matter will be investigated by other MB Members.

The PMB reviews the input provided by the CC and MB, and if necessary, investigates the nature of the misconduct further. Upon the review/investigation, the PMB decides to refer the matter to the MB, where further revision and investigation is carried out, followed by the decision on the consequences. Where a person has committed or been involved in unacceptable conduct, the MB will consider an appropriate course of disciplinary actions. Where allegations of unacceptable conduct made against a person are not sustained by the MB, that person will be advised of the entitlement to continue in his/her role as if the allegations had not been raised. Records of MB's investigation should be made in a written form and kept confidential.

If it is decided there is not sufficient evidence of unacceptable conduct, the CC must arrange to inform the person who made the report of the decision and the reasons thereof.

As the outcome of the investigation, a written justification of the decision made by the MB should be submitted with the CC who should summarise the investigation and evidence, draw conclusions about the extent of any non-compliance with the regulations and the law, and recommend actions aimed at remedying the non-compliance to ensure that it does not reoccur. Once the investigation is completed, a written report will be made available to the individual who made the report. The report will cover the findings, and the actions taken within commercial, legal, and confidential constraints.

5. Anti-bribery and corruption

- GTC takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.
- Any non-compliance with provisions set forth in this Code constitutes a breach of Employee's obligations and may result in taking relevant disciplinary measures, and in criminal liability, as imposed by the generally applicable legislation.
- Bribery and corruption are punishable. Depending on the severity of the offense, the penalty may be a fine, restriction of liberty, or even deprivation of liberty for up to 12 years, and if GTC as the Employer fails to prevent bribery it could face significant fine, be excluded from tendering for public contracts and face a severe reputation damage. Therefore, GTC takes its responsibility seriously.

5.1 What is bribery?

A bribe is an inducement or reward offered, promised or provided to gain any commercial, contractual, regulatory, or personal advantage.

Examples:

Offering a bribe

An Employee or Contractor offers tickets to a major sporting event to a business contact, but only if they agree to provide GTC with confidential information.

This would be an offence since the Employee or Contractor is making the offer to gain a commercial and/or contractual advantage. In such case GTC may also be found to have committed an offence because the offer has been made to further GTC's interests. It may also be an offence for the business contact to accept the offer.

Receiving a bribe

A supplier gives an Employee's or Contractor's son a job but makes it clear that in return it expects the Employee or Contractor to use his/her influence at GTC to ensure that GTC provides them with increased levels of business.

It is an offence for a supplier to make such an offer. It would be an offence for the Employee or Contractor to accept the offer as they would be doing so to gain personal advantage.

Bribing a public official

An Employee or Contractor arranges for GTC to make an additional payment to a public official to speed up an administrative process.

The offence of bribing a public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for GTC. GTC may also be found to have committed an offence.

5.2 What is corruption?

Corruption is abuse of the entrusted power or position for personal gain.

5.2.1. Gifts and hospitality

The receipt, or provision of reasonable and appropriate gifts and hospitality in the ordinary course of business from third parties is acceptable to GTC (see: point 3.2 above).

5.2.2. Facilitation payments and kickbacks

GTC does not make and will not accept, facilitation payments or „kickbacks” of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine administrative action by a governmental official.

If the Employees or Contractors are asked to make a payment on GTC’s behalf, they should always be mindful of what the payment is for whether the amount requested is proportionate to the value of the goods or services provided. Employees and Contractors should always ask for a receipt which details the reason for the payment. If Employees or Contractors have any suspicions, concerns, or queries regarding a payment, they should raise these with the CC and an MB Member.

Kickbacks are typically payments made in return for a business favour or advantage. All Employees must avoid any activity that might lead to, or suggest that GTC has offered or accepted a facilitation payment or kickback.

5.2.3. Donations

GTC does not make contributions to political parties. GTC only makes charitable donations that are legal and ethical under local laws and practices. No donation can be offered or made on behalf of GTC without prior approval of the GTC Management Board.

5.2.4. Responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of everyone at GTC and those providing services to or on behalf of GTC.

Employees and Contractors must notify the CC and an MB Member as soon as possible, if they believe or suspect that a conflict with this Code has occurred or may occur in the future, e.g. in the case a supplier or potential supplier offers an Employee or Contractor something to gain a business advantage in its relations with GTC, or a counterparty indicates that a gift is required to secure a business transaction. Further "red flags" are set out in Appendix 1 below.

Any Employee or Contractor who breaches this Code will face disciplinary action which could result in the Employee’s dismissal for a gross misconduct. GTC reserves the right to terminate its contractual relationships with third parties, if they breach this Code.

5.2.5. How to raise a concern?

Employees and Contractors are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If an Employee or Contractor is unsure whether an

act constitutes bribery or corruption, or if they have any other queries, these should be raised with the CC and the MB Member. Any further concerns should be reported following the procedure set out in the 'Whistleblowing' section (see: point 4).

6. Conflict of Interests

GTC has a duty to act in its Investors' best interests, subject to statutory limitations, and to ensure that all Investors are treated fairly. Employees and Contractors must always act honestly, in good faith, and in a manner which is in the best interests of GTC and its Investors.

Employees and Contractors must not:

- misuse their position within GTC, or use information they receive during their employment, procure personal benefits to themselves, their families or friends, or any other person, or to cause damage to GTC;
- participate in any activity or take up employment which may compete or be in conflict with the interests of GTC's Investors or GTC itself; or
- participate in acts and/or decisions on behalf of GTC when dealing with an entity in which an Employee or Contractor has a material personal interest, plays the role of an officer or performs any other duty, or has a personal relationship with the person whose role with the counterparty to the transaction is considered to be a potential source of conflict.

GTC will take all reasonable steps to avoid conflicts of interest, and when they cannot be avoided, to manage and monitor conflicts of interest.

6.1 Identifying Conflicts of Interest

Every conflict-of-interest situation can be unique. Employees or Contractors need to identify the persons or entities whose interests they must consider in their proposed activities, they must also evaluate any potential conflict of interests that may arise.

A conflict of interests is an actual or potential conflict between the interests of two different parties in relation to the same matter. A conflict of interests may arise even if no unethical or improper act(s) result but situation may appear improper, which can undermine confidence in GGTC, or the reputation of GTC. The key element of any conflict of interest is a divergence between the interests of a person or firm and the interests of another person or firm to whom a duty is owed.

6.2 Managing Conflicts of Interest

Where a conflict of interests has been identified and cannot be avoided GTC will put in place effective actions to manage the conflict of interest and minimise the potential risk of damaging the interests of the Investor. Such actions may include:

- Segregation of functions;
- Independent supervision;

- Removal of direct remuneration incentives;
- Avoiding inappropriate influence on the way Investors are treated; and
- Holding dual controls;

Contact with the GTC Compliance Coordinator to submit a notification at: compliance@gtcsa.pl

Attachment 1 Potential Risk Scenarios: "red flags"

The following is a list of possible red flags that may arise in the course of business and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is provided for illustrative purposes only.

If an Employee and Contractor encounters any of these **red flags**, he/she must report them promptly to the CC and the MB:

- (a) an Employee or Contractor becomes aware that a [potential] business party engages in, or has been accused of engaging in improper business practices;
- (b) an Employee or Contractor learns that a [potential] business party has a reputation for paying bribes, or requires that bribes be paid to it, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a [potential] business party insists on receiving a commission or fee before committing to sign a contract with GTC or carry out his/her/its administrative function or procedure for GTC;
- (d) a [potential] business party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or bill for a payment made;
- (e) a [potential] business party request that payment be made to an address in a country or geographic location different from where the third party resides or conducts business;
- (f) a [potential] business party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a [potential] business party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a [potential] business party request that a payment be made to "overlook" potential non-compliances with the law;
- (i) a [potential] business party request that an Employee or Contractor provide employment or some other advantage to a friend or relative;
- (j) an Employee or Contractor receives an invoice from a [potential] business party that appears to be nonstandard or customised;
- (k) a [potential] business party insists on the use of side letters or refuses to put the agreed terms in writing;
- (l) an Employee or Contractor notices that GTC has been invoiced for a commission or fee payment that appears too high given the service stated to have been provided;
- (m) a [potential] business party requests or requires that services be used of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to GTC.

This Manual is approved by the signatories of the Management Board of Gdansk Transport Company S.A.