

## CODE OF CONDUCT IN THE COMPANY

**Klimaoprema d.d., Samobor, Gradna 78A, Croatia**

### 1. INTRODUCTION

- 1.1 This Code of Conduct represents a set of ethical norms and standards and is intended as a guide for employees of the company Klimaoprema d.d., Samobor, Gradna 78A, personal identification number (PIN): 34383404032 (hereinafter: **Klimaoprema**) on the standards of behaviour that are expected.
- 1.2 The basis of business ethics is lawful conduct. Such behavior includes the provision of truthful, transparent information, fair access to competition, employees, business partners as well as focus on social responsibility and sustainable development.
- 1.3 The purposes of establishing a code of conduct are as follows:
  - avoiding actions that are considered as unethical behaviour or that cause a conflict of interest in the performance of work obligations;
  - defining the acceptable behaviour for all employees;
  - setting highest standards of work and performance;
  - providing a framework for professional conduct and clearly indicating responsibilities for individual decisions and activities;
  - providing a framework for the behaviour and standards which interested parties can expect from Klimaoprema and its employees.
- 1.4 This code of conduct applies to all employees regardless of their level of responsibility and position and serves as a guide for ethical conduct and establishes core values regarding legal and ethical conduct.

### 2. STANDARDS OF BEHAVIOR

- 2.1 Employees are expected to give the highest possible standards in performing their work obligations whereas Klimaoprema does not approve the use of positions and powers within a particular work post to achieve any private and other goals that are incompatible with the framework of the work post in question.

- 2.2 Employees shall be fully committed to the principle of honesty, integrity and fair play in the delivery of services and goods provided by Klimaoprema. Employees shall ensure that the business operations are dealt in an open, fair and impartial manner. All employees are expected to demonstrate highest standards of honesty and integrity in their conduct at all time while representing Klimaoprema and conducting business on behalf of Klimaoprema.
- 2.3 Employees must treat other employees with decency and respect, while relations between employees on different levels of responsibility should be based on principles of loyalty, respect and confidentiality. Employees are expected to ensure a healthy, safe and conducive work environment that is free from harassment of any kind or form, whether physical, verbal, psychological or sexual, including all types of unwelcome, offensive, demeaning and intimidating behaviours, explicit or implicit.
- 2.4 Klimaoprema is committed to provide its employees a safe and healthy work environment while all employees must comply with safety norms/policies/standards as prescribed by Klimaoprema and applicable law. All employees must ensure that no unsafe act is committed at workplace and must also undertake all possible measures to eliminate any unsafe condition as soon as they became aware of it.
- 2.5 Employees with special authorizations are responsible for all employees within their organizational unit and are obliged to carefully select employees in their organizational unit according to their personal and professional competence, give them complete and precise work tasks as well as to regularly control the implementation of assigned obligations in compliance with deadlines and applicable regulations.
- 2.6 Klimaoprema is an equal employment opportunity employer. Employment opportunities are available regardless of race, colour, sex, religion, national origin, age, disability or other legally protected status. This Principle applies to all aspects of the employment relationship, including recruiting, hiring, training, work assignment, promotion, transfer, termination, and wage and salary administration.
- 2.7 Klimaoprema encourages creation of a working environment in which cooperation and responsibility are encouraged, while interpersonal relations are constantly being improved in accordance with the values established by this Code of conduct. Rude behavior, abuse, discriminatory behavior on any grounds is strictly prohibited. All employees are expected to uphold the

spirit of teamwork and ensure that the best interest of the team and Klimaoprema prevails at all times.

- 2.8 Each employee must comply with the letter and spirit of any applicable law, rule or regulation, the protocols, policies, and procedures established by Klimaoprema and also encourage other employees to do the same.

### 3. CUSTOMER & SUPPLIERS RELATIONS

- 3.1 Klimaoprema recognizes that product integrity, product quality and being safe and environmentally responsible are the founding principles of product stewardship and for this reason Klimaoprema is committed to ensuring that its products and manufacturing processes as well as services provided adhere to prescribed quality standards and that technologies used are safe and environmentally responsible.

- 3.2 Klimaoprema recognizes that customers, vendors and other business partners play a crucial role in its success. Therefore, all employees must comply with the applicable regulations, standards of conduct and principles of conduct set forth in this Code of conduct. In relations with the employer's clients, employees are obliged to act in a friendly manner and strive to consistently meet client expectations.

- 3.3 The highest standards of professionalism, impartiality and decency are required, while respecting the needs of the client as well as providing professional, high-quality, understandable and applicable advices to clients according to their needs.

### 4. CONFLICT OF INTEREST AND CORRUPTION

- 4.1 The priority of all employees must be to solve common business tasks and employees must act in an impartial manner, whereby personal relations and interests must not take precedence over the interests of Klimaoprema and their work obligations.

- 4.2 Employees should avoid using their official position or any information made available to them in the course of their duties to benefit themselves, their affiliates or any other person with whom they have personal or social connection. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with Klimaoprema.

- 4.3 Employees should at all times act in accordance with the principle of loyalty and avoid conflict of interest situations such as:
- accepting concurrent employment outside Klimaoprema with or without remuneration;
  - employees are prohibited from conducting company's business with any relative, without prior approval of Klimaoprema;
  - any other situations that hampers an employee's liability to take business decisions in the best interest of Klimaoprema.
- 4.4 Each employee must fully and frankly inform Klimaoprema of any personal or external business interest that may lead to an actual or potential conflict of interest or duty. In addition to this, employees must not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position.
- 4.5 Taking into account that offering or receiving gifts and being entertained can easily create an actual or apparent conflict of interest, the general principle is that the employees are not allowed to accept gifts or other benefits other than those of a symbolic value. Gifts are allowed if their value is less than HRK 500, and if they are gifts worth more than HRK 500, only if they are considered common in the business occasion in which they are given or if Klimaoprema approved such gift.
- 4.6 Employees shall not engage in any corrupt practices, including offering/accepting bribes or any other kind of improper payment.

## 5. DISCLOSURE OF INFORMATION

- 5.1 Klimaoprema is committed to protecting personal information that is shared by employees during the course of employment in accordance with the applicable data privacy laws, including the rules on the collection, processing, use, transfer and disclosure of personal information.
- 5.2 It is expected that employees whose job responsibilities include the collection, modification, transfer, processing, storage or use of personal employee information will comply with the applicable data privacy laws.
- 5.3 Employees should not use any confidential information obtained in the course of their employment for personal gain or benefit, nor pass it on to others who might use it in such a way, unless required by law or authorized by Klimaoprema. Employees must use their best efforts to avoid

unintentional disclosure by applying special care when storing or transmitting confidential information.

## 6. PROTECTION OF ASSETS

- 6.1 Each employee must ensure appropriate use of company assets or company information including company property, computers and communication systems, financial information, business strategy, technology, intellectual property, brands, trademarks or any other non-public information.
- 6.2 Every employee is responsible for using the assets of Klimaoprema as well as its infrastructure appropriately, ethically, in a safe a secure manner within the law and not to transmit information like reports, files and data to any unauthorized person, group or organization through any other tool.
- 6.3 While using internet and email employees shall not send offensive e-mails and messages to any person/group within or outside Klimaoprema, visit obscene or illegal material or any material that is offensive in any way, download any unauthorized software, use the e-mail system to copy or transmit any documents, software or other information protected by copyright laws nor share any reports, files, data with any unauthorized person, group or organization through internet or email.

## 7. VIOLATION OF THE CODE OF CONDUCT

- 7.1 Violation of any provision of the Code of Conduct is considered a violation of obligations under the employment relationship or in connection with the employment relationship.
- 7.2 Each employee must report actual or potential violation of this code of conduct or applicable laws to Klimaoprema as the employer or the person appointed by the Management Board. All such reports of violations shall be treated as confidential.
- 7.3 Depending on the severity of the violation, the employee may be imposed measures provided by the Labor Law and/or internal acts of Klimaoprema.

## 8. AMENDMENTS

- 8.1 Klimaoprema is committed to continuously reviewing and updating its policies and procedures and therefore it reserves its right to amend, alter or terminate this code at any time for any reason subject to applicable law.
- 8.2 Every employee must be familiar with the provisions of this Code of conduct.

*This Code of conduct is not exhaustive and lays down only the general principles to be followed by the employees. Klimaoprema may have separate codes/policies formulated for regulating various matters that may be required under the specific laws.*

Samobor, 17.01.2018.

*Chairman of the Management Board*

*Sergio Galošić, BSc, Mech. Eng.*

