



**CODE  
OF BUSINESS CONDUCT  
OF THE IMPOL GROUP**



In Slov. Bistrica, on 5th April 2018

The Management Board of Impol 2000, d.d.,

- notes that common rules (Code) reflecting the standards of appropriate behaviour and values of the Impol Group must be used in the Impol Group as a guide for business practices in their day-to-day business operations;
- determines that the Code clearly communicates that the manner of achieving business results is very important;
- requires that each company and individual shall act in an exemplary manner in accordance with the provisions of the Code, applicable laws and internal regulations;
- notes that the Impol Group operates as a group of related companies of the holding company Impol 2000, d.d., and its direct and indirect subsidiaries in which the 2000 Impol, d.d., has, directly or indirectly, more than 50% of the voting rights and related companies in which the holding company Impol 2000, d.d., has, directly or indirectly, less than 50 % of the voting rights;
- notes that the managing authorities in the Impol Group comprise the Assembly, the Management Board, the Executive Directors and company directors (depending on the organization of individual companies) within the framework of the one-tier management system in which the Management Board of the company supervises the implementation of business and other tasks in accordance with the law, the statute and the rules of procedure of the Management Board;
- notes that compliance with the Code can best be achieved by good judgement and seeking advice when questions arise and that, in verifying the correctness of conduct, it is necessary to raise the following questions, in particular:
  - Is there a mandate for such behaviour?
  - Is such behaviour legal and in accordance with the Code and business policy of the company?
    - Does such conduct increase the value or increase the damage in the company?
    - Will this behaviour enable the preservation of stakeholders' confidence?

and if the answer to any of the questions is negative or if a question arises as to the interpretation or application of the Code or legislation, it is necessary to talk to the person responsible for administration or management of the area of the problem concerned;

- notes that the values of the Impol Group are:
  - **Innovation** – to develop products jointly with our customers that satisfy their needs; to provide for innovation and constant training of personnel
  - **Diligence** – to provide for the participation of all personnel by means of team work, thus establishing confidence in Impol on the market and reliable services.
  - **Flexibility** – our services are distinguished by speed, efficiency and transparency, provided for by being in direct contact with our customers.
  - **Excellence** – to provide for quality, create ideas and implement sales activities by means of environmentally sound manufacturing processes.
  - **Loyalty** – towards society, owners, surroundings, colleagues and the environment by observing legal provisions and ethical norms.

and based on these findings and decisions at its session held on 5. 4. 2018 adopts the amendments of the Code of Business Conduct of the Impol Group dated 14. 12. 2015, of which the consolidated version now reads

## CODE OF BUSINESS CONDUCT OF THE IMPOL GROUP

### Article 1 Application of the Code

(1) Code of Business Conduct of the Impol Group (hereinafter: the Code) applies to all business entities, the managerial persons and the employees of the Impol Group.

(2) The Impol Group expects that the provisions of this Code relating to the manner of conduct and the functioning will be reasonably considered when establishing mutual relations with the associated companies, exclusive contractors and suppliers and other long-term business partners.

### Article 2 Subject matter

(1) This Code lays down the operation of those involved in the processes of the Impol Group referred to in Article 1 of this Code.

(2) The provisions herein are directly enforceable; however, they may be further specified in the general acts or rules of operation. The provisions of the general acts and rules of operation must be in accordance with the provisions of this Code.

(3) The managerial persons shall be responsible for the implementation of the provisions of this Code in all processes.

### Article 3 Definitions

(1) Business entity is a company that is part of the Impol group.

(2) The holding company is the company Impol 2000, d.d.

(3) The managerial person is a managerial person of a company which is a part of the Impol Group according to the definition of the Companies Act (ZGD-1).

(4) Employee is any employee of the Impol Group, including the managerial persons.

## STRATEGY AND OBJECTIVES

### Article 4 Objectives and strategies

(1) The strategies with the objectives for all companies within the Impol Group shall be stipulated in the Strategy of the Impol Group (hereinafter: the Strategy) and, where necessary, supplemented and coordinated by the Management Board for the next five-year period. The achievement of the objectives set out in the Strategy shall be re-

gularly monitored by the Management Board and in the event of major negative deviations it shall act immediately and harmonize them.

(2) The strategies with the objectives shall be established on the basis of:

- the investors' intentions and expectations;
- considering the fulfilment of needs and the coordination of customers' action, suppliers' action and the action of any other participants in the business processes of the Impol Group;
- open communication with all interested parties;
- regular practice of all entities and employees for the benefit of the Impol Group in accordance with the adopted values, given promises and applicable legislation;
- the expectation that every employee will work in a fair manner and not tolerate unethical behaviour of others.

## RELATIONS TO EXTERNAL BUSINESS ENTITIES

### Article 5 General information

(1) In representation, negotiations and all other operations of the company with external parties and in carrying out their tasks at Impol, the employees shall only be lead by the legitimate positive interest of the Impol Group. In their relations with the suppliers, the customers, the contractors and all other business partners, they shall all operate only from the perspective of the best fulfilment of their morally acceptable and legitimate business interests, where they may not prioritise anyone on the basis of personal expectations.

(2) The employees are not allowed to participate in the transactions, where their personal interest is included, directly or through related persons, unless previous consent is obtained from the Management Board. This provision shall be without prejudice to the possibility of an economic entity, which is linked to an employee in the Impol Group, to participate as a supplier or other business partner if this is a legitimate positive interest of the Impol Group, where the person linked to the economic entity does not participate in the decision-making as regards the choice of suppliers or business partners.

### Article 6 Relations to customers

Each employee and each business entity in the Impol Group operates in relation to the parties so as to:

- create a new value for the customer;
- maintain and build long-term business relations with the customer;
- provide the client with the best possible fulfilment of their needs from the part of the Impol Group best qualified for the purpose and this brings a maximum total added value to the Impol Group;



- delivers the products or services in such a way as to provide the customers with innovative and most rational ways of meeting their needs and expects that the customer will settle their liabilities to the Impol Group within the deadlines set and as agreed, and completes each process only after this settlement;
- never operates in a manner which could harm the Impol name and brand and constantly increases the value of the Impol brand;
- ensures that the Impol Group is able at all times of its life-time to settle its obligations due, which were caused by the employee within the framework of his powers and his scope.

#### **Article 7** **Relations to shareholders**

- (1) The Impol Group exercises its relations to the shareholders in accordance with the laws and/or applicable regulations.
- (2) The Impol Group operates in such a way as to ensure a long-term successful growth of the Impol Group's assets and it also ensures the shareholders an acceptable return on their investments.
- (3) As regards communication with shareholders, the Impol Group endeavours to enable all shareholders to be informed in a uniform and non-discriminatory manner, receiving high-quality, usable and credible information.

#### **Article 8** **Prohibition of insider information abuse in trading with company shares**

- (1) It is prohibited to abuse insider information in trading with holding company shares.
- (2) Any person with access to insider information may trade with company shares only if they comply with the provisions of the act governing security trading, of the statute of the holding company and of the rules on trading with shares for persons possessing insider information.

#### **Article 9** **Relations to suppliers**

- (1) The employees shall establish good and lasting relations with the suppliers.
- (2) The employees shall treat all their potential suppliers in a fair and equal manner.
- (3) The decisions on suppliers shall be based on objective criteria, such as price and quality, the total cost of the use of supplied materials and/or services, and reliability and durability are also an important factor.

#### **Article 10** **Relations to colleagues**

- (1) The managerial persons shall ensure a work environment in which the employees are protected against discrimination, harassment and ill-treatment.

(2) The managerial persons shall treat employees equally, regardless of the personal circumstances of the individual.

(3) All employees shall refrain from negative and offensive practices and behaviours in relations to their colleagues.

#### **Article 11** **Communication**

- (1) Means of communication and powers to external communication shall be laid down in specific rules.
- (2) As regards communication, the employees shall endeavour that their views are based on the facts and information and that they are well reasoned.
- (3) As regards business communication with the customers and colleagues by e-mail, the employees shall ensure that every mail is replied as soon as possible and, as a general rule, within 24 hours.
- (4) E-mail and internet access are intended to be used for business purposes, employees shall not upload content on company computers other than the one for business use.
- (5) During the working hours, the employees may only be engaged in private telephone conversations and other means of communication only to the extent strictly necessary and in a manner which does not disturb the work process.

#### **Article 12** **Security of information, personal data, and trade secrets**

- (1) The employees must respect the security of information policy, regulations related to security of information, and requirements listed in standards, proceedings, and practices related to security of information.
- (2) The employees are responsible for the protection of investments (assets) in the Impol Group, including the information and the information of external business entities, to which the Impol Group companies are bound by an obligation of confidentiality.
- (3) Employees may personally not exploit any means, information or position of the Impol Group for obtaining personal benefits for themselves and/or for persons connected to them in compliance with the legislation and shall not allow this to anyone else.
- (4) During their employment and after its termination the employees shall protect personal data and business secrets encountered at their work.
- (5) The employees shall not provide any information when it is obvious that a substantial damage could emerge if such information was communicated to an unauthorised person.

#### **Article 13** **Business gifts and donations**

- (1) The employees may only receive or give business gifts to business entities only if they meet the following criteria:

- they comply with commercial practice and they do not violate regulations or ethical standards;
- they are not of an excessively high value and they fall within the limits where it is not required to charge the bonus to the receiver;
- they cannot be regarded as bribery;
- if disclosed, they do not embarrass or cause inconvenience to the receivers and/or the Impol Group.

(2) The gifts may never be made in cash or forms similar to cash.

(3) Assets based on donations and sponsorship from any of the Impol Group companies may only be granted on the basis of the consent of the managing authority.

#### **Article 14** **Political engagement**

(1) The employees may politically engage on the basis of their own decisions; however, only at their own expense outside working hours.

(2) Grants are generally not given to political parties.

### **OPERATING METHODS WITHIN THE IMPOL GROUP**

#### **Article 15** **Quality**

(1) The objectives of the quality management systems, the system of occupational health and safety and the environmental management system are an integral part of the Impol Group's business objectives.

(2) All employees shall respect the quality policy and the requirements of the standards, procedures and practices in the area of quality.

(3) All employees shall perform activities in their areas of operation in a systemically prescribed manner, with the aim to fulfil the expectations of consumers in terms of quality, supply and value.

(4) The employees shall analyse the causes of poor quality with team efforts, which guarantees the effectiveness of corrective action and introduces system solutions constantly raising quality level.

(5) All employees shall be familiar with the demands of the customers in their area of operation and be aware the risk of any derogations from the prescribed procedures for product quality and people safety.

(6) The implementation of the management systems according to the »Plan-Do-Check-Act« (PDCA) method ensures continuous improvement of product quality.

#### **Article 16** **General information on employees' operation**

(1) The employees shall always operate in accordance with the applicable legislation, general acts, the Impol Group policy and the provisions of the Code so as to pursue the achievement of maximum benefits for the Impol Group.

(2) In the event that the employees determine in the context of the

business processes that a behaviour occurred which is contrary to the legislation, general acts, the Impol Group policy or the provisions of the Code, they shall immediately notify a managerial person, and in the event that a managerial person acted illegally, the Management Board shall be notified.

#### **Article 17** **Risk management**

(1) The Impol Group shall manage the risks arising in all areas of operations, namely liquidity risks, risks of aluminium raw material prices, foreign exchange rates' changes, interest rates' changes, credit risks, risks of claims for damages and actions, risks of damage to property, market and price risks, operational risk, cash flow risks, capital adequacy assurance and the risks arising from exposures to a single person.

(2) The Management Board shall appoint a Risk management committee (RMC) for the management of risks to which the Impol group is exposed.

(3) At the same time the Management Board assigns responsibilities and powers to the RMC.

(4) In order to reduce the risks in internal operations of the Impol Group, the managerial persons adopt organizational rules and regulations with the nature of a general act.

(5) The managers give instructions to the employees in accordance with the powers resulting from the structure, systematization and specific powers.

(6) For individual risky behaviours or areas of operation the Impol Group may designate specific commissions, committees and project groups, who prepare programmes of measures to the managerial persons, report, provide advice or take action in accordance with their powers to reduce the risks.

(7) The persons responsible, who can cause changes in the resources and assets for the purpose of risk management, shall previously before signing a contract ensure, as a general rule, that assets are available, that obligations are settled and/or that resources of funding are guaranteed.

(8) In accordance with quality standards requests, risks are also recognized on the level of individual processes defined in accordance with standards from the book of processes. On the level of processes, risks are recognized by workflow managers who are also responsible for defining and implementing risk management measures.

#### **Article 18** **Security**

(1) A part of the purchase price of the aluminium raw materials shall be secured by means of hedging (purchase and sales) in line with the LME.

(2) Cross-currency fluctuations shall be insured for known liabilities with their cost impact and/or their cost involvement in the products

and/or services being known.

(3) Risky claims shall be secured to the extent still permitting satisfactory profitability with the increased costs.

(4) In order to ensure uniform conditions for obtaining credit and other external resources for business process financing, the arrangements and contracting and/or other forms of taking on commitments shall be carried out in accordance with the adopted guidelines of the Management Board and the adopted resolutions based on that. As a general rule, this is carried out by the persons authorised by the Management Board.

(5) Other risks and assets shall be secured depending on the estimated level of risk in all places where it is estimated in the business world that events could occur causing damage to the Impol Group.

#### **Article 19** **Ensuring uniform rules of operation**

(1) An important mechanism for achieving the objectives of the Impol Group is to unify the rules of operation in the companies within the Group. In the implementation of the management function the holding company shall pursue the objective of maximal unification of the rules of operation of subsidiaries within the limits permitted by the law.

(2) The holding company shall ensure its management in such a way that the Management Board as its representative at general assemblies of direct subsidiaries ensures with relevant general assembly resolutions the unity and integrity of the operation of the whole Impol Group by designating appropriate proxies for the operation at general assemblies of indirect subsidiaries.

(3) Before the adoption of the general assembly resolutions the Management Board shall adopt the guidelines as a basis and as an obligatorily orientation.

#### **Article 20** **Decision-making in subsidiaries' general assemblies**

(1) The Management Board and/or a proxy shall decide on the operation of the subsidiaries in the area, which is within the competence of the General Assembly, by means of an assembly resolution.

(2) The meetings of the management bodies are normally closed and each managing authority decides on its own whether anyone would be invited to a decision-making meeting.

#### **Article 21** **Harmonization for uniform operation**

(1) The holding company shall give instructions to dependent companies in the Impol Group with a view to unify:

- the design and the implementation of a comprehensive business policy;
- the criteria of quality assurance in the whole business process;
- the implementation of financing and accounting;
- the manner of management in all parts of the Group and the reporting by the subsidiaries;

- the management of relations with all stakeholders (shareholders and/or partners, business partners, employees, social environment).

(2) The companies in the Impol Group shall coordinate their operation with all other companies in the Impol Group in the following areas:

- marketing strategy;
- sales;
- production;
- procurement;
- financing;
- accounting, controlling and internal audits;
- information technology;
- technologies development and innovation,
- investments;
- disinvestments;
- acquisition and development of human resources;
- public relations;
- social responsibility (environment, grants, sponsorships, safety and health at work).

(3) With a view to a uniform operation in the areas listed, the areas are managed by the person responsible for the relevant area who is employed in the holding company and exceptionally in a direct subsidiary. The persons responsible for individual areas of the uniform operation are obliged to prepare business policies for each region and professional guidance for the adoption of specific operational instructions in subsidiaries.

### **AREAS OF COORDINATED OPERATION**

#### **Article 22** **Operations in sales**

The following basic principles shall apply in sales:

1. the process of sales shall be organised in every part included in the Impol Group, acting on the markets outside the Impol Group with their own products or services.
2. Direct marketing-technical relations, in particular, shall be established with customers, which also applies to customers managed by intermediaries and/or agents outside the Impol Group.
3. In the selection of market programs, priority shall be given to the programs generating greater added value with a lower investment and maximal productivity in the production process.
4. Everyone cooperating in the sales (sales representatives, technologists, heads...) is expected to perceive future market needs or even create them through their activity. For this the Management Board shall ensure that they acquire the necessary competences.
5. All customer demands (even the ones not feasible by the Impol Group) shall be monitored and recorded.
6. Promotion activities for the Impol Group shall be carried out in a coordinated manner by using uniform logos, etc., in all groups.



7. The customers shall be provided appropriate quality within reasonable deadlines at an acceptable price.

### **Article 23** **Limitations in contracting**

The value of sales to individual customers shall not exceed the amount of credit granted (which is determined using credit assessment sources, SID, etc.). If there is a business interest of selling an amount to an individual buyer which exceeds the limit approved and/or it is established that the buyer's account has been blocked, that the buyer does not have an account or that the buyer has not been setting his obligations regularly, it is necessary to provide additional guarantees with regard to the possibility of insurance in the following order:

1. Sales on advance payment (down payment) – the volume of sales is not restricted.

2. Sales with security instruments (bank guarantee, business guarantee, cheque, letter of credit, pledge of claims or securities, pledge of movable goods, pledge of real estate – mortgage).

3. If there is a business interest of selling an amount to an individual buyer which exceeds the limit value and at the same time the buyer does not offer any of the above security instruments, the sales could only be made on the basis of a resolution of the RMC and/or of the person authorised by RMC.

4. If business interest exists by the company for early payment of the buyer before maturity, the buyer may be offered discount in accordance with the market financing terms and conditions and the sales policy.

5. The Group's business interest is for individual buyers to increase the volume of their purchases. Therefore the buyers are encouraged with volume discounts for increased business scales. The volume discount in the amount per unit of product takes precedence over the discount expressed in the proportion of the sales price.

6. Mutual relations between the companies of the Impol Group as regards powers of representation in the sales shall in accordance with the current needs be governed in contracts.

### **Article 24** **Procurement**

(1) The function of procurement for the companies in the Impol Group may be carried out by the companies themselves or through contractual partners. Individual companies select their manner depending on the estimation as to which manner contributes the Impol Group the most. The contractor performing the procurement process, who prepared the procurement contract shall also guarantee the collection of goods and/or services received.

(2) The Management Board hereby authorises the company Impol, d.o.o., to organise periodic inspections of the implementation of the acceptance procedures.

(3) Aluminium raw materials shall, as a general rule, be procured via

Impol, d.o.o., and in the event of reported benefits, the derogations apply to the whole Impol Group.

(4) Across closed markets the same shall also apply for the procurement of energy products and other raw materials.

(5) As regards the procurements exceeding € 10,000, several tenders shall, as a rule, be obtained for these, and for smaller procurements the suppliers who obtained the status of selected suppliers within the framework of annual assessment shall be selected.

(6) Conclusion of contracts with suppliers shall be carried out in accordance with the resolutions on the manner of procurement by the type of resources adopted by the Management Board.

(7) Depending on the extent and the importance of the transaction, authorised persons may be designated for the procurement and also their powers (arranging, signing, guaranteeing, control, liquidation etc.).

### **Article 25** **Production processes**

(1) The manufacturing processes in individual groups shall be organised independently if they are not connected with the processes in other centres of the group, and/or homogeneously for all related companies, which is established by the Management Board through guidelines, and the orientations and ways for organisation shall be adopted with the relevant resolutions of the Assembly.

(2) Independence and/or uniformity shall also apply for external assessments of any processes anywhere in the Group (ISO 9001 etc.)

(3) The technological knowledge acquired shall be recorded everywhere in a format which, in the event that their protagonist is absent, allows their use and/or acquisition by other interested or responsible persons, redundancy excluded.

### **Article 26** **Financing**

The basic principles of financing in the Impol Group are:

1. Each company in the Impol Group shall provide adequate and sufficient liquidity in accordance with the obligations undertaken.

2. Cash surpluses of the companies in the Impol Group shall be placed in companies with a deficit in financial assets. A provider of financing process (internal or contractual) shall be authorised for the implementation thereof.

3. The dispersion of external investors shall be retained in such a way that individual investors do not exceed 30 % of the total value of their investments in the Impol Group.

4. As regards establishing creditor relations, they shall be justified on the basis of minimum contractual principles which are balanced with the obligations for debt obligations.

5. Investments in fixed assets shall be financed as a priority by providing long-term resources. Any derogation may only be granted by the Management Board.

#### **Article 27** **Human resources acquisition and development**

Basic principles in the development of human resources in the Impol Group are as follows:

1. A lack of personnel in individual companies of the Impol Group shall be resolved as a priority by searching for human resources in other companies of the Group. Proper external professional human resources shall only be employed in the event of a lack of personnel in the Impol Group.

2. Upon expiry of a fixed-term employment contract a detailed assessment shall be performed as to whether there is a need for a worker to be employed under a contract of indefinite duration.

3. Every company shall have a human resources policy with competencies in order to define the expectations to the employee.

4. The managerial persons in each company of the Impol Group shall prepare at least a three-stage plan as regards internal employee substitution, which must be continuously updated. This applies in particular to the implementation of specialised tasks, where it is required that several employees be trained to perform each task, which allows smooth operation in the case of personnel changes.

5. Each company in the Impol Group shall have a training plan, a human resources development plan and a plan of investments in human resources potential.

6. Every company shall have a list of key human resources and career plans of the employees.

#### **Article 28** **Information technology**

(1) Information technology for the Impol Group shall be coordinated in Impol 2000, d.d. Investment in new information solutions shall be approved by the Management Board.

(2) As a rule, the information system in the whole group operates in such a way that its individual parts can provide smooth exchange and data use, except for data subject to reinforced protection and only through exchange of or by sending data via a shared database (data backbone). Consent from the Management Board shall be required for any derogations herefrom.

(3) Individual instalment of software and hardware components, and changing settings of the IT resources, is not allowed.

(4) When using IT resources<sup>1</sup>, one should always follow the requirements set in the information security policy, in the legislation, and in internal regulations.

<sup>1</sup>IT resources include desktop computers and laptops, tablets, smartphones, USB flash drives, data cards and smart cards, and all devices where information can be electronically stored and processed.

#### **Article 29** **Principle behind the organization of business processes in the Impol Group**

In the organisation of business processes in the Impol Group the following guidelines shall be taken into account:

1. Processes shall be organised so as to eliminate to the fullest extent possible the risks at work and to ensure continuous improvement of environmental protection, safety and health at work.

2. The products and the use of production assets shall not cause risks to the environment.

3. All applicable rules and regulations shall be taken into account in the organisation of processes.

4. Good practice examples shall be introduced in the organisation.

5. Inventiveness of all employees shall be encouraged and it is expected that it is constantly reflected in the form of improvements with the employees on the basis of individual contracts and with employees in the most demanding tasks which require high professional education and where there are specific project allowances for work on specific projects.

6. The special contributions of employees are rewarded with specific project allowances, bonuses, other forms of awards and individual contracts.

7. Mutual respect, cooperation and teamwork, taking into account the ideas of others, introduction of changes to the improvement of processes and remedying disruptions, adoption of rights and responsibilities in formal and informal forms and constant improvement of work processes in the sphere of activities of their operation shall be encouraged among the employees.

8. Remuneration policy shall be coordinated within the Group by taking into account the common starting points as well as the specificities of individual areas.

9. No one shall be allowed to require illegal acts from anyone and to act contrary to general acts and the values of the Impol Group.

10. Personal data shall be managed in accordance with the legislation and the general acts of the companies.

#### **Article 30** **Guidelines for the activities of the managerial persons**

(1) The managerial persons shall be required to comply with the guidelines of the Management Board, which are laid down in a resolution, concerning the following matters:

- the content, form and the frequency of reporting;
- determination of business situation and the value of the company (in accordance with the provisions from the rules on accounting – e.g. on the valuation methods, methods of control and the liquidation of documents, etc.);
- financing;



- borrowing or leasing,
- payments to suppliers,
- payments of customers,
- placing of funds,
- investment,
- disinvestments in the field of capital assets, of all types of stocks and other assets,
- insurance of funds and responsibilities.

(2) Business entities shall be obliged to protect their property and hired property and their responsibility in such a way that any potential loss events would enable the recovery of assets to the state as it was before the event.

### **Article 31** **Profitability**

The following shall be expected from each business entity and employee:

- to operate so as to contribute to the profit of the Impol Group in accordance with the strategy;
- to organise business processes so as to minimize the costs, to use capital and/or other means of financing as little as possible;
- to provide organic growth only if sufficient profit is achieved and to use support from borrowed sources of financing only in this case;
- to realize acquisitions of external entities only if after their full involvement in the Impol Group they increase the overall profit;
- to determine the results in accordance with the agreed and publicly recognized standards, to publish them respectively and ensure their credibility;
- that the employees of the Impol Group always function so that the overall result of their activities brings maximum benefit to the Impol Group and ensures an appropriate remuneration to parts of the Impol Group which could be prejudiced this way.

### **Article 32** **Transactions between companies of the Impol Group**

Transactions between the companies of the Impol Group shall be regulated in accordance with the business policy, contracts between them and relevant legislation. Prices shall be established in accordance with the tax and other legislation governing transfer prices.

### **Article 33** **Record keeping**

(1) The books shall not include counterfeit, non-existent or misleading records on the operations of the companies in the Impol Group.

(2) All the records in the books in any form, and as a general rule in electronic form, shall satisfy the requirements of the applicable accounting standards and each record, on the basis of which any business decision in any company of the Impol Group has been made, shall ensure traceability for a period of at least 5 years or for a period in accordance with the regulations if longer periods are required.

(3) The managerial person shall be responsible for archiving documents relevant to the company (e.g. treaties and other documents

proving relevant obligations) and for supplying them in a relevant form at the request of the parent company.

(4) Archiving of records on the technologies and/or on all types of know-how used in any form in the Impol Group and being kept as a maximum business secret shall be ensured separately.

### **Article 34** **Obligations of the managerial persons in their operations**

(1) At the latest by mid-October of the current year, the managerial persons shall draw up an annual business plan of the company for the following year.

(2) The annual plan shall include at least the following content:

- the vision of the company;
- the mission of the company;
- annual targets;
- strategy (marketing, sales, procurement, production, financial, human resources, quality assurance, development, investment, effects on the environment) and the annual operations plan;
- relations with the companies in the Impol Group (parent company and companies related through it);
- relations with the environment.

(3) On a monthly basis, the managerial persons shall draw up a written analysis of the operations, including the justification of derogations from the plan and the measures proposed for the future. The analysis shall be supplied to the executive directors.

(4) The managerial persons shall supply to the executive directors the minutes of their resolutions, records of colleges, if organised, and the findings of all official travels abroad.

(5) The executive directors shall supply to the Management Board all the information relevant to the Management Board in an appropriate form.

(6) The Management Board or the Executive Director may require a special report on individual matters. The report shall indicate all the legal acts concluded in the previous period by the company with another company in the Impol Group or at the initiative of or in the interests of a company in the Impol Group and all other acts committed or omitted at the initiative or in the interests of the companies in the Impol Group in the past financial year.

(7) The managerial person shall draw up a business report within two months following the end of the business year.

### **Article 35** **Management replacement**

(1) In the event that the companies of the Impol Group replace a managerial person, the Management Board shall appoint an inventory commission by means of a resolution and set a deadline for the execution of the extraordinary inventory of assets and liabilities, which must be carried out in accordance with the rules on accounting and/or rules on inventory.

(2) At the handover of operations the Management Board shall consider the elaboration on the inventory and on the basis of the findings from the inventory, it shall decide on the possibility of completing the handover.

(3) A resolution shall also be adopted concerning the effectiveness in terms of business management of the managerial person handing over of the business.

(4) Upon acceptance of the resolution on the replacement of a managerial person, the former managerial person's representation shall be limited to the current business of the company only.

### Article 36

#### Activities upon termination of employment

(1) In the event that an employment or other contractual relationship is terminated or if an operation is withdrawn, the employees shall hand over to the managerial person responsible or to the handover commission all the funds, information carriers, business mobile phones with a functioning telephone number, the list of contracts concluded with external partners (buyers, suppliers, banks etc.) and similar.

(2) Otherwise they shall be materially responsible for business and other damage caused by their conduct. If for any reason the handover cannot be performed, it shall be executed by the handover commission. A derogation from this rule shall only be possible by means of a resolution of the Management Board or the Executive Director.

### Article 37

#### Internal audit

(1) Business relations between the companies of the Impol Group shall be regularly monitored by means of internal auditing and the same applies for adequacy, credibility, regularity and legality of the underlying transactions within each business entity. The findings shall be reported regularly and at least on a monthly basis to the Management Board, the Audit Committee and the Executive Director.

(2) The internal auditor shall have access to all data in the companies of the Impol Group. All the employees shall be obliged to cooperate with the internal auditor and enable full disclosure of facts.

(3) All the data and the findings of the internal audit are strictly confidential and may be disclosed only to the Management Board, the Audit Committee and the Executive Director.

(4) Internal audit shall also be included in the process of regular annual external audit and it shall propose to all the Impol Group companies the manner of using the findings of and the proposals for external audit in their environments. A selection of potential providers of external audit shall be drawn up for the Management Board.

(5) All the accounting and financial information in the Impol Group shall be prepared on the basis of the same standards, as they thus allow a comparison of accounting and financial information from all the companies in the Impol Group and the possibility of consolidation. As a general rule, International Financial Reporting Standards (IFRS) shall be used for reporting. This also applies to the area of transfer pricing.

(6) As a general rule, the deficiencies found in the process of internal audit shall be eliminated as soon as they are determined and on the basis of a request and cooperation of the internal auditor.

### Article 38

#### Encouraging responsible and honest behaviour and prohibition of retaliatory measures

(1) Impol group encourages its employees and other persons cooperating with business entities of the Impol group to behave in a responsible and honest way, and to report inappropriate behaviours that they notice within Impol group.

(2) Employees shall report inappropriate behaviours in accordance with the rules related to reporting inappropriate behaviours in individual areas. If no such procedure exists, or if the procedure is not effective, employees shall report inappropriate behaviours to the Internal Audit department using the prescribed form, either by disclosing their identity or anonymously, in electronic form by sending it to the following e-mail address: [notranja.revizija@impol.si](mailto:notranja.revizija@impol.si), or by mail by sending it to the following address: Impol 2000 d.d., Notranja revizija, Partizanska 38, 2310 Slovenska Bistrica. Other persons shall report violations directly to the Internal Audit department.

(3) Any behaviour consisting of one of the following actions can be reported to the Internal Audit department:

- Criminal offence, kaznivo dejanje,
- Posing a risk to the health and safety of an individual,
- Non-compliance with legal obligations (with applicable legislation and general measures)
- Environmental damage,
- Unprofessional behaviour,
- Abusing or inappropriately using assets of Impol group,
- Deliberate misleading or withholding data in relation to the aforementioned.

(4) The notifier reporting an inappropriate behaviour and revealing his identity in the process must not suffer any retaliatory measures (such as loss of employment or of the position occupied), unless he also took part in the aforementioned inappropriate behaviour. Impol group will not allow for any harassment, intimidation, mobbing, or retaliatory measures, and will protect every employee reporting abusive conduct in good faith.

(5) The information revealing the identity of the notifier is considered confidential information.

(6) Reports are addressed by the Internal Audit department in accordance with professional, ethical, and moral standards. The Internal Audit department keeps a record of reports, of investigations conducted, and of measures implemented in relation to them, and reports them to the Audit Committee.

## SUSTAINABLE DEVELOPMENT

### Article 39 Safety and health at work

(1) All employees shall respect the policy of occupational health and safety, the regulations in the field of health and safety at work and the requirements of standards, procedures and practices in the field of occupational health and safety.

(2) All employees shall take into account the ban on alcohol intoxication, consumption of drugs and other unauthorized substances and the ban on smoking in enclosed working areas.

(3) All employees shall be bound to the correct use of personal protective equipment in accordance with the requirements of the risk assessment.

(4) Promotion of health at work applied uniformly throughout the Impol Group under the Occupational health and safety programme for the Impol Group shall be ensured through the promotion of the Impol Association for the promotion of health.

### Article 40 Environmental concerns

(1) The employees shall act in accordance with the environmental management policy and the legislation governing the protection of the environment and respect the requirements of standards, procedures and practices in the field of environmental protection.

(2) All employees shall be bound to the prevention of environmental pollution and the implementation of activities in a prescribed manner, in which the risks to the environment is minimal.

(3) The employees shall take due care of natural resources, hazardous substances and waste, taking into account the manner of information and coping with unexpected events.

## FINAL PROVISIONS

### Article 41 Final provisions

(1) The document shall enter into force when adopted by the Management Board.

(2) After the adoption of the document by the managing authority, the company management shall adopt and publish it as a general act of the company.

(3) If the provisions in other general acts, instructions or other documents in force in the companies of the Impol Group differ from the provisions hereof, those documents shall be harmonised with the provisions of this Code within 6 months from the date of entry into force of this Code and after this date the provisions of the Code shall apply.

(4) General acts, instructions and other documents which are not in accordance with this Code shall be harmonised by the persons responsible for individual areas of a uniform operation and adopted by the managerial persons in the Impol Group.

(5) The content of the Code shall be published on the website of the Impol Group.

In Slov. Bistrica, on 5 April 2018

The chairman of the Management Board  
Impol 2000 d.d.  
Jernej Čokl

A handwritten signature in black ink, appearing to be "Jernej Čokl".