

CODE OF ETHICS FOR BUSINESS ACTIVITIES
of Świdnicka Fabryka Urządzeń Przemysłowych
[Industrial Equipment Factory of Świdnica]
ŚFUP Sp. z o.o. in Świdnica

A. PREAMBLE

Świdnicka Fabryka Urządzeń Przemysłowych ŚFUP Sp. z o.o. (hereinafter referred to as “*the Company*” or “*the enterprise*”) holds the view that in all activities of the enterprise it is necessary to preserve basic ethical values and to recognise obligations towards all persons interested in the activities of the Company. Honesty is a prerequisite in order to achieve stability of the enterprise and success. The goodwill of the Company and trust in it is one of the highest values of the Company. The implementation of the hereby Code constitutes an acknowledgement of the aforementioned values and is an obligation to monitor the compliance with the accepted norms on a regular basis.

B. CUSTOMER RELATIONS

1. The enterprise shall provide products and services which are valuable, of good quality, reliably constructed and safe to use. The enterprise shall:

- Offer products in accordance with national and international standards or in the event of their lack, it shall carry out relevant safety tests.

- Not consciously provide incomplete information and misleading descriptions regarding the services and products it offers.

- Not consciously conceal detrimental effects of the products.

2. In marketing undertaking and in other forms of communication, the Company shall avoid the presentation of information that is untrue, exaggerated or incomplete.

3. To ensure that the Customers are fully satisfied, the enterprise shall provide high standard of services.

4. The Company shall avoid all practices that lead to the increase of sell through any illegal marketing undertakings.

5. The Company shall keep in secret confidential information obtained from a Customer.

C. RELATIONS WITH SHAREHOLDERS AND OTHER INVESTORS

1. The Company shall take care of the interests of the shareholders and prospective investors, and shall not do anything which could give one group of investors preferential treatment to the detriment of the other group.
2. The Company shall aspire to achieve an attractive rate of return on capital.
3. The Company shall honestly inform about its policy, achievements and the prospects of development.

D. RELATIONS WITH EMPLOYEES

1. The relations between the enterpriser and the employees shall be based on respect for their personal dignity.
2. The Company shall employ and promote its employees taking into consideration the qualifications required for a particular position. The employees shall not be discriminated against their race, religion, nationality, skin colour, age, sex, marital status or disabilities.
3. The Company shall aspire to provide stable workplaces and shall reliably inform the employees about the prospects of employment.
4. The Company is obliged to provide clean, healthy and safe working environment in accordance with the standards and provisions of the law. The employees themselves are obliged to take all reasonable endeavours to avoid accidents, hurting themselves or their colleagues as well as third parties.
5. The enterprise shall ensure the confidentiality of medical data delivered by its employees. The results of period medical examinations shall not be made available neither to other employees nor to third parties.
6. Bearing in mind the efforts made by particular persons who contributed to the success of the Company, the enterprise shall apply the rules of transparent and legible policy of remuneration. The rules of the remuneration system shall be constructed in a way that takes into consideration an individual contribution of each employee.
7. The Company shall help employees in improving their qualifications and support their career in the Company.
8. The Company shall inform the employees about the objectives of its activity and the tasks on particular workplaces.
9. Information obtained from the employees during the work shall not be used to any other competitive aim than the one for which information was made available.
10. The Company shall not tolerate sexual harassment and other forms of mental or physical abuse of the employees.

11. The Company is obliged to recognise its special protection obligations towards the employees who are at the point of retiring.

12. The Company shall support colleagues bonds as well as the bonds with the pensioners who previously worked in the enterprise.

13. The Company shall develop procedures for resolving disputes and shall do anything in order to resolve these disputes without allowing for the escalation of a conflict.

14. The Company shall strive to provide full communication with each employee. The enterprise shall acknowledge the need of informing and consulting employees in teams in which they work. Wherever possible, the employees shall also be duly represented in negotiations. If relevant understanding with the employees exists, the Company shall provide relevant solutions which would facilitate constructive dialogue.

15. The Company shall inform the employees about the payment of contributions for social insurance as well as about the nature of concluded agreements. It is not permissible to conclude a civil law agreement in cases that are not allowed by law.

16. In the event of necessity to dismiss employees due to the reasons on the part of the enterprise, the Company shall take measures to help, to the extend possible, in finding new jobs.

E. RELATIONS WITH BUSINESS PARTNERS

1. The relations between the Company and business partners shall be based on mutual trust.

2. The payment for the provided service or delivered goods shall be paid on a date specified in the agreement and pursuant to the agreement.

3. The Company's financial strength shall be used in moderation.

4. The Company acknowledges that accepting gifts or other benefits from the employees of a cooperating company can lead to situations which could be perceived as an attempt of persuasion to offer in return for the benefits of the donor. The following rules shall be observed:

- one must not persuade anybody to accept a gift,
- one must not give a gift in the form of money or its equivalents,
- reasonable, small gifts and manifestations of hospitality can be accepted unless they cause any commitment at the part of a person accepting the gift and can't be returned at the same degree,
- it is acceptable to give and accept customarily recognised corporate gifts in business relations,
- one must inform the supervisor about all received gifts as well as about doing somebody a favour, connected to the company with which cooperation is conducted,

5. Information concerning the relations between the company and business partners shall be treated as confidential.

F. RELATIONS WITH COMPETITION

1. The Company shall honestly compete with competitors and shall not undermine their goodwill.
2. In contacts with the competition, the employees shall avoid situations which enable to pass on confidential information concerning the Company.
3. The Company shall not attempt to obtain information pertaining to competition of illegal measures. This can include industrial spying, employing the competition's employees in order to obtain confidential information, persuading the competition's personnel or its customers to disclose information held by them and other measures not listed above.
4. The Company shall not apply illegal restrictive trade practices.

G. RELATIONS WITH AUTHORITIES AND LOCAL COMMUNITIES

1. The Company shall use all reasonable endeavours in order to be socially sensitive economic entity, shall serve the community by activity favourable for the Company and the community and by ensuring favourable possibilities of employment and good working conditions.
2. The enterprise shall take into consideration the interests of the entire surroundings, trying to meet both national and local interests.
3. The Company shall support, to the extent possible, the local community. All possible subsidies for charity shall be granted in the scope of the rules established by the owner.

H. NATURAL ENVIRONMENT

1. The enterprise in the course of its actions, shall follow a high level of responsibility for natural environment.
2. The Company is obliged to protect the environment, and exploit natural resources in a responsible manner. For the above reasons, the Company shall:
 - try to place production cycle, waste water management, waste disposal, emission of exhaust fumes and noise within determined standards,
 - analyse the effects of each new undertakings for the environment,
 - regularly carry out inspections of the Company's influence on the environment,
 - take particular attention to the protection of living animals and plants occurring in nature,
 - inform the community among which the Company operates on environmental protection program conducted by the Company.
3. The Company precludes the possibility of conducting any tests on animals.

I. RELATIONS BETWEEN BUSINESS AND POLITICS

1. The activities of the Company shall be characterised by full respect for the law, exercised by democratically elected local, regional and national authorities.
2. The Company shall not support political activity based on propagating hatred, prejudices and discrimination against particular groups or persons.
3. The policy of the Company in the scope of supporting social and political activities shall be open to the public.
4. The Company shall not favour privileged politicians and representatives of the authorities.

J. PUBLIC PROCUREMENT

The Company shall comply with the Public Procurement Law, in particular, the Company shall:

1. Not influence decisive persons by giving them gifts, promising favours and giving financial bonuses.
2. Provide in its offer specific conditions which can actually be fulfilled.
3. Honestly present in its offer its achievements and experience.
4. Not undertake any activities in order to discredit its competitors.
5. The Company is a signatory of the Code of Good Practices in Public and Non-public Procurement in Power sector, passed by the Resolution of the Management Board of the Chamber of Energy Commerce and Environmental Protection dated 29 September 2015.

K. ISSUES CONNECTED WITH INTERNATIONAL BUSINESS

1. The Company shall undertake to observe the law of other countries and the communities living there.
2. The Company shall respect tradition and culture of each country in which it operates.
3. The Company shall be liable in the scope of international trade, in accordance with the provisions accepted by Poland.

L. THE IMPLEMENTATION OF THE CODE

1. The implementation of the Code shall be connected with the monitoring of the compliance with implemented ethical program.
2. Strict application of the Code shall be the effect of educating the employees in the scope of accepted rules.

3. The Company shall monitor the compliance of undertaken decisions and methods of acting with the accepted rules of the Code.

4. The goal of the Company shall be to create advantageous atmosphere in work and the opportunities for the employees, provide honest explanation of all matters concerning the conduct and decisions perceived as ethical.

M. SUPPLEMENTARY INFORMATION AND FINAL PROVISIONS

1. The Code was prepared on the basis of the guidelines provided by the National Chamber of Commerce source: <http://www.kiq.pl/kodeks-etyki-dla-przedsiębiorcow.html>)
2. The Code shall enter into force on 1 January 2016.