



INTERNAL ANTI-CORRUPTION PROGRAMME

1 Purpose

The aim of the Internal Anti-corruption Programme is to ensure consistency of operation of the UNIPETROL capital group (CG) with the highest ethical standards. The purpose is to eliminate or limit to a maximum degree any preconditions for the creation of corrupt practices within companies of the UNIPETROL group. The document has the character of a policy and with this corresponds the setting of general rules for determining the internal processes of preventing corruption, identification and manner of reporting of any such. The objective of the Internal Anti-corruption Programme (IPP) is the creation of a transparent and open company which instigates confidence of its trade partners and customers and at the same time protects any notifiers of corrupt conduct at a level of labour law.

2 Anti-corruption Measures - Preamble

Corruption complicates the economic development of the company, damages free competition, increases the cost of production of goods and services, reduces their safety and quality, which ultimately may damage each entity of the business life of a given company.

Corruption and other, related, criminal activity signify criminal liability of natural as well as legal entities. The committing of this type of crime does not only harm the entities who are subject to economic competition, but also the civil society as a whole. Acceptance of corruption acts, whether passive or active, prevents entrepreneurial activities, limits the possibilities of promotion of services and products, may prevent winning of public orders and leads to high financial sanctions.

The anti-corruption policy of the UNIPETROL Group reflects both the set principles of the parent company, PKN ORLEN SA (PKN ORLEN SA and the companies in respect of which PKN ORLEN SA directly or indirectly acts as a parent company within the meaning of the provisions of the Code on Business Corporations) and also the international best practice procedures within the framework of prevention, detection and response to bribery and corruption, identification of technological, financial and other risks associated with corruption, as well as other types of behaviour of defective nature, which may be harmful to the economic interests of the ORLEN Group.

An effective fight against corruption requires the introduction of systemic solutions based on analysis of the information available within the organisation and any obtained from external sources.

The fight against corruption protects against acts of corruption defined by law and, moreover, acts against wasteful management, conflict of interest or agreements between the parties if they wish to commit corruption.

Implementation of the anti-corruption policy of KS UNIPETROL (hereinafter referred to as the "policy" or "anti-corruption policy") increases security in relations with the Company's contracting parties and strengthens communication within the organisation.

The basic pillar of IPP is the environment of the company, which categorically rejects corruption practices in its market presence, and does so openly and without any exceptions. To maintain this stance, tools of commercial character are used, as well as marketing and general promotion of the anti-corruption agenda e.g. through declarations of statutory authorities of the company, producing and promoting the Code of Ethics. Moral integrity of employees is strengthened through initial and ongoing training, the inclusion of topics related to identifying and combating corruption in the activities of each individual. CG UNIPETROL also sets a credible mechanism for the notification of suspicion of corruption and declares protection of any notifier in the within the scope of labour law.

2.1 Basic principles of creating an anti-corruption climate

2.1.1 Declaration of conformity with the legislation and ethical standards

This anti-corruption policy is based on the generally accepted legal standards which address the fight against corruption and unethical behaviour within the countries where the UNIPETROL Group and hence the whole PKN ORLEN Group conduct their business. These are in particular the following standards:

- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- Act of Parliament of Great Britain on bribery (The Bribery Act 2010);
- The Foreign Corrupt Practices Act (FCPA);
- the Canadian Corruption of Foreign Public Officials Act, 1999).

2.1.2 Approach on the part of KS UNIPETROL

By means of internal documents it incorporates elements preventing the creation of corrupt environment into the management system, in particular:

- publishes a Code of Conduct applicable across the UNIPETROL Group companies and implements elements of the fight against corruption,
- precisely determines procedures for the implementation of a selection procedure,
- by appropriate control ensures elimination of conflict of interest or bias
- by internal regulations clearly defines the decision-making powers and rights to sign,
- in crucial issues observes the principle of 4 eyes,
- appoints supervisory authorities,
- carries out training,
- creates and openly shares the system of fight against corruption within the framework of its marketing promotion,
- systematically examines any suspected corrupt behaviour,
- adequately protects the source of information,
- evaluates the functioning of the IPP on an annual basis.

2.1.3 Approach on the part of the employees

The principle of every employee's attitude to rejecting corruption is personal integrity and decisiveness. It must necessarily be based on the above-stated pillars created by the employer. The fight against corruption in the private sector is; however, also taking place at the level of individuals who in particular:

- act decisively and impartially, comply with the internal organisational management standards and the applicable laws of the Czech Republic,
- do not themselves create conditions for the emergence of corrupt behaviour, on the contrary they prevent such by their behaviour and conduct,
- they actively familiarise themselves with and adhere to the Company's Code of Conduct,
- they do not accept gifts or other benefits in connection with performance of their work duties.

2.1.4 Approach on the part of the managerial staff at all levels of the management

Compared to the employees, members of the management have an option to pass on the stance of the company management and the principles of the Code of Conduct to other members of the staff of the UNIPETROL Group companies; to their subordinates. They do so in particular by:

- assertion and promotion of the anti-corruption attitudes,
- creation and strengthening of an environment which rejects corrupt behaviour, reducing the incentive for such conduct and increasing the likelihood of its discovery,
- not circumventing the procedures intended for authorising, granting of commands or subordination,
- actively promoting the Code of Conduct, resolving any of its infringements detected,
- carefully checking the activities of their subordinates,
- consistently reviewing, i.e. transmitting for investigation, any incentives indicating suspicion of corruption.

2.2 Prevention

2.2.1 Measures to reduce these risks are adopted in respect of the risks identified. The basis for this is compliance with the applicable legal and internal regulations, which will be in this respect closer specified and kept up-to-date.

2.3 Transparency

The UNIPETROL Group considers transparent attitude and business conduct to be one of the key instruments of limitation of corrupt environment in the private sector and the company itself. The publication of the relevant information is made in particular via the web presentation of the UNIPETROL Group and also the internal communication with all employees.

2.4 Resolution of incentives

2.4.1 Ethical ombudsman

The company created the position of an ethical ombudsman. His powers, scope of activities, term of office and the manner of addressing any incentives is provided in the Code of Ethics CG UNIPETROL.

2.4.2 Anonymous telephone line

An anonymous telephone line has been installed which is operated by the control and security section. On this telephone line suspected cases of corruption but also other suspected violations of the applicable legislation and the internal regulations may be reported anonymously. The contact phone number is **+420 736 508 500**. The section of control and security guarantees that no steps will be taken to trace the caller.

2.4.3 Anonymous e-mail address

Anonymous email addresses have also been set up , which are administered by the ethical ombudsman - anonym@unipetrol.cz and by the head of internal control - securityreport@unipetrol.cz. At these addresses it is possible to anonymously report cases of suspicion of for example corruption, but also other suspected cases of violation of the valid legislation and the internal regulations. The section of control and security guarantees that no steps will be taken to trace the sender of electronic mail.

2.5 Notifier protection

CG UNIPETROL companies observe the provisions on protection of a notifier of unlawful conduct enshrined in legal regulation. The company is aware that notifiers any infringement, corrupt practices included, are an extremely vulnerable group and may be exposed to various kinds of discrimination in the workplace. The management of CG UNIPETROL therefore ensures that all essential elements of such protection, i.e. protection of identity of the notifier, his protection against discrimination at work, etc. are respected. CG UNIPETROL protects the notifier of any unlawful conduct if such has been made in good faith even if such notification proves to have been mistaken. On the contrary, deliberate false reporting shall be dealt with in accordance with the legislation in force.

Principles of acceptance and transfer of gifts within CG UNIPETROL

Sec. 1

General provisions

1. The principles apply to workers employed by CG UNIPETROL based on a contract of employment, agreement to perform work or contract for work activity and persons, who provide services to CG UNIPETROL based on business relationships and persons representing CG UNIPETROL in relations with representatives of contracting parties or public administration, including relations between companies of CG PKN ORLEN.

2. Acceptance and transfer of gifts is only permitted in accordance with special documents approved by CG UNIPETROL and these principles.
3. These principles do not apply to gifts received and donated by employees of CG PKN ORLEN to employees of CG UNIPETROL companies and vice versa.

Sec. 2

Guidelines on reception and handing over of gifts

1. Gifts may be considered to represent income and are therefore subject to income tax. In exceptional situations income in the form of a gift may be exempted from tax.
2. Gifts donated to contractual partners are not subject to income tax in cases where:
 - a) the passed gift is associated with promotion or advertising of the UNIPETROL group companies, such as by a permanent placement of the UNIPETROL logo on the gift received,
 - b) the recipient of the gift is not an employee of the UNIPETROL Group or its associate worker on the basis of a civil contract,
 - c) the value of the gift is not greater than CZK 15,000,-.
3. CG UNIPETROL may charge the donor expense for a contractual partner as a tax expense if it at least indirectly affects CG UNIPETROL's revenues, e.g. in relation to promotion and advertising, with the exception of representation.
4. Before returning any gift to a contracting partner, try to ascertain:
 - a) the principles of receiving gifts valid for the contractual partner,
 - b) the regulations governing the giving of gifts under the jurisdiction of the State where the contracting partner is based.
5. The person referred to in Sec. 1, Para. 1. of these principles is obliged at the time of transmission of the gift to inform the recipient of the value of the gift. In the case of gifts, the value of which does not exceed CZK 2,000 excl. VAT (market value of the gift), it suffices to inform the recipient that its value does not exceed this amount. In the case of a gift, whose value exceeds CZK 2,000 excl. VAT, you need to determine and communicate its market value.
6. If the value of the gift would be considered by the recipient as being untactful, then this information must be communicated by other, acceptable means (reference to the anti-corruption rules of CG UNIPETROL, label with the value of the gift, etc.).
7. The limits of the value of gifts referred to in Sec. 2, Para. 5 of these principles have been established on the basis of regulations relating to free-of-charge transactions not subject to income tax in force in the Czech Republic on the date of entry into force of these principles. These limits may change, differences in the amounts may be associated with legal amendments binding in a particular country or time.
8. In the case of CG UNIPETROL companies, CG UNIPETROL branches and representations outside the Czech Republic, the boundaries referred to in Sec. 2, Para. 5 of these principles shall be stated in accordance with the legal provisions binding in a given country concerning free of charge transactions which are not subject to income tax.

9. Categories of gifts

- a) gifts, whose acceptance and transmission is allowed without the need to additionally obtain an approval.
- b) gifts, whose acceptance and transmission is permitted conditionally.
- c) gifts, whose acceptance and transmission is not permitted.

Sec. 3

Gifts permitted within CG UNIPETROL without the need for additional approval

1. Acceptance and transmission of gifts is permitted without the need for an additional consent in conjunction with promotion and advertising, where the unit value of the gift is not greater than CZK 2,000 excl. VAT, provided that such is effected in accordance with the principles outlined in this policy.
2. Provision of catering in the company of a contractual partner up to the amount of CZK 2,000 excl. VAT per person is permissible if:
 - a) such are of a sporadic nature and may be provided on the basis of mutual reciprocity;
 - b) the person who invited us or his / her representatives participate in such entertainment;
 - c) entertainment was not participated in by family members, spouse, children, parents, relatives or relations in a direct line up to the second stage, of the persons stated in Sec. 1, Para. 1 of these principles,
 - d) at least two representatives of CG UNIPETROL must participate in the entertainment organised by the persons referred to in Sec. 1, Para. 1, unless participation of only one representative is justified by objective circumstances relating to the business relationship with the given contracting partner or public administration representative.
3. For the avoidance of doubt, the catering service (understood as the delivery of finished or unfinished food or beverages, where appropriate accompanied by appropriate support services, which allow their immediate consumption, which takes place outside the service provider's premises) during business negotiations, other business meetings held at headquarters of CG UNIPETROL (or outwith the registered office, but at expense of the CG UNIPETROL companies or during the meetings of authorities of CG UNIPETROL companies or committees operating based on the CG UNIPETROL's internal guidelines) is not considered to represent a gift within the meaning of these principles, if such an expenditure may be classified as a general, administrative or another cost relating to the activity pursued.
4. Invitations to leisure events, understood as sporting events, theatre performances, concerts or other cultural events up to the value of CZK 2,000 excl. VAT are permitted, provided that:
 - a) such are of a sporadic nature and may be offered on the basis of mutual reciprocity;
 - b) the person offering the ticket shall also be attending the event.

5. Invitations to events, trainings or workshops led by the person who invited you as a host are also admissible and are not considered to represent gifts unless participation is subject to payment of a participation fee.
6. Promotional items such as pens, notebooks, calendars, other small items, preferably with the CG UNIPETROL logotype, or the relevant logotype of a contractual partner, the unit price of which does not exceed CZK 2,000 excl. VAT, are permissible.
7. It is permissible to pass on the gifts referred to in Sec. 3, Para. 6 of these principles without the need to register them in the Gift Register referred to in Sec. 6 of these principles at meetings (e.g. trade fairs, conferences, symposia) organised, co-organized or sponsored by CG UNIPETROL on the basis of special regulations, during which the group of recipients is numerous and individual recipients cannot be identified. In case of a meeting of this kind, follow these principles:
 - a) The organizer of the meeting (by CG UNIPETROL) is obliged to keep records, which will contain information on the type, number and unit costs of promotional items intended for distribution during the event. The register shall contain the bill of costs at the end of the meeting. Record of bill of collective costs stated in Sec. 3, Para. 7 of these principles is not stated in the register of gifts of CG UNIPETROL
 - b) The unit value of promotional gifts intended for such meetings shall not exceed CZK 2,000 excl. VAT. Otherwise, the procedure set out in Sec. 4 of these principles is binding.
8. The acceptance or passing of gifts referred to in Sec. 3, Para. 2, 4 and 6 of these principles is permissible, if such is appropriate in particular circumstances and in accordance with the ethical principles binding in CG UNIPETROL and that of the donor. The decision to accept or hand over a gift must be preceded by an individual assessment of the person referred to in Sec. 1, Para. 1 of these principles. If the circumstances do not allow the assessment to be made, then it must be preceded by consultation with a superior or the section for control and security.
9. When deciding on acceptance of a gift, follow these guidelines:
 - a) The principle of honest intentions on the part of the donor.
 - The circumstances, handover, and the nature of the gift are exclusively aimed at building or strengthening of trade relations or are an expression of sympathy.
 - The aim of the gift is not to negatively influence the recipient and his objectivity in deciding on business matters.
 - The offer of a gift does not come when the recipient is involved in the decision-making process from which the donor or the person associated with it could benefit.
 - b) The principle of legality:
 - The type of donation and the circumstances of its handover do not violate the good customs or the national, foreign or international law.
 - c) The principle of proportionality:
 - The unit value of the donation is within the acceptable limits and is in accordance with the standards adopted in the given case.

- Handover of a gift occurs sporadically and is associated with a particular occasion.
 - By giving a gift no obligation may be imposed or appearance of such may be created on the part of the recipient.
- d) The principle of transparency:
- It is not allowed to receive gifts, which may in the perception of the beneficiary give rise to embarrassment due to the value of the gift, or feeling of a need to reciprocate the gesture or a motivation to conceal the receipt of such gifts from superiors and associates.

Sec. 4

Gifts conditionally permitted

1. The reception and giving of gifts is conditionally permitted provided that the following conditions are met:
 - a) Accepting and offering of hospitality in a unit value of more than CZK 2,000 excl. VAT per person requires approval under the regime set out in these principles, on the basis of accounting documents or a list of expenses, according to regulations binding within CG UNIPETROL. Entertainment in such value should be exceptional and should take place in accordance with the principles binding on CG UNIPETROL.
 - b) Gifts to a unit value greater than CZK 2,000 excl. of VAT may be passed by an employee of CG UNIPETROL only in the case where such had been previously approved by his direct superior or the employee who supervises the activities to be carried out by persons employed on the basis of the business relationship.
 - c) A gift has to be rejected if the unit price in the opinion of the recipient is higher than CZK 2,000 excl. of VAT. In a case where a refusal could offend the donor, accept the gift. Upon termination of the meeting at which the gift was received, the recipient - the person referred to in Sec. 1, Para. 1 of these principles - must immediately notify his/her superior or the UNIPETROL RPA, s.r.o. Control and Security Department. The superior shall decide whether the recipient may keep the gift or whether it shall be handed over to the UNIPETROL Foundation.
 - d) Invitations to leisure activities must not be designated by a name but addressed to the relevant CG UNIPETROL company (for gifts received) or to a contractual partner (for gifts given) and contain a request for identification of the person pursuant to Sec.1, Para. 1 of these principles. The employee is invited by the head of the organizational unit of CG UNIPETROL, which received the invitation.
2. Acceptance of gifts referred to in sec. 4, Para. 1 of these principles shall be appropriately governed by the provisions of Sec. 3, Para 9 these principles.
3. In case of doubt the exceptions provided in Sec. 4, Para. 1 of these principles are interpreted in the strict sense of the meaning.

Sec. 5

Unauthorized donations

1. It is unacceptable to receive and donate gifts which meet at least one of the following conditions:

- a) The gift has a form of cash or cash equivalent, including *inter alia* gift cards (with the exception of BENZINA fuel cards), a loan, shares, holdings, other securities, etc.
 - b) The gift is inappropriate or contains erotic content or sexual overtones or could have a negative impact on the reputation of CG UNIPETROL or of a third party.
 - c) Acceptance or handover of the gift is not in accordance with the IPP binding in the companies of CG UNIPETROL or its contractual partner.
 - d) Circumstances of accepting or handing over of a gift indicate that the other party expects the same behaviour or gives rise to a sense of commitment.
 - e) A gift, whose handover may lead to a conflict of interest.
 - f) The acceptance or handover of a gift depends on the value or degree of the achieved parameters associated with the level of cooperation.
 - g) A gift given prior to establishment of a business relationship unless its aim is to present the principal activity of the party concerned, and in this case particular caution is recommended.
2. 2. It is inadmissible to give any gifts to Czech or foreign public officials in connection with the function they perform, with the exception of the items listed in Sec. 3, Para. 6 of these principles, in accordance with the principles specified in Sec. 3, Para. 9 of these principles.
1. The companies of CG UNIPETROL maintain their own electronic register of gifts. If the company cannot keep its own register of gifts, this company may use the UNIPETROL RPA, s.r.o. donation register on the basis of a special contract regulating the principles of access to the records, including the protection of information.
 2. The persons referred to in Sec. 1, Para. 1 of these principles are obliged within 2 weeks of the date of receipt or delivery of a gift to record a gift in the register of gifts.
 3. In the case of gifts whose value was communicated at the time of handover, the value shall be recorded in the records as has been communicated by the donor. In the case of difficulties with determination of the value of a gift, its value shall be determined in accordance with Sec. 6, Para. 8 of these principles.
 4. In the case of gifts whose value was not communicated at the time of handover, the recipient is obliged to determine the estimated value of the gift on the basis of any information available and to to this end use the prices of products in on-line stores, but excluding auction portals, and the information on the manner of the valuation shall be stated in the register.
 5. 5. In the case of gifts with a face value of more than CZK 2,000 excl. of VAT, handed over by persons referred to in Sec. 1, Para. 1 of these principles, their supervisor is responsible for fulfilling of the obligations arising from tax laws and reporting of information to the UNIPETROL RPA s.r.o. Department of Control and Security.

Sec. 7

Final Provisions

1. Questions concerning acceptance or giving of gifts in CG UNIPETROL may be sent to email address: securityreport@unipetrol.cz or to contact by telephone the department of internal control of UNPETROL RPA, s.r.o.

2. In the case of receiving or giving of gifts which take place outside the Czech Republic and the CG UNIPETROL companies registered in another country, these principles shall apply taking into account the regulations applicable to the given situation and binding on the given jurisdiction and supranational regulations.
3. In the case of gifts received abroad it is permissible to appropriate apply the CZK 2,000 excl. of VAT borderline referred to in these principles, taking into account the relevant standards and the purchasing power in the given place. The provisions of Sec. 6, Para. 8 shall also be applied accordingly.
4. In the case of receipt or handover of gifts, which takes place outside the Czech Republic, the provisions of these principles relating to tax matters shall apply only to the extent of applying the Czech tax law.
5. The exchange of information among the companies of CG UNIPETROL governed in this area by this policy must not violate the regulations of the laws on the protection of personal data and protection of the company secrets.
6. These principles shall be applied taking into account the legislation in force and special organizational regulations binding on CG UNIPETROL in the field of data protection.