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CODE OF ETHICAL  
CONDUCT



# Code of Ethical conduct



NEPI Rockcastle and its subsidiaries ('the Group') are committed to the highest standards of business ethics. In order to maintain the commitment to integrity, a Code of Ethical Conduct (the 'Code') was established. The Code of Ethical Conduct is intended to identify the rules the employees are expected to follow whenever conducting business for the Group. All employees are expected to read the Code and certify at employment / return from absence longer than 6 months and then annually, their commitment to fully comply with its guidelines.

## I. Statement of Policy

It is the Group's policy to maintain the highest ethical standards and comply with all applicable laws, rules, and regulations. In order to ensure that the Group operates pursuant to this policy, this Code of Ethical Conduct was established. The following general rules apply to the implementation of this Code:

1. All employees must comply with this Code. Any officer, director, or employee violating the Code may be subject to discipline, which may include demotion or dismissal.
2. All employees have a duty to report all suspected violations of the Code or other potentially unethical behaviour by anyone, including officers, directors, employees, agents, customers, suppliers, contractors and subcontractors to the dedicated address [compliance@nepirockcastle.com](mailto:compliance@nepirockcastle.com).
3. Employees in management positions are personally accountable for their own conduct and the conduct of those reporting to them.
4. No employee or Director has the authority to direct, participate in, approve, or tolerate any violation of this Code by anyone.
5. Any employee who has questions about the application of this Code should consult with the designated Compliance Officer.

Board members are alert to conflicts of interest and ethical conduct and should generally refrain from the following:

- engaging in personal business that may compete with the Group;
- demanding or accepting substantial gifts from the Group or from any of its employees or partners, for themselves or their spouse, registered partner or

The Code applies to Directors (including the non-Executive members of the Board), officers and employees, permanent or temporary, consultants and contractors in every country, workforce and entity that is consolidated in the Group's financial statements or otherwise controlled by the Group.

The Group will not tolerate any form of unlawful or unethical behaviour by any person or entity associated with it.

- other life companion, foster child or relative by blood or marriage up to the second degree;
- providing unjustified advantages to third parties at the Group's expense;
- taking personal advantage of business opportunities that the Group would be entitled to;
- allowing in any other way the influence of third parties to compromise or override independent judgement;
- using confidential information related to the Group for their own personal benefit.

Any potential conflict of a Director will be declared and discussed in the Board. The Board shall decide on the measures to be implemented and the degree of further involvement of the respective Director in the matter at hand. At each Board meeting, potential conflicts related to specific topics on the agenda will be checked during the meeting.

The Code of Ethics defines expected principles and behaviour related to the following:

- Equal employment and non-discrimination
- Environmental compliance
- Health, safety and labour conditions
- Drugs and Alcohol
- Conflicts of Interest
- Gifts, Entertainment and Corruption Practices
- Lobbying and political involvement
- Fraud
- Antitrust Policy
- Communications and Records, Claims, Statements and Certifications
- Confidentiality principles
- Preserving privacy.

# Code of Ethical conduct » continued



## II. Standards of Conduct

### A. Equal Employment and Non-discrimination

The continued success of the Group relies on employing the most qualified people and establishing a work environment that is free of discrimination, harassment, intimidation or coercion related to race, colour, religion, sex, age, national origin or disability. This Code extends to all phases of employment, including hiring, placement, promotion, transfer, compensation, benefits, training and the use of facilities. The Group is committed to complying with all applicable laws related to equal employment opportunities and to ensure that there is no unlawful discrimination by any officer, director or employee.

The Group is committed to a work environment in which everyone is treated with respect, trust, honesty, fairness, and dignity. Unlawful discrimination, harassment of any kind, any form of bullying or persecution or other unacceptable or offensive conduct will not be tolerated.

### B. Environmental Compliance

The Group is committed to the full compliance with all state and local environmental laws, standards, and guidelines. Not only is environmental compliance legally necessary, but it is also an important component of the Group's obligation to the community and its good reputation.

It is essential that the employees involved with regulated air emissions, water discharges, hazardous materials, or other regulated pollutants know and comply with all applicable environmental laws and guidelines. No employee of the Group may participate in concealing an improper discharge, disposal, or storage of hazardous materials or other pollutants.

Any person who has reason to believe that there may have been violations of any aspect of the Group's environmental compliance policy shall report immediately to [compliance@nepirockcastle.com](mailto:compliance@nepirockcastle.com). Moreover, in addition to compliance with all environmental laws and guidelines, the Group is also committed to utilising energy and materials in a manner that will minimise the impact on the environment. The Group will also consider using recycled materials whenever feasible.

### C. Health, safety and labour conditions

The Group considers employee safety and health as one of the highest priorities. Many of the job activities, products and materials handled by the employees require strict adherence to safety procedures, rules and regulations. Each employee must be aware of the Group's applicable guidelines and follow all applicable safety procedures and programs. Also, supervisors are responsible for ensuring that all reasonable safeguards and precautions are taken in the workplace including ensuring compliance with the Group's procedures and

guidelines, promoting safe work practices. If any employee has any safety related concerns, he or she should report these concerns to the Health & Safety responsible.

All employees directly involved in property activities, construction and developments, and any other operational activities must make all efforts to ensure that themselves and their colleagues treat health and safety matters with priority; no budget or other financial restrictions apply in this respect, meaning that all possible measures will be taken in order to ensure that the laws and guidelines are respected and that a proper working environment is maintained at all times.

The Group will not accept in any of its properties or in relation to any supplier, practices such as forced labour or child labour.

### D. Narcotics and Alcohol

The Group is firmly committed to providing its employees with a safe and productive work environment to the extent possible and promoting high standards of employee health. Narcotics and alcohol abuse by employees is regarded as unsafe by creating an increased risk to the safety of themselves, their fellow employees and the general public. Presence of employees under the influence of such substances at the workplace will not be tolerated

### E. Conflicts of Interest

Employees must avoid situations in which their personal interests could conflict with, or even appear to conflict with, the interests of the Group. Conflicts of interest arise when an individual's position or responsibilities with the Group present an opportunity for personal gain of profit separate from that individual's earnings from the Group, or where the employee's interests are otherwise inconsistent with the interests of the Group.

Conflicts may occur in the day to day business, however, when a potential conflict exists, the employee must declare such conflict transparently to [compliance@nepirockcastle.com](mailto:compliance@nepirockcastle.com) and then, the conflict must be effectively managed according to instructions (i.e. the employee should not participate in the decisionmaking process, should not share information outside the company, should not attempt to influence the decision-making).

As a general rule, no employee should be responsible for the decision-making process when he has a personal interest in a transaction. Moreover, any employee making a recommendation for a transaction where he may have a personal interest must disclose this to the person responsible for the decision-making and to the designated Compliance Officer.

Personal interests include those interests of the individual employee, as well as those of the employee's spouse, registered partner or other life companion, children, relatives by blood or by marriage, up to the second degree. Any doubts, as well as all potential conflicts should be disclosed to the designated Compliance Officer and to [compliance@nepirockcastle.com](mailto:compliance@nepirockcastle.com), before the conflict materialises, for advice and recommendations of preventive measures. Amongst others, the following situations have a great potential for conflicts of interest:

## 1. Outside Employment

Employees may pursue outside employment or participation in civic, charitable or professional organizations only provided that they report these cases to the designated Compliance Officer and ensure that:

- such activities will not interfere with their duties towards the Group, in terms of time and focus devoted, and personal affairs will be handled during their personal spare time;
- resources of the Group will not be used;
- the outside activities will not create a negative perception over the Group;
- the business is not competing with or otherwise detrimental to the Group.

## 2. Personal Financial Interests

Employees must avoid personal financial interests that might come in conflict with the interests of the Group.

Such interests may include, but are not limited to, the following:

- obtaining / having a financial or other beneficial interest in any supplier, customer, competitor of the Group or in entities in dispute or in litigation with the Group;
- directly or indirectly having a personal financial interest in any business transaction involving the Group;
- trading in securities if this may affect the price of the security and this information is not publicly known or generally available, or trading based on insider information which is not available to the public;
- acquiring real estate or other property that the employee knows, or reasonably should know, that is of interest to the Group.

In these cases, the employee should disclose transparently the potential bias to [compliance@nepirockcastle.com](mailto:compliance@nepirockcastle.com) and not participate in the decision-making process.

## 3. Other types of personal interest

Employees should avoid having a personal-type relationship with other employees for which they are responsible to hire, evaluate performance, propose benefits, propose promotions, have responsibilities for review and approval of that person's work or decisions.

If the employee knows, or reasonably should know, that a personal interest may conflict with the interests of the Group or may be deemed to affect objective and critical thinking, the employee must first consult with the designated Compliance Officer and obtain express written advice.

## F. Gifts, Entertainment and Corruption Practices

### Active and passive corruption

All forms of bribery (giving, offering, receiving or soliciting) are illegal and expressly prohibited. The contract of any employee participating in such activity will be promptly terminated. Any employee who knows about, or reasonably should know about, any such activity and fails to report it to the designated Compliance Officer, will be subject to disciplinary actions. The Group will not engage any third party as an intermediary to facilitate active or passive corruption, i.e. make any payments / collect any money on its behalf or its employees.

The Group will not perform any facilitation payments and will not engage an intermediary third party for this purpose either. The facilitation payments are defined as payments made to public / government / state employees to speed up an administrative process, where the outcome is already pre-determined.

### 1. Government Personnel

All forms of benefits (including but not limited to offering money, gifts, entertainment) to or from government personnel (central and local), including to persons that may be acting for or on behalf of the government, are expressly prohibited.

### 2. Non-Governmental Personnel

Receiving or accepting gifts or entertainment in the business context is a particularly sensitive area and can be inappropriate, unethical or even illegal, depending on the circumstances.

The following rules shall apply:

- money, in any form, is never given, offered, solicited, or accepted, on personal behalf or on behalf of the company.
- no gift or entertainment may be given or received if it is intended to influence a person's behaviour or decision.
- no employee may encourage or solicit gifts or entertainment of any kind from any individual or entity with whom the Group conducts business.
- the designated Compliance Officer together with the CEO may authorise the **offering of a non-monetary gift with a value equal to or less than EUR 500 in the aggregate for any calendar year** to individuals or entities with whom the Group conducts business, only if it is for a legitimate and identifiable business purpose.

- an employee may **receive a non-monetary gift or entertainment from an individual or entity with whom the Group conducts business, with an estimated value equal to or less than EUR 200 (cumulated per year)**, provided that such gifts or entertainment are reported to and approved by the designated Compliance Officer and are not intended to influence the employee's behaviour or decision. If a gift of higher value is received, this should be returned to the business partner, with a polite thank you note, explaining that corporate rules do not allow receiving it.
- an employee may receive gifts from business partners without informing the designated Compliance Officer, if such gifts are symbolic and customary (for example gifts around the holidays period, flowers, sweets). The employee may keep or share such gifts with his team or other colleagues, as he / she decides.

## G. Lobbying and political involvement

While the Group recognizes its role in the society which may include sponsorships and donations as part of its responsible corporate citizenship approach, it will never support any political parties (no payments, donations, sponsorships or any other in-kind benefits may be offered in such context) and does not get involved in political issues of the countries where it is present. The Group does not engage in lobbying for political purposes.

The Group considers that all employees and representatives are entitled to their own personal political opinions, however they should be cautious when expressing such opinions, so that these are not viewed as the opinions of the Group.

## H. Fraud

Fraud represents a deliberate act, false representation, misuse of company's assets by employees or third parties, for personal gain, with or without direct detriment to the company.

Fraud includes, but is not limited to:

- theft and embezzlement
- use of company's assets for personal purposes, outside policies and procedures
- blackmail
- falsification of documentation or correspondence
- manipulation of financial records
- manipulation of share / bond market price and insider trading
- misuse or sale of business secrets
- money laundering practices
- supporting terrorist organisations

The Group has zero tolerance for any act of fraud, and will investigate any such suspicion and will trigger consequence management against any of its employees or partners proven to be engaging in such acts.

## I. Antitrust policy

The Group is fully committed to compliance with the antitrust laws, which are designed to promote free and open competition in the marketplace. Not only does the customer benefit by getting the best product at the lowest price, but the Group also benefits from a fair competition on the market. The antitrust laws are complex and must be complied with strictly. Routine business decisions involving prices, terms and conditions or sale, dealings with competitors, and many other matters may embed aspects of a great sensitivity.

The contract of any employee who violates antitrust laws shall be terminated. Additionally, any employee who knows, or reasonably should know, that an antitrust violation has been, or will be, committed and fails to report it to the designated Compliance Officer will be subject to disciplinary actions (which may include termination).

## J. Communications, records, claims, statements & certifications

All employees are expected to be familiar with, and conform to, the Group's document archiving and retention rules as well as the Group's recordkeeping and reporting procedures. Additionally, all Group communications, correspondence, and records must be accurate, complete, and timely. The contents of any written communication must be legible and unambiguous. If, after making any communication, correspondence, or record, the employee discovers that s/he has made a mistake, then the employee must take all reasonably necessary steps to correct such a mistake. The contract of any employee who knowingly makes a false or misleading communication, correspondence, or record will be terminated.

All requests or demands for payment made on behalf of the Group pursuant to any contract shall truthfully and accurately reflect the value of the goods or services provided and that of the contract. The contract of any employee who knowingly makes false claims or tolerates such from any supplier shall be terminated.

Additionally, any employee who knows, or reasonably should know, that another employee has submitted, or intends to submit, a false claim and fails to report it to the designated Compliance Officer, will be subject to disciplinary actions (which may include termination).

All statements, representations, and certifications made on behalf of the Group, whether written or oral, shall be accurate, truthful, and timely. Under

no circumstances may an employee make a false or misleading statement, representation, or certification.

Employees are routinely required to certify that they and the Group are in compliance with various contractual provisions and regulatory requirements. Examples of common certifications include certifications pertaining to environmental, safety, personnel, and health matters, product quality and material certifications, and quality control and quality assurance testing certifications.

Employees must be aware of the requirements applicable to their jobs and ensure that all certifications are accurate and that there is neither a material omission of fact or materially misleading statements.

## **K. Confidentiality principles**

All employees must safeguard proprietary Group information, business secrets and any sensitive information in the business context. Such information should not be disclosed in the market, to the Group's competitors, to customer, suppliers or any other third parties unless a legal obligation exists. Sensitive information should be shared also within the company only on a need to know basis.

## **L. Preserving privacy**

The Group has implemented the Data Protection Policy, which outlines its approach on how personal data is collected, handled, stored or processed in any other manner. The Group shall handle with due care and in full confidentiality the personal data processed for the purpose to implement this Code of Ethics and no action undertaken under this Code of Ethics shall in any way affect or limit the rights and liberties of data subjects.

Personal data processed for the purpose set forth in this Code of Ethics will be stored 10 (ten) years, for audit related purposes, after the legal relationship with the respective employee/collaborator ceases or after the legal proceedings are closed.

## **III. Obligation to Report Violations and Cooperation**

Employees must promptly report any known or suspected violation of this Code of Ethics and all other unlawful or unethical conduct (known or suspected) to the designated Compliance Officer. Any report made under this section will be strictly confidential, and under no circumstances will any employee who makes a report be subject to any acts of retribution or retaliation or disciplinary action. Additionally, all employees must fully cooperate in any investigation of a suspected violation of this Code and fully cooperate / answer any request of the designated Compliance Officer or Internal Auditor.

## **IV. Consequences for Violations**

Any violation of this Code is cause for disciplinary action (including demotion or dismissal) which will be conducted according to the Internal Regulation and local legislation.

This Code is reviewed and updated at least on an annual basis and published internally on the Group's internal network and on the Group's website. The review will be performed by a joint team of Legal, HR, Audit and Compliance professionals, to ensure it is comprehensive and up to date. The Code is approved by the Board of Directors.

*Approved by the Board of Directors of NEPI Rockcastle in October 2019.*

