

**CODE OF BUSINESS CONDUCT**

ISO 9001:2015  
ISO 14001:2015  
OHSAS 18001:2007  
ISO 50001:2011  
ISO 26000:2010  
ISO 29001:2010

No.:  
505/19

Valid as of:  
09/01/2020

Issue:  
3

Page:  
1/19

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*[Note: The English version below is a translation of the original Croatian text. In case of discrepancy, the Croatian original shall prevail.]*

**CODE OF BUSINESS CONDUCT**

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Pursuant to Article 26 of the Articles of Association of Jadranski naftovod, dioničko društvo (JANAF Plc.) (hereinafter referred to as: the Company), the Company's Management Board on its session held on 30 December 2019 adopted the following:

## CODE OF BUSINESS CONDUCT

### **I. Introductory provisions**

1. The aim of the Code of Business Conduct (hereinafter referred to as: the Code) is to give guidance to the employees as to adhere to and act upon proper business conduct, compatible with professional standards and universal moral and ethical values.
2. The aim of the Code is also to state and define core organisational values, the Company's stands on ethics, business conduct and the principles regarding the relations to the third parties.
3. The Code relates to all employees of the Company, and to the appropriate way, also to the members of the Company's Supervisory Board, who are in their everyday conduct obliged to comply with the standards prescribed by this Code.
4. The conduct and behaviour of every single employee is a reflection of the entire Company. Also, individual behaviour affects the whole working environment, and therefore the behaviour at work is not perceived as a private matter, but rather as an overall personal and professional commitment of all employees.
5. The mission of our Company is to ensure safe and high-quality crude oil transportation and storage of crude oil and petroleum products, as well as a concern for environmental protection, health, safety and development of all our employees, applying the world's highest technological standards.
6. The Company highly values its employees and understands that the goals can be achieved only with motivated and hardworking individuals who are aware of the fact that their prosperity entirely depends upon their competencies to do the work successfully, on time and with full responsibility.
7. Every employee guards our reputation and is personally responsible for promoting a positive image and successful business of our Company. Work and help of every employee are needed for the successful business of our Company, which has expanded its professional relations at both home and abroad.
8. Our employees can rely on the Company's obligingness and understanding. Our Company shall strive to provide safe and healthy working conditions free of any form of abuse or ill-treatment, as for our employees to be and feel safe when performing their business duties.
9. Employees are expected to conduct according to ethical values and principles endorsed by the Company at any time, be they at their working place or doing business elsewhere. Employees shall abide by laws and regulations in force as well as by the Company's bye-laws (decisions,

conclusions, rules and acts, guidelines and the similar) and shall adhere to the rules and acts, decisions and guidelines regulating the Company's business, especially those of respective professional departments. The conduct of every one of us, notwithstanding in or out of the Company premises is of vital interest to the Company's reputation. Therefore, every employee is obliged to endorse the values and adhere to the principles regulated by the Code.

10. Employees' loyalty to the Company presumes taking account of the Company's business interests and objectives when doing business as well as in any other situation, regardless of official working hours.
11. Ignorance of the Code shall not exempt any employee from his/her adherence to the requirements of this Code and shall not exempt any employee from liability for violating the provisions of the Code.
12. The Code cannot relate to or regulate employees' conduct for every situation. Instead, it sets forth ground principles as guidelines for all employees to follow in their business conduct.
13. In all business situations, which are not fully covered by or explained in the Code, the employees are obliged to act according to their common sense and in the spirit of the Code. Also, if necessary, employees are bound to seek guidance from their department managers on how to act in a particular situation. In a case of doubt, department managers are obliged to consult the Legal & HR Division.

## **II. Fundamental provisions**

1. Guided by the principle of mutual respect, trust and acceptance, we expect from all our employees to work diligently and be competent, to use their full potentials when doing business for the Company, to obey rules and regulations and to adhere to and act upon common moral and ethical principles.
2. Every employee shall, in his/her scope of work and doing business, contribute to creating a positive organisational climate and shall act as a responsible member of society.
3. In everyday situations at the workplace, we expect all our employees to conduct and behave according to contemporary conventional norms of etiquette, which, among others, presume:
  - kind greeting in social contacts and encounters;
  - expressing respects to seniors;
  - arriving punctually to work and meetings, as well as respecting deadlines;
  - apologising and correcting mistakes and errors;
  - kind and correct forms of address;
  - suitable business dress code;
  - kind and pleasant communication;
  - avoidance and active prevention of fights, conflicts and all confrontations;

- non-abandoning the workplace for no apparent reason and especially without the knowledge and permission of a respective department manager;
  - non-attendance to private matters, business and/or affairs during working hours;
  - discretion and avoidance of participation in rumours, gossip and all other negative and potentially harmful modes of communication.
4. The respect for our business partners manifests itself also by a suitable business dress code of our employees who take part in business meetings, public gatherings, congresses and similar events.
  5. In performing their activities and when doing business, all employees are obliged to act diligently, conscientiously and perseveringly, trying to overcome the work difficulties in the best possible manner.
  6. All employees are obliged to adhere to their respective levels of authorisation, their responsibilities, to the Company's hierarchical and organisational structure and are bound to guard and promote the positive image of the Company.
  7. Any possible difficulty an employee might have, (s)he shall discuss it with his/her first superior (manager), creating an environment of mutual respect, trust and acceptance. In a case of misunderstanding, an employee shall be granted a possibility to discuss the matter with a manager of a higher rank in the Company.
  8. Department managers are obliged to continuously monitor the activities of the employees in their respective departments, to recognise and boost their potentials and capabilities, as well as to prevent any possible problems and conflict situations.
  9. Department managers are obliged to follow and adhere to the highest standards of professionalism, impartiality, independence, confidentiality and integrity. They are responsible for monitoring and abiding by the rules and regulations set forth by the Company. They provide a role model by a pattern of behaviour which is in accordance with both ethical norms and business standards. Department managers also encourage teamwork and exchange of information.
  10. An employee who organises a meeting has to clearly define the objective of the meeting. The objective of the meeting is also defined by those invited to the meeting and the participants themselves. The decision on the participants of the meeting is made by the organiser of the meeting.
  11. Every employee who is a participant of a meeting is obliged to prepare for the meeting and refrain from discussing issues and business (s)he is not competent for and which do not pertain to his/her job description.
  12. The organiser of a meeting is obliged to invite to the meeting the most competent persons from respective functional business areas, governed by participants' level of knowledge and expertise needed for the meeting in question.
  13. Participants of the meeting are obliged to fully adhere to the topic (objective) of the meeting and by no means instigate discussions which are not in direct relation to the business activities performed and thereby discussed. The organiser of the meeting in such a case is obliged to discreetly redirect the discussion back to the topic (objective) of the meeting.

14. The Company kindly requests its business partners which, among others, include Company's respected clients, suppliers and distributors of equipment and materials, contractors of both services and works to adhere to and act upon the norms and standards referred to herein.
15. The Company expects a highly professional level of communication from all employees when engaging or already engaged in business activities. The priorities are good relations with colleagues and our business partners. The communication aims to be explicit and unambiguous, while data presented need to be accurate and veritable.
16. A business partner is obliged at the Company's request to provide information or to give access to his/her company premises. A business partner is also obliged to ensure that his sub-suppliers, sub-distributors and sub-contractors also adhere to and act upon the norms and standards of the Code. The Company has to be justifiably satisfied, and its requirements fully met in this respect.
17. Suppliers of equipment and materials, contractors of services and works, have to enable to their employees, sub-suppliers, sub-distributors and/or sub-contractors to be informed of the provisions of the Code and ensure that both the content and the spirit of the Code are adhered to and acted upon by all.
18. Company's Commercial Division is obliged in its procurement documentation, i.e. tenders (bidding documents) to acquaint the abovementioned suppliers, contractors of services and works with the possibilities and ways of familiarising with this Code.
19. For services, works and goods whose estimated value amounts to HRK 1.000.000,00 and more, the Code shall be an integral part of bidding (tender) documentation. For services, works and goods whose estimated value is less than the abovementioned figure, the bidding (tender) documentation shall contain instructions on possibilities and ways of familiarising bidders with the Code.
20. All employees are expected to keep good and impartial relations with our clients and suppliers (which include suppliers of equipment and materials, contractors of both services and works) and act in the best interest of the Company.
21. Company's property serves and is assigned solely to the Company, and by no means to anybody else's personal needs. It cannot be used for personal or any other gain, except for that of the Company itself.
22. Every alienation, embezzlement, destruction or damage of the Company property by careless handling or negligent or unauthorised usage is strictly forbidden.
23. All employees are obliged to treat the Company property with due care and responsibility. Company's property can be used only and solely for business purposes in the name of and on behalf of the Company.
24. Any damage, unnecessary expenditure, loss, careless conduct or any other similar behaviour by an employee which consequentially results either in reducing value or destruction of the Company property shall be reimbursed by the employee in full amount.
25. It is forbidden to give away or present the Company property, with the exception of donations, all according to regulations in force under the decision of the Management Board.

**III. Employees' life safety, health and privacy protection**

1. The Company wants to ensure a healthy, safe and comfortable working environment for all employees, for such an environment is an essential precondition for the highest professional and personal achievements of our employees. Unacceptable conduct and behaviour in the Company shall not be tolerated under any circumstances. Should such misconduct occur, appropriate disciplinary measures corresponding to Company's internal policy acts shall be immediately taken.
2. The Company provides and maintains facilities, installations, equipment, tools, workplace and access to workplace/area. The Company organises work and business activities in a manner which ensures employees' life safety and health protection, in accordance with special laws and other regulations and the nature of work and business activities performed.
3. The Company shall acquaint employees with the hazards and dangers of the work activities they perform and thus educate them in a manner which ensures their life safety and health protection and prevents accidents from occurring.
4. Alcoholic drinks are strictly prohibited on the Company premises. No alcohol intake, consumption, nor drinking at the workplace are allowed. It is strictly forbidden to arrive at the Company premises and other Company property in a drunken state. The Company also strictly prohibits the intake, sale or usage of all types of drugs and narcotics in the Company premises and other Company property. Such behaviours are self-destructive, with an extremely negative effect on working capability and business results of employees. The consumption of alcoholic drinks is allowed only in exceptional and representative occasions, with the approval of the employer.
5. Smoking is forbidden on the Company premises, according to laws and regulations in force.
6. Possession and usage of all kinds of weapons on the Company premises and other Company property is strictly forbidden.
7. Safety while performing activities at work is a precondition of doing business. Therefore, the Company takes into account all necessary norms and standards of occupational health, according to laws and the Company internal policies, for all our employees.
8. Employees are obliged to strictly follow norms and standards of occupational health, as well as to follow the notifications of their first superiors (managers) if occupational health norms are being violated, as to avoid any accidents while performing working activities.
9. Employee personal data can be collected, analysed, used and delivered to third persons only if such actions are governed by the law or, if necessary, for the purposes of acquiring or exercising rights and duties from labour and employment policies or in connection to labour and employment policies respectively.
10. Each employee is entitled to request the information on the processing of his/her personal data, as well as to request their rectification, deletion or restriction of their processing, if it complies with the regulations, the personal data transfer and is entitled to submit a complaint regarding the personal data processing. The Company shall respond to the employees' requests within a reasonable time.

11. All Company's employees who process the personal data, as well as those employees who have access to the personal data, are obliged to keep such data confidential. The liability of confidentiality concerning personal data is permanent.
12. In accordance with the relevant regulations, the personal data of employees may be collected, analysed, used and delivered to third persons only by an authorised person in the HR Department.
13. The personal data of employees shall not be available to unauthorised third persons and shall be stored on the prescribed places by applying the appropriate technical, personnel and organisational safeguards, which comply with the requirements of the regulations regulating the personal data protection.

#### **IV. Protection of employees' dignity**

1. We value and appreciate natural and cultural diversity among people. All employees are to be treated equally no matter their gender, age, nationality, ethnicity, religion or language, social or economic status. We accept our differences in an open and tolerant manner, with no interference into employees' privacy or intimacy. All employees thus have equal chances for success in the Company, and their status in the Company depends solely upon their business performance and the results of their work.
2. All forms of physical and emotional abuse are strictly forbidden in our Company, for they pose a serious threat to safety, integrity and dignity of our employees, while the consequences of such practices have a permanent negative effect on an employee and his/her family, as well as to his/her immediate working environment. Threats, vulgar language, fits of rage, offence and scorn, any verbal and physical assault, both sexual disturbance and harassment, in words or acts, as well as any other violent behaviours and conducts create an improper working environment, not suitable for any serious and high-quality work and seriously endanger interpersonal relations. Any violent behaviour and conduct are considered to be a heavy breach of working duty.
3. An employee who has been disturbed or sexually harassed is obliged to submit a written complaint, except in a case referred to in Article 134, paragraph 5 of the Labour Act, to the Ethics Commissioner who shall, within four (4) days at the latest, examine the complaint and notify both the director of the Legal & HR Division and the Management Board about the matter.
4. The Management Board shall within eight (8) days as of the complaint submitted take all necessary measures adequate to the case in question as to stop further disturbance or sexual harassment if their occurrence has been determined.
5. All data presented in such a case related to the protection of employees' dignity are strictly confidential.
6. The work of Ethics Commissioner shall be governed by the Instruction on Authorities and Practice of the Ethics Commissioner.



## **V. Anti-Corruption**

1. For the purpose of this Code, the term "Corruption" means requesting, offering, giving or taking, directly or indirectly, bribe or any other illegal benefit or private gain or enabling likelihood for such actions, which corrupt and prevent performing one's duty or conduct when requested from the receiver of bribe of illegal benefit or personal gain or from the person enabling likelihood for such actions.
2. The Company develops a high level of employees' consciousness on adverse effects of corruption, and corruptive acts are met with zero tolerance. Employees of the Company are obliged to discard any offer for participating in a corrupt action. The successful anti-corruption campaign seeks active participation and close cooperation of all our employees, together with all management levels and public authorities.
3. The Company is obliged to create an Action Plan and Anti-Corruption Program for specific periods. Both Plan and Program shall include fundamental principles of anti-corruption undertakings to be implemented in the Company.
4. The Company's governing principles in corruption prevention at the foremost are: the utmost compliance to and the implementation of the principles, constraints and procedures of the rule of law, which denote abiding by the laws of the Republic of Croatia in force (the principle of the rule of law); taking full responsibility by all levels of management for creating business policies and strategies and their successful implementation (the principle of responsibility); ensuring transparency in decision making and enabling access to information according to the Act on the Right of Access to Information (the principle of transparency).
5. An employee has an unequivocal commitment of loyalty to the Company. A conflict of interest is to be avoided at all levels. It is strictly forbidden to take a position or to be in a position that could put an employee into a conflict of interest with the Company. In a case of doubt, it is necessary to seek guidance and opinion from the Legal & HR Division.
6. A conflict of interest implies a situation in which private interests of persons who perform their work and business duties are contrary to both public interest and interest of the Company or when private interest affects or might affect the impartiality of performing work or business duty.
7. The members of the Company's Management Board and the Supervisory Board shall not make decisions based on their personal interests or interests of the persons related to them and shall not take part in decisions in relation to which they are in the conflict of interest.

If a member of the Company's Management Board or Supervisory Board considers being in a possible conflict of interest as regards a particular decision, (s)he needs to inform other members of the Company's Management Board or Supervisory Board. The Management Board members also need to notify the President of the Company's Supervisory Board.

The Company's Supervisory Board shall keep the records on all notices related to the conflict of interest.

If a member of the Company's Management Board or Supervisory Board has a reason to think that another member of the Company's Management Board or Supervisory Board has not reported an existing or possible conflict of interest, (s)he needs to inform the President of the Company's Supervisory Board thereof.

Should any of them consider that the President of the Company's Supervisory Board is found in the conflict of interest, (s)he needs to inform the deputy president of the Company's Supervisory Board.

The members of the Company's Supervisory Board and its Management Board, the managerial staff and members of their close families are forbidden to:

- perform the activities that compete with the Company's business operations whether for their own or other's account, be a member of the Management Board or Supervisory Board of the companies that perform such business activities nor hold significant shares in those companies, with the exception of affiliated companies, if such a case is not contrary to the law,
- be engaged in any intermediary function for the third party in relation to the Company.

The members of the Management Board and the Supervisory Board of the Company, as well as its managerial staff, shall inform the director of the Legal & HR Division on all shares that they and/or members of their close families hold in the companies referred to in point 1 of this paragraph. If the director of the Legal & HR Division and/or member of his/her close family hold shares in the relevant companies, (s)he shall inform the Chairman of the Management Board of the same.

No transaction between the members of the Company's Management Board or the Supervisory Board and the Company (or persons related to any of the parties) can be concluded without the prior consent of the Company's Supervisory Board. Before that, a fair value of each material transaction shall be confirmed by an independent expert for a particular transaction.

The members of the Company's Supervisory Board shall inform the director of the Legal & HR Division on their membership in the Supervisory Board or the Management Board of other companies.

8. A member of the close family for the purpose of this Code denotes persons as defined in the Labour Act: spouse, life partner, relatives by blood in first-line and their spouses, brothers and sisters, foster children, children entrusted to persons outside the family for upbringing and education, stepfather and stepmother, foster parents and persons lawfully provided for by an employee and a person who lives with the employee in non-marital partnership.

A Company related person in terms of this Code denotes persons as determined by the appropriate provisions of the Companies' Act.

9. Employees cannot possess ownership share in neither Company's suppliers company nor Company of the client. If any employee or a member of his/her close family possesses or gains by gift or inheritance or in any other way, a share in ownership in Company's supplier or Company of the client, (s)he is obliged to report such ownership to the Legal & HR Division. This does not refer to a share (ownership) which is less than 0.5%.
10. The Company has established and duly keeps a high standard of accuracy of financial records. Financial records shall be kept accurately, punctually and according to the law. Such records present an underlying basis for successful corporate governance and doing business in the Company, as well as for fulfilling the obligations and requirements to the Company's shareholders, employees, suppliers, respected clients and competent authorities.

11. Employees can perform actions of payment only in accordance with a contract on delivering goods or services or performing works. Payment shall be justified and entered into the books according to regulations in force, internal Company policies and generally accepted accounting principles.
12. All business transactions shall be recorded accurately, impartially and punctually, according to procedures established and in force, generally accepted accounting principles and relevant accounting systems. All employees shall ensure reliability and accuracy of our invoices, documentation and reports. Employees are also obliged to accurately report travel costs and other expenses.
13. All transactions shall be recorded and classified under the prescribed accounting period.
14. Contracting and payment in advance are allowed only by permission of the Management Board, and it then needs to be insured by a bank guarantee for advance payment refund or other acceptable payment insurance instrument, except in cases of procurement of goods, services and assignment of works of a small value.
15. All assets that are the property of the Company need to be recorded in the Company's business records.
16. It is forbidden to forge documents or to distort or hide the true nature of a transaction. These actions are considered to be a violation of the Code and can result in criminal pursuit.
17. All transactions have to be accompanied by accurate documentation. Invoices and other documentation shall be signed only if accurate, true and recorded.
18. Quotations and accruals necessary for reports and records of the Company shall be corroborated with relevant documentation and shall be based upon the best available information and professional judgment. Deliberate depreciation or overrating in preparing financial information which is an integral part of the report and record are considered a violation of the Code.
19. Personal loans of the Company to the Chairman and members of the Management Board of the Company, its directors, all other level managers and to employees are forbidden.
20. Employees working on particular positions and to whom are assigned key business activities of procurement of goods, services and works, are obliged to comply to the law, its regulations as well as to internal Company policies and acts (guidelines, decisions and the similar). They are also obliged to use objective and impartial judgment criteria highlighting competitiveness, transparency, quality, price, integrity, continuity and the guarantee of efficient and permanent help and service.
21. Employees working on (technical) specifications, cost estimates and other technical documentation are obliged to create such materials in an objective and impartial manner as they would not provide any undue advantage or disadvantage to certain bidders. The herementioned obligation is also posed to all natural persons and legal entities, which create such documentation for the Company.
22. The Code and its Statement of Integrity (Attachment No. 1 to the Code) are an integral part of bidding (tender) documentation for procurement of goods, services and works assignment whose estimated value amounts to HRK 1.000.000,00 or more.

23. Documentation for procurement of goods, services and works assignment whose estimated value is less than HRK 1.000.000,00 has to include an instruction to the bidders on how to acquaint themselves with the Code and a request to the bidders that they in their bids explicitly declare both acquaintance with the Code and adherence to relevant provisions of the Code.
24. Chairman and/or member(s) of the Management Board when taking over their duty and subsequently every year until 31 January are obliged to sign the Statement of Confidentiality and Impartiality, which is Attachment No. 2 of the Code.
25. Employees working on the positions which have been, by analysis and risk estimate, evaluated as of high risk for corruption are also obliged to sign the Statement of Confidentiality and Impartiality mentioned in the previous Article.
26. The list of work positions described in the previous Article is made by the Management Board based on the proposals of the Committee consisting of: Director of the Legal & HR Division acting as the President; Ethics Commissioner and Irregularity Officer acting as the members of such Committee.
27. The provisions of Articles 24 and 25 are to a certain degree applicable to both natural persons and legal entities which perform services for the Company (consultants, project designers, supervising engineers, revidents and others).
28. Every form of bribery and corruption is strictly forbidden. No one can offer, give or accept, directly or indirectly, any unauthorised monetary or another benefit for the purpose of achieving, maintaining or ensuring any illegal business advantage. Also, no one can receive any benefits, services, bonuses, gifts or any other forms of acceptance perceived as encouragement for conducting official actions or making decisions related or relating to the business of the Company.  
  
The Company's employees are not allowed to perform, during and outside their working hours, the activities that compete with the Company's business operations whether for their own or other's account nor to be engaged in any intermediary function for the third party in relation to the Company.
29. The provisions of Article 28, paragraph 1 of Title V do not include receiving or giving a gift of symbolic value and/or as a sign of appreciation. Symbolic gifts cannot be given or received if such action could be perceived as a means of compulsion to the other party or an obligation of returning the favour.
30. Gifts of artistic and historical value are the property of the Company.
31. All confidential and classified information are the property of the Company and can be used only if protected as such. If the Company possesses materials or confidential information of other business partners, the Company can use such materials and information only according to special laws and contracts made with the owner of such materials and confidential and classified information. Such materials cannot be reproduced or distributed without approval.
32. All employees of the Company are obliged to keep confidential the information on material facts and privileged information which were given to them while performing their work or doing business or in any other way, by the Management Board decisions and acts provided to them by anyone, except in a case when given authorisation by a special decision of the Company's

Management Board. Individuals cannot use confidential and classified information for personal purposes or publish such information without the approval of the Company.

33. Employees which in their line of work have access to privileged information or facts are forbidden to:
- use the benefits which such access to privileged information provides;
  - disclose privileged information to the third parties;
  - use the benefits which such access to privileged information provides when giving advice or counsel to the third parties.
34. We are aware that our Company is exposed to the general public and the media and that communication with third parties requires following strict rules of informing the highest level of management, or functional area departments in charge of truthful and accurate information, or authorised employees for informing.
35. Acting by the principle of mutual respect of individuality of every our employee, we respect private political orientation and engagement of our employees in circumstances which are not perceived as a conflict of personal and professional interests. Employees can engage in political activities in their own free time and on their behalf. Given its general standpoint, the Company does not allow its property, services or equipment to be used for the benefit of a political party or a candidate. If employees participate in political activities and give political statements, they are obliged to avoid the Company in such an activity and explicitly mention the Company's neutrality with regard to political parties and candidates.
36. It is forbidden to promise or give monetary benefits, gifts or other benefits to representatives and employees of public administration and trade union bodies for the purpose of promoting an interest.
37. The Management Board Office has a particular responsibility for implementing the Anti-Corruption Program and for subsequent consistent and regular monitoring of business activities as well as for propositions on taking necessary measures to the Management Board in this respect.
38. If any employee suspects of irregularities in business and performance of business activities and processes respectively, (s)he is obliged to notify the Irregularity Officer thereon. The work of the Irregularity Officer shall be governed by the Instruction on Authorities and Practice of the Irregularity Officer.
39. Any person who in good faith reports any form of corruption or irregularity related to the Company business shall be duly protected.
40. In a case of suspicion of or report on corruption or on any other criminal act, the Irregularity Officer shall conduct the relevant procedure for the purpose of information collection and fact-finding and shall notify the Management Board and propose relevant legal actions with regard to the matter in question.
41. Information and data collected and facts established in a manner envisaged by Article 40 hereof are strictly confidential.

**VI. Environmental protection**

1. When engaging in its registered businesses, the Company is governed by the standards of minimising environmental impact and maximally abides by all principles and laws related to environmental protection as well as proactively invests its' own knowledge, know-how and funds as to participate in solving the open questions in this respect.
2. We are obliged to care for the environment and to properly treat all kinds of waste as responsible members of both local and global society.

**VII. Code violations reporting**

1. The conduct, according to the provisions of the Code, is a personal and professional responsibility of every employee. Not only that employees are obliged to adhere to and act upon all modes of conduct stated in the Code, but are also obliged to monitor if such provisions are adhered to and acted upon in their working environment.
2. Reports on violations of the law, the Company policies/acts and the Code set a condition for the realisation of such rules. Employees are obliged to report their superiors (managers) and/or the Legal & HR Division or Ethics Commissioner or Irregularity Officer on all actions which have happened or might happen or can be perceived as a violation of law and rules by which the Company manages its business. Advice and opinion are to be sought if one is involved in actions for which he/she suspects not to be in accordance with law and regulations. Managers (superiors) are obliged to report to the Legal & HR Division all actual or possible violations they have knowledge of. Employees who suspect their managers have not taken the appropriate actions in reporting such incidents are obliged to inform the Legal & HR Division immediately upon such findings.
3. The repercussions of violations of the rules may be severe for an individual as well as for the Company. Employees for whom the Company reasonably suspects to be in violation of the laws and/or rules shall be given the opportunity to explain thoroughly their conduct and actions. Be it concluded, after thorough questioning, an individual has violated the law and/or rules of the Company, he/she could be disciplinary punished, thus final measure being immediate termination of the employment contract. Managers (superiors) who overlook or do not report the violation shall also be disciplinarily punished.
  - 1) Violation report is to be submitted to the Director of the Legal & HR Division, Ethics Commissioner or Irregularity Officer within three (3) days upon such findings.
  - 2) Director of Legal & HR Division immediately upon receiving the violation report assembles a Committee which he/she presides.
  - 3) The Committee gathers as soon as possible and engages in fact-finding.
  - 4) The Committee is obliged, within eight (8) days from the report received, to present its opinion on the violation and propose to the Management Board an appropriate disciplinary measure.
  - 5) The Committee consists of five (5) members as follows:

- Director of Legal & HR Division – President;
  - Director of Safety & Security Division – member;
  - Superior (manager) of the respective Division, Management Board Office or offices with the Management Board respectively, to which belongs the employee against whom the procedure has been initiated, to be appointed by the Committee president in the decision on convening the Committee referred to in point 2 of this Article – member;
  - Ethics Commissioner – member;
  - Irregularity Officer – member.
- 6) The Committee reaches its decisions and sets forth its opinions by the majority of the votes of all members of the Committee. The President of the Committee votes last.
- 7) Upon such decision (opinion) submitted, the Management Board of the Company shall make their decision and impose an appropriate disciplinary measure.

Types of disciplinary measures:

- a) written caution of the Management Board,
- b) written warning of the Management Board,
- c) transfer to a work position lower in the hierarchy,
- d) compensation,
- e) notice of termination of an employment contract due to misconduct,
- f) immediate dismissal.

### **VIII. Final provisions**

1. The Code forms an integral part of the Company's Employment Rules.
2. The Code shall be announced on the Company's official web site, intranet and informative spots in the Company.
3. The opinion of the Works Council on the Code of Business Conduct proposal is submitted to the Legal & HR Division on 27 December 2019.
4. The Company's Supervisory Board gave its consent to the Code of Business Conduct proposal during its meeting held on 23 December 2019.
5. The decision of the Management Board to adopt the Code of Business Conduct is made on 30 December 2019.

6. The Code shall come into effect and shall apply upon expiry of the period of eight (8) days of its announcement on the intranet and informative spots in the Company.
7. By this Code coming into effect, the Code of Business Conduct of 28 June 2018 (No. 227/18) shall cease to be in force.

JANAF Plc.

Dragan Kovačević, DSc.  
Chairman of the Management Board

*[stamp and signature in the original  
Croatian text]*



**Attachment No. 1 to the Code of Business Conduct**

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**Bidder's (Company) Name**

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**Bidder's Address**

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**Bidder's VAT Identification Number (OIB)**

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**Bidder's Phone and Fax Number****STATEMENT OF INTEGRITY**

"We, the Bidders herewith state and commit ourselves that we or anybody else, including our directors, employees or persons representing us and acting in our name, with corresponding authorities or our knowledge or by our authorisation, have not committed nor shall commit any illegal act (as defined herebelow) relating to procurement procedure or executing contracts on the performance of works or delivery of goods and services (hereinafter referred to as: the Contract) and herewith commit ourselves to inform you of any incident of any forbidden acting whatsoever in which any person in our Company who is held responsible by and compliant to this Statement would hear of.

Should our offer be accepted, we shall, during procurement procedure and the Contract duration, appoint and keep in post a person who shall be in reasonable extent acceptable to you and to whom you shall have full and immediate access, who shall have the authorisations needed and whose duty shall be to ensure the full compliance to this Statement of Integrity.

In case (i) that we ourselves or any other director, employee or person representing us, in a sense mentioned herein, have been convicted at any court of justice for any criminal offence including an illegal act related to any procurement procedure or execution of works or delivery of goods or services in the period of five (5) years prior to signing this Statement of Integrity or (ii) that any director, employee or person representing us has been laid off or resigned to any post for the reason of partaking in any forbidden practice, we here set forth the data on the verdict, layoff or resignation, together with details on the measures taken or measures we plan to take as to ensure that this Company or any of our directors, employees or persons representing us shall not partake in any forbidden practice in relation to the Contract.

We hereby declare that we are compliant to an audit of the whole procurement procedure by impartial experts and shall take responsibility and suffer sanctions (such as liquidated damages/contractual

penalty or immediate Contract termination) if regulations, provisions of this Statement of Integrity, the Contract or the principles of market business have been or are being violated.

In terms of this Statement of Integrity:

"Corruption" means offering, granting or promising of a gift or other benefit which could influence the actions of an official or responsible person when, in the limits of his/her authority, he/she performs an act which he/she should not perform or ignores to perform an act which he/she should perform, all relating to procurement procedure or when executing a contract. Corruption also means mediating in the offering, granting or promising a gift or other benefits to an official or responsible person under the abovementioned conditions.

"Threat" means a threat to an official or responsible person by some ill or harm as to frighten or disturb that person in relation to his/her work or position and regarding the procurement procedure or execution of a contract.

"Fraud" means leading into deception anyone related to procurement procedure or execution of a contract by false representation or concealment of facts with the purpose of acquiring unlawful pecuniary gain. Such practice also includes agreements among bidders contrary to regulations protecting fair market competition.

"Forbidden practice" means any activity which is corruption, threat or fraud, i.e. any act by which, contrary to the public interest, moral and legal norms are unmistakably breached, thus violating the foundations of the rule of law.

"Official person" means a person according to Article 87, Paragraph 3 of the Criminal Code of the Republic of Croatia.

"Responsible person" means a person according to Article 87, Paragraph 6 of the Criminal Code of the Republic of Croatia.

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(name, registered office, VAT Identification Number)

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(stamp and signature of the Responsible Person in witness thereof)

**Attachment No. 2 to the Code of Business Conduct**

Pursuant to Articles 24 and 25, Title V, of the Code of Business Conduct of Jadranski naftovod, dioničko društvo (JANAF Plc.), Zagreb, Miramarska cesta 24, I, signed hereunder, give the following:

**STATEMENT  
of Confidentiality and Impartiality**

I, signed hereunder, \_\_\_\_\_ (name and surname), born on \_\_\_\_\_, year \_\_\_\_, employed in Jadranski naftovod, dioničko društvo (JANAF Plc.), Zagreb, Miramarska cesta 24, on the position of \_\_\_\_\_ (state the position held), under material and criminal responsibility state that I, in the previous year, have had and shall continue to:

1. conduct all business affairs in full compliance with current laws, regulations and internal Company policies in force;
2. keep confidential all official data provided to me for the purposes of conducting business and shall not give any unauthorised access to such data to the third parties interested, be they legal entities or natural persons;
3. keep confidential all personal data made available to me while conducting business,
4. act thoroughly independently, impartially and equally towards all legal entities and natural persons when performing the business activities;
5. conduct business, i.e. make decisions solely based upon objective indicators as well as regulations and by no means be influenced by any personal interest.

In \_\_\_\_\_, on \_\_\_\_\_  
[place] [date]

\_\_\_\_\_  
[employee signature]