



## CODE OF BUSINESS ETHICS AND CONDUCT OF CPI PROPERTY GROUP

Dear Fellow Employee,

At CPI Property Group S.A. and its subsidiaries (the “**Group**”), we believe that ethical behaviour and respect for everyone is the foundation. Therefore, ethical practice is a core component of our corporate philosophy and we are committed to ethics and transparency in our management structure, corporate reporting and internal procedures and rules. We believe that this supports a corporate culture, which is balanced between the entrepreneurial spirit and the core ethical values. Such ethical approach combined with proper Corporate Governance enables us to conduct our European-wide business with the highest ethical and legal standards, which we owe to our stakeholders, including our communities and public authorities.

This “*Code of Business Ethics and Conduct of CPI Property Group*” (the “**Code of Ethics**”) and relating Group’s internal rules, as inseparable part of our corporate culture, translate core values of the Group into behavioural standards and openly declare our commitment to obey applicable laws, industry standards and best practices. At the same time, this Code of Ethics and application thereof in everyday work life confirms that we consider the highest ethical and legal standards as a natural part of our business and as a prerequisite to further development of our reputation and good relations with our stakeholders, including their confidence in our business.

I thank you for reviewing and committing to carry out this Code of Ethics and relating Group’s internal rules in your everyday work life.

In Luxembourg, on 27 March 2019

**Edward Hughes**

Chairman of the Board of Directors

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## I. INTRODUCTION

### *Nature, Purpose and Applicability of Code of Ethics*

The Group's<sup>1</sup> essential tenet is to comply with applicable laws, industry standards and best practices. Therefore, we obey applicable laws, both in letter and in spirit, and continually review and implement industry standards and best practices, including those relating to Corporate Governance and Compliance. This approach ensures that our internal procedures and rules, including this Code of Ethics, comprise all pivotal pillars of Corporate Governance and Compliance, including environmental issues, conduct of employees, suppliers and tenants, sanctions and export controls, whistle-blowing, procurement, data and information protection, conflict of interests, as well as prevention of insider trading, bribery, corruption, frauds, money laundering, terrorist financing and anti-competitive practices.

This Code of Ethics, as key integral part of our internal rules, together with our Group policies<sup>2</sup>, forms a framework of our Corporate Governance and Compliance. It states basic standards of conduct for all employees and agents acting on behalf of the Group, as well as for all members of the Group's corporate bodies and management (employees, agents and members of the Group's corporate bodies and management hereinafter the "**Representatives**"), and shall serve as prevention to illegal, non-ethical or otherwise socially improper conduct.

We also strive our shareholders, investors, customers and other business partners to comply with this Code of Ethics.

### *Leadership as Model Role for Others*

As said above, this Code of Ethics is applicable to all Representatives of the Group. However, as we consider personal example of managing employees to be crucial for legal, honest and ethical development of the Group and its business, we impose higher demands and expectations on members of the Group's corporate bodies and management. They shall, in particular:

- Lead by example in respect of compliance with applicable laws and the Group's internal rules, and application thereof in the Group's everyday business life;
- Check that employees understand the Group's internal rules and contribute to sound work environment, which is open to asking questions and whistle-blowing;
- Prevent and notify, if necessary, any improper or unacceptable conduct;
- Adopt adequate remedial measures, if any improper or unacceptable conduct occurred; and
- In respect of their scope of expertise, review new applicable laws, industry standards and best practices, and propose amendments to the existing Group's internal rules.

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<sup>1</sup> Any reference to the Group herein shall be construed as reference to any Group company, and any reference to the Representative of the Group (as defined below) shall be construed as reference to any Representative of any Group company.

<sup>2</sup> In particular, the Group Policies on Environment and Corporate Social Responsibility, Human Capital and Employment, Securities Trading and Inside Information, Sanctions and Export Controls, Whistle-blowing, Procurement, Anti-Bribery, Anti-Corruption and Countering of Bribes, Anti-Money Laundering and Counter-Terrorist Financing, Data Protection, and Code of Conduct for Suppliers and Code of Conduct for Tenants.

## II. OUR CORE VALUES

Current business, legal and ethical environment demands greater openness and trust than ever before. In today's business world, it is not only about what you achieve, but also how you go about achieving it. This Code of Ethics helps us build openness and trust by explaining our core values, being:

- **Compliance with applicable laws, industry standards and best practices** – In all countries, where we operate, our primary concern is to comply with applicable laws, industry standards and best practices. Therefore, we, in particular, prevent conflict of interests, money laundering and terrorist financing, and neither support, nor tolerate any insider trading, sanctions circumventing, bribery, corruption or frauds, any kind of anti-competitive conduct, discrimination or harassment, but protect environment and support sound social values and good relationships with our employees, shareholders, investors, customers and other business partners and stakeholders.
- **Fairness, Integrity and Professionalism** — We promote the highest standards of integrity by always conducting our affairs in an honest and ethical manner. Each of us makes a commitment not to allow any kind of situation to undermine our standards for fairness and integrity in dealing with employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders. We always keep the highest standards of professional correctness and courtesy in any interaction and communication with our employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders.
- **Experience, Quality and Entrepreneurship** – We have excellent know-how in our field of expertise, understand thoroughly our business and intend to deliver solely top-quality performance to our customers. We actively support a culture of empowerment and accountability, in which our employees can thrive personally and professionally, enhancing creativity in every discipline of the Group.
- **Pro-Active Approach and Teamwork** – Each of us is committed to help to, and to take pro-active approach in relation to, our shareholders, investors, customers and other business partners, public authorities and communities, as well as to his/her fellow employees. We try to satisfy wishes and needs of other people, and to recognize and understand their problems. The Group is proud to comprise a European-wide team of endowed and gifted people who are aligned, motivated and rewarded in contributing to the team and to the long-term value of our Group.
- **Stability** – We are strong, successful and stable Group, standing for a symbol of reliability to our employees, shareholders, investors, customers and other business partners and stakeholders.
- **Safety** — We are committed to a healthy and injury-free workplace and to the safety of our employees, contractors, visitors and the communities, in which we operate. Safety is fundamental to our overall operational and managerial excellence.
- **Community** — As our corporate culture is centred around respect and professionalism, we believe in giving back to our communities. Therefore, key priority of our Group and Representatives is a commitment to contribute to the sustainable economic, social and environmental development of these communities.

### III. GENERAL PRINCIPLES AND STANDARDS OF CONDUCT

#### *Towards Customers*

*(for more details please refer to CPI Property Group Code of Conduct for Tenants)*

We endeavour to build a partnership with our customers (including tenants) that operates in a manner consistent with our values, including ethical, social and environmental aspects. We strive to ensure that our customers share with us such values. At the same time, our priority is maximum satisfaction of needs and expectations of our customers. Therefore, we conduct our business with due care and primary focus on protection and support of our customers' interests (in this respect, we, among others, conduct "tenant training programs" for shopping centre tenants). We avoid any steps and actions, which could damage our trustworthiness in our customers' eyes or distort their perception of our services.

As assurance of infrastructural health and safety compatibility is a prerequisite to our customers' satisfaction, we:

- Comply with the highest customer general safety and fire safety standards;
- Regularly monitor and assess safety-related issues as part of our extensive due diligence activities;
- Carry out regular on-site customer property management; and
- Ensure transparency of all measures and work conducted for customers.

We also pay due attention to customers' complaints and inform them on handling the complaints, including remedial steps and measures to be taken. We always prefer amicable solution of any disputes. If such amicable solution cannot be reached, we inform the customer on all available out-of-court solutions of the respective dispute.

#### *Towards Business Partners*

*(for more details please refer to CPI Property Group Code of Conduct for Suppliers)*

We endeavour to build a partnership with our business partners (including suppliers and lenders) that operates in a manner consistent with our values, including ethical, social and environmental aspects. We place the same ethical, social and environmental requirements on our business partners as on ourselves and our Representatives.

We establish and develop honest and correct relationships with our business partners based on mutual trust and abiding to contractual obligations. We prefer long-term relationships with our business partners and enter into relationships only with those adhering to applicable laws and using financial resources not coming from illegal activities. In contractual negotiation and invoicing, we act in fair and transparent manner. We respect right of our business partners on protection of their trade secrets and other confidential information.

#### *Towards Employees*

*(for more details please refer to CPI Property Group Human Capital and Employment Policy)*

We recognize and respect all legitimate rights of employees, including participation in trade unions. We create safe working conditions and environment of trust and mutual respect, enabling each employee to develop his/her knowledge and skills. We strictly adhere to applicable laws on healthy and injury-free workplace. We invest into continual education of our employees and participate on their further professional development. We provide adequate remuneration for the work done and, in addition, reward exceptional performance.

We neither support, nor tolerate any kind of discrimination or harassment, but we support diversity and create conditions for work engagement of disabled individuals. We respect personal life of our employees by facilitating work-life balance. We conduct background checks of candidates as to

previous breaches of applicable laws or ethical rules.

On the other hand, our employees are expected to advance the Group's legitimate business interests. They shall not enter into competition with the Group, provide unjustified advantages to any third party to the detriment of the Group or take advantage of business opportunities available to the Group for themselves or for their family members.

#### *Towards Shareholders and Investors*

We strive for continuous long-term increasing of value for our shareholders and investors (including bondholders). We apply Corporate Governance rules in order to achieve balanced relationships between shareholders, investors, corporate bodies, executive management, employees, customers and other stakeholders. We provide our shareholders and investors with information on a regular basis in transparent and non-discriminatory manner.

#### *Towards Public Authorities and Regulators*

We respect powers and competences of all relevant public authorities and regulators (including the respective stock exchanges), and their rules, decrees, decisions and other acts. We provide them with due and appropriate cooperation and information.

#### *Towards Communities and Society as a whole*

We strive to contribute to friendly and peaceful cohabitation in our communities. We are committed to high standards in environmental, social and ethical matters. Our staff receive training on our policies in these areas and are informed, when changes are made to these policies. Our environmental policy is to comply with applicable laws, while pursuing energy most efficient solutions wherever possible.

#### IV. BUSINESS ETHICS

It is our policy to comply with applicable laws of each country, where we operate. Our Representatives shall be aware of such applicable laws that impact our business, comply therewith and refrain from any activity, which is non-ethical, illegal or would endanger the safety of others. Our Representatives shall also ensure that their actions cannot be interpreted as being, in any way, in violation of applicable laws, whereas the Group will not condone any activity of any Representative, who achieves results through violation of applicable law or through non-ethical business dealings.

Therefore, this Code of Ethics elaborates below on crucial legal and ethical issues in order to help the Representatives to be compliant in respect of such issues.

##### *Conflicts of Interests*

*(for more details please refer to CPI Property Group Anti-Bribery, Anti-Corruption and Countering of Bribes Policy)*

A conflict of interests may arise, when the Representative's personal interests (or personal interests of his/her family members) interfere or appear to interfere with his/her ability to act in the best interest of the Group.

We respect the rights of our Representatives to manage their personal affairs and investments, and we do not wish to impinge on their personal lives. However, any activities that create or may create a conflict of interests are prohibited, unless specifically approved in compliance with applicable laws and the Group's internal rules. In turn, our Representatives may not engage in transactions directly or indirectly, which lead or could lead to a conflict of interests, or, as the case may be, shall avoid any situation that causes or could cause such a conflict of interests.

Even the appearance of a conflict of interests, where none actually exists, can be detrimental to the Group and shall be avoided. This also means that, as in all other areas of their duties, the Representatives working with customers, business partners, competitors or any other persons cooperating with the Group, shall act in the best interests of the Group to exclude considerations of personal preferences or benefits.

Be aware that our employees can work for another employer being active in the same business only with our previous written consent, and members of the Group's corporate bodies shall in case of a (possible) conflict of interests comply with the respective corporate laws and the Group's internal rules.

We expect our Representatives to be free from influences that conflict with the best interests of the Group or might deprive the Group of their undivided loyalty in business dealings. Otherwise, our Representatives are required to refuse any intervention, coercion or influence that could jeopardize the impartiality of their decision-making relating to our business affairs and, at the same time, to inform their supervisor and the Compliance Officer of the Group (the "**Compliance Officer**"). The same notification duty applies, if such Representative is uncertain, whether or not a conflict of interests exists or will exist. Members of the Group's corporate bodies and management shall in such cases report to, and consult with, the Audit Committee of CPI Property Group S.A.

##### *Whistle-blowing*

*(for more details please refer to CPI Property Group Whistle-blowing Policy)*

We expect our Representatives, as well as shareholders, investors, customers and other business partners and stakeholders to speak out, if they have any concerns about a breach of applicable laws, this Code of Ethics, other Group's internal rules or about any other illegal or non-ethical matters. Therefore, we have a whistle-blowing procedure, which enables anyone to raise in confidence, whether anonymously or otherwise, concerns on such possible improprieties relating, but not limited, to:

- Conduct, which is an offence or breach of applicable laws, this Code of Ethics, other Group's internal rules;
- Alleged miscarriage of justice;
- Health and safety risks;
- Unauthorised use of public funds;
- Possible frauds, corruption and bribery;
- Sexual, physical or verbal harassment;
- Bullying or intimidation of employees, customers or other persons;
- Abuse of authority; or
- Other illegal or non-ethical conduct.

Reports can be made to the e-mail [whistleblowing@cpipg.com](mailto:whistleblowing@cpipg.com). All reports made in good faith shall be kept confidential and no person making a report will be made by the Group subject to discrimination or adverse treatment by virtue of making that report. However, anyone making that report under the whistle-blowing procedure shall acknowledge and accept that the Group may, by reason of the matters reported, need to address this with the relevant public authorities, and that it may have consequences for the reporter under applicable laws.

Under the whistle-blowing procedure, arrangements are in place for independent investigation and for appropriate follow-up actions to be taken.

*Prohibition of Corruption, Bribery and Frauds*

*(for more details please refer to:*

- *CPI Property Group Anti-Bribery, Anti-Corruption and Countering of Bribes Policy)*
- *CPI Property Group Procurement Policy)*

We do not tolerate corruption, bribery or frauds in any form. Regardless of our geographical location, the Group and its Representatives shall comply with applicable anti-corruption, anti-bribery and anti-fraud laws (including UK Bribery Act of 2010 and US Foreign Corrupt Practices Act of 1977). In particular, no Representative shall directly or indirectly:

- Offer, make, promise or authorize the transfer of anything of value to a public official (or his/her family member) to obtain or retain a business advantage or to influence any decision by such official in his/her official capacity, unless authorised by applicable laws;
- Offer, make, promise or authorize the transfer of anything of value to any private person or entity to improperly influence that person in the legitimate performance of his/her expected duties and obligations; and
- Accept or receive anything of value from any person, where such a thing is offered, promised or given with the intention of improperly influencing that Representative to obtain or retain business for the Group or secure an improper business advantage.

Our Representatives are required to report any actual or suspected corruption, bribery and frauds to the Compliance Officer or through the whistle-blowing procedure. For the purposes of combating corruption, our employees have the anti-corruption clause in their employment contracts or the anti-corruption clause is contained in our respective documents regulating employment relationships between the Group and its employees. Any violation of the above rules is considered a gross violation of work discipline.

Further, as giving gifts or entertainment to public officials is highly regulated and very often prohibited,



each Representative shall avoid any activity that may be construed as a bribe, corruption or improper payment. In such cases, the Representatives shall always obtain relevant approval within the Group, and never offer gifts or entertainment to public officials without first checking with the Compliance Officer.

Procurement within the Group shall be conducted in a cost-effective, transparent and non-discriminatory manner and in compliance with applicable laws. Therefore, we expect our suppliers and other business partners to compete fairly and vigorously for our business, and endorse the principles of this Code of Ethics and other relevant Group's internal rules. We select our suppliers and other business partners strictly on merit, rather than on improper benefit given or offered. Our Representatives may neither give to, nor accept from, anyone who conducts or seeks to conduct business with the Group, any gift, service or special treatment of any kind, unless:

- It is provided with good intentions and for legitimate business purposes;
- It is consistent with good business practices and ethical standards;
- It is permitted by applicable laws and the Group's internal rules;
- It is permitted by the counterparty's own business policies;
- It is of value not exceeding normal business practices, not in the form of cash payment and cannot be interpreted as a bribe or reward;
- There is no expectation that such special treatment will follow;
- It does not create an appearance of impropriety;
- Potential publicizing the information on providing such gift, service or special treatment of any kind would not be detrimental to the Group's reputation; and
- Providing such gift, service or special treatment of any kind was approved within the Group, if required.

We always treat our customers honestly, fairly and objectively. Our Representatives may provide gifts or entertainment to, or receive gifts or entertainment from, existing or potential customers only if conditions set out in the preceding paragraph are met.

Otherwise, our Representatives are obliged to refuse any such gift, entertainment, service or special treatment of any kind, warn the counterparty of the inadmissibility of such conduct and inform the Compliance Officer. If a Representative cannot avoid accepting such gift, entertainment, service or special treatment of any kind above the value of normal business practices, he/she must report it to the Compliance Officer, who decides on further steps and measures to be taken.

Finally, any Representative may never try to induce or move by any means any business partner to give him/her any gift, entertainment, service or special treatment of any kind.

#### *Anti-Money Laundering and Counter-Terrorism Financing*

*(for more details please refer to CPI Property Group Anti-Money Laundering and Counter-Terrorist Financing Policy)*

The Group's business activities are to be conducted in accordance, and all Representatives shall at all times comply, with applicable laws on the prohibition and prevention of money laundering and terrorism financing. This means, among others, that we must always have thorough knowledge of the business partners we do business with. In addition, we take steps and measures to prevent misusing our services for money laundering and terrorism financing.

#### *Prohibition of Securities Frauds and Insider Trading*

*(for more details please refer to CPI Property Group Securities Trading and Inside Information Policy)*

Our Representatives may have access by reason of their position in, or relation to, the Group to information that is not public (including information on financing, mergers and acquisitions) and that would probably result in a significant impact on the share price of any company inside or outside the Group or on related financial derivative instruments, had it been released.

As we comply with applicable laws on prohibition of securities frauds and insider trading, neither the Group, nor its Representatives may trade in the shares or other securities of any company in question, either directly or through another person, as long as this information has not been made public, and may not disclose such information, other than in the normal course of business.

In addition, within the Group any inside information shall only be disseminated to other Representatives on a need to know basis, such as a business purpose, and each Representative shall exercise care to keep such information secure from unnecessary or unintended disclosure, including disposal of documents containing such information.

#### *International Sanctions and Export Controls*

*(for more details please refer to CPI Property Group Sanctions and Export Controls Policy)*

Number of countries adopted laws regulating the import and export of goods, services, software and technology, foreign economic and trade sanctions, export controls, embargoes and international boycotts of any type, whereas failure to comply with such laws may constitute a crime and the sanctions for non-compliance can include fines and imprisonment. Entity that does not comply may also be denied the right to participate in foreign trade with the state whose laws were breached.

Therefore, the Group and its Representatives comply with applicable laws of the European Union, USA, United Kingdom and those of other countries that may apply, concerning the import and export of goods, services, software and technology, foreign economic and trade sanctions, export controls, embargoes and international boycotts of any type.

#### *Participation in Public Procurement and Public Tenders*

We comply with laws on public procurement and public tenders, if applicable to us. Therefore, we apply zero tolerance policy in respect of any illegal or non-ethical practices relating to public procurement and public tenders, including bribery, corruption and frauds.

#### *Prohibition of Cartels and Anti-Competitive Practices*

Our policy is to conduct business honestly and fairly, and to comply with applicable competition and antitrust laws. This means that (i) the Group utilizes competitive advantages while treating competitors appropriately, (ii) neither the Group, nor any of its Representatives may participate in illegal anti-competitive acts, including abuse of dominance or agreements to fix prices, manipulate or divide markets, limit production or otherwise unfairly restrict competition, and (ii) neither the Group, nor any of its Representatives may exchange any commercially sensitive information with the Group's competitors.

Violations of competition and antitrust laws may result in severe penalties and significant fines against the Group. There may also be sanctions against individual Representatives, including substantial fines and prison sentences.

#### *Protection of Intellectual Property*

We recognize and respect the intellectual property rights of other persons and entities, and fulfil all ethical and legal obligations concerning use of intellectual property.

The Group requires the Representatives to respect the copyrights, trademarks, patents and other intellectual property rights of all persons and entities to any material (including material downloaded from the internet and computer software), through:

- Using all proprietary information, property and rights only for the purposes, for which they are intended and approved for use; and
- Avoiding copying, improper use or distribution of any work subject to intellectual property rights without the owner's prior permission,

as violations of the above may result in civil or criminal liability for the Group or the Representatives.

Additionally, software purchases on behalf of the Group are permitted only with the appropriate approval granted within the Group, and any software shall be installed only by employees designated by the Information Technology department of the Group or through processes and resources sanctioned by the Information Technology department of the Group. In the majority of cases, computer software is licensed to the Group by the software developer, thus such software and related documentation is not owned by the Group. Unless authorized by the software developer, neither the Group, nor any Representative have the right to reproduce or copy the software or related documentation.

On the other hand, the Group reserves all rights to any intellectual property, including patents, trademarks and copyrights, developed by the Representatives on the Group time or utilizing the Group's resources during the course of their relationship to the Group.

#### *Protection of Confidential Information*

*(for more details please refer to CPI Property Group Regulation R0016 – Security Policy and Directive D0054 – Protection of Information)*

One of our most important assets is confidential (or otherwise privileged) information, including our internal information and trade secrets. Such information, notwithstanding whether developed by us or provided to us by our customers, suppliers or other business partners, may include the list of current and prospective customers, suppliers or assets of the Group, the financial and technical information concerning the Group's assets (e.g., period of renewal of leases, rents and expenses, financial projections, maintenance level of buildings and projects, or information relating to future disposals or acquisitions of assets), as well as training and organizational documents.

Each Representative shall comply with applicable information protection laws, which implies that each Representative has a duty to refrain from disclosing confidential information, unless and until that information is released to the public through approved channels, or unless he/she obtained the approval of the responsible member of the Group's management to disclose the confidential information. Additionally, before disclosing such information, the individual or entity receiving the information shall enter into a confidentiality or non-disclosure agreement with the Group. The aforesaid also requires that the Representatives shall refrain from discussing confidential information with outsiders and even with other Representatives, unless those fellow Representative have a legitimate need to know the information in order to perform their duties.

Be also aware that unauthorized posting or discussion of any confidential information concerning the Group's business or prospects on the internet is prohibited, and all e-mails, voice mails and other communications within the Group are presumed confidential and shall not be forwarded or otherwise disseminated outside the Group, except where required for legitimate business purposes. The Representatives leaving the Group shall return to the Group all confidential information in their possession, as unauthorized keeping, use or distribution of such information could be illegal and result in civil liability and/or criminal penalties.

Finally, the Representatives shall take care not to inadvertently disclose confidential information. For this reason, all materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers, shall be stored securely.

### *Protection of Personal Data*

*(for more details please refer to CPI Property Group Data Protection Policy)*

We comply with applicable laws on privacy and data protection, including Regulation (EU) No. 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR).

We collect and retain personal data only to the minimum extent and for proper purposes as required by applicable laws and the Group's operation need. We also take all necessary or appropriate steps and measures to comply with applicable laws to safeguard and fairly process personal data, to maintain the confidentiality of personal data and prevent any accidental destruction, alteration, modification, loss, misuse, unlawful use or processing of, or unauthorized access to, personal data.

Certain Group companies have appointed Data Protection Officers, having the functional and organisational responsibility for compliance with applicable laws and the Group's internal rules on personal data protection. The Group companies and their Representatives shall report any alleged breach of applicable laws or the Group's internal rules on personal data security to the relevant Data Protection Officer.

### *Use of Group's Assets*

The Group's assets, facilities and services provided to the Representatives are for professional use only. Without prior authorization it is forbidden to take possession of or use Group's assets for personal gain or advantage, to alter, remove or destroy Group's assets, or to use the Group's services or equipment for personal purposes. Also, the Group's landlines and cell phones, e-mail services, internet access and other equipment and subscriptions must be used primarily for professional purposes. Concerning access to the internet, it is forbidden to download non-professional data or to visit websites, whose content is unlawful or could be otherwise detrimental to the Group's reputation.

### *Use of Agents*

Honesty and integrity are key standards for the selection and retention of those who represent, or act on behalf of, the Group. Our policy is that agents acting on our behalf must be willing to certify to their compliance with our internal rules and procedures, including this Code of Ethics, and may never be retained to circumvent our ethical and business standards.

### *Political Involvement, Lobbying and Public Policy*

We encourage our Representatives to become involved in civic affairs and to participate in the political process. This is a way, in which we all can practice good citizenship and make meaningful contributions to our communities. However, any political activity on the Representative's own behalf must occur strictly in an individual and private capacity, not on behalf of the Group, strictly in the Representative's own time and may not be detrimental to the reputation of the Group.

Moreover, use of the Group's resources or funds to campaign for an elected position or make a contribution to a political party or candidate is strictly prohibited. The Representatives interested in serving in an elected or appointed public position shall advise the Compliance Officer to ensure understanding of the Group's internal rules and possible legal ramifications and to manage possible conflicts of interests, including anti-bribery and anti-corruption compliance requirements.

Any lobbying activities on behalf of the Group may be pursued only by persons duly authorized thereto. Any such activities may never be detrimental to the reputation of the Group or collide with rules concerning prohibition of corruption, bribery and frauds (as specified in the above section on Prohibition of Corruption, Bribery and Frauds).

### *Protection of Good Reputation*

In order to avoid inappropriate or inaccurate reputation and publicity of the Group, we disclose information concerning the Group and its work to the media (whether printed, broadcasted or on the internet) or otherwise to the public only through authorized persons and specific limited channels. We disclose only true, accurate and not misleading information. The Representatives may not provide any information to the media or public about the Group and its work, regardless whether off-the-record, for background only, confidentially or secretly. All inquiries or calls from the press shall be referred to the Public Relations and Marketing Director of the Group.

Accounts on the social networks under the Group's brand can be established only with prior consent of the Group. Information published by the Representatives on the social networks via their private accounts may not be detrimental to the Group's reputation, but each Representative shall strive to protect and enhance the Group's reputation.

We also use only decent and ethical marketing and advertising.

### *Rules for Gifts and Hospitality*

Giving gifts to or accepting gifts from, as well as providing hospitality to or accepting hospitality from, individuals or entities that we do business with, may be a valuable way for the Group to establish and maintain good business relationships. However, it may never collide with rules concerning prohibition of corruption, bribery and frauds (as specified in the above section on Prohibition of Corruption, Bribery and Frauds).

### *Rules for Charity and Sponsorship*

We believe that charity and sponsor contributions are important to the communities, where we operate. We respect our local communities and do our best to broaden recognition of the Group's capabilities to improve community relations.

Therefore, we provide addressed financial support to specific sport, cultural, charitable and social projects and activities, however, never in order to obtain illegal or non-ethical benefit or advantage. We always keep neutral apolitical position and never provide financial or other support to political parties or movements.

## **V. HUMAN CAPITAL**

*(for more details please refer to CPI Property Group Human Capital and Employment Policy)*

It is our belief that people are our largest and most important asset. Therefore, we summarize below the foundation theme for our approach to our Representatives, in particular to our employees.

### *Labour Relationships*

We put all efforts to creating family-like relationships on all our workplaces, where each Representative feels included, valued and respected. Accordingly, we expect all our Representatives to show honesty, openness, integrity and dignity in their mutual relationship. We tolerate no abuse, mental or physical.

### *Equal Treatment, Non-Discrimination and Diversity*

We believe that best synergies occur, when different personalities and characters come together. We therefore strive to create an inclusive workplace supporting diversity.

We do not tolerate any form of unequal treatment or discrimination based on any characteristics that do not relate to work, such as age, gender, religion, race, nationality, language, political views or associations.

### *Recruitment Policy*

We make sure that all our Representatives are selected based on merits and that no criteria unrelated to the position are considered in the selection process. We try to hire the right person at the start, considering their qualification, motivation, plans and expectations.

### *Remuneration*

We operate a market-oriented remuneration scheme that provides generous remuneration to our Representatives and drives results.

### *Retention Policy*

We know that money is not everything. To retain our employees, we provide a wide scope of employment-related benefits, ranging from mortgage loan support and coordination, life insurance and pension scheme via educational support to support of leisure activities. We also want our Representatives to have sufficient time to refresh and to attend to their personal lives. We therefore support flexible working arrangements whenever possible and respect any statutory leaves and rest periods.

### *Career Development Measures*

Development and growth of our Representatives is extremely important to us. We use numerous mechanisms to ensure that all human potential is uncovered, developed and put into use, such as regular feedback, mentorship, individual and team trainings, employee fulfilment and elevation process, professional growth monitoring and an employee promotion scheme.

### *Safety and Health Protection*

We believe that all our Representatives deserve to work in a safe and injury-free environment and we adopt all available measures to identify and eliminate risks to health that may appear in the workplace.

### *Prohibition of Illegal Employment*

We do not tolerate any form of illegal employment such as child, compulsory or forced labour and hidden (de facto) employment. Employment of foreigners must always comply with immigration and other laws governing employment of foreigners.

## **VI. ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY**

*(for more details please refer to CPI Property Group Environmental and Corporate Social Responsibility Policy)*

### *General Approach to Environment*

The real estate sector has an undeniable impact onto the environment and the environment has an impact onto the real estate sector. Therefore, it is of utmost importance for the Group to conduct its business in line with the highest environmental, social, and ethical standards, with an approach that is responsible, comprehensive, pragmatic and sensible. It is a priority of the Group to promote a sustainable approach towards real estate development and management, as well as to inspire and encourage other actors in the sector, be it business partners or even competitors.

Such sustainable business model will not only enable the Group to achieve its business objectives, but also will not present an extreme burden upon the environment for the present and future generations. In this regard, the Group strives to act as proactive owner and asset manager and to improve its performance on a continuous basis, quality, and resilience of its assets through local and regional efforts.

We put great emphasis on awareness making, both internally and externally, in all environmental, social and ethical matters. Therefore, we provide regular trainings and frequent communication on the related policies and undertakings at all levels. There is a range of individual and team training opportunities, professional growth monitoring, and responsibility development plans, the purpose of which is to prepare the Representatives to be at all times aware of their responsibilities, and to help the Group achieve its objectives.

### *Environmental Protection and Prohibition of Damaging Environment*

Environmental concerns are reflected at all levels and in all matters throughout all our activities, including all stages of the investment cycle, handling of natural materials, innovation, management of assets and procurement. At the centre of our endeavours are our strategic priorities, which are high-standard performance, energy efficiency, optimized use of natural and other resources, renewable energy sources, green buildings and innovation.

We believe that you measure what you treasure. Therefore, we put great efforts into monitoring, reporting, and evaluation of available data of our environmental and social performance. In order to adhere to the highest industry standards, we conduct internal, as well as external audits and reviews. We reflect environmental concerns in the performance indicators, both with respect to Representatives and at Group level.

### *Corporate Social Responsibility*

Real estate is at all times inevitably shaped by, and connected with, the communities and environments. We are therefore fully committed to bear our share of the responsibility, to act transparently, ensure accountability, and promote accessibility, inclusivity, and smart livelihoods. We strive to maintain the highest standards, wherever possible – through our Representatives, as well as when seeking and dealing with our customers, suppliers and other business partners.



## **VII. ACCOUNTING, TAXATION, REPORTING AND RECORDS RETENTION**

The Group is successful real estate group, whose equity and certain debt securities are listed on multiple European stock exchanges. The Group duly complies with all accounting, tax and reporting obligations, as given by applicable laws, including obligations towards the respective stock exchanges.

The Group's books, records and other documents serve as a basis for managing its business, and are important for meeting its obligations, including accounting and tax obligations and those towards customers, suppliers and other business partners and stakeholders. Therefore, the Group protects and maintains its books, records and other documents in compliance with applicable laws and the Group's internal rules. Additionally, each Representative is responsible for managing documents and records under his/her control, including that documents and records are maintained in consistence with applicable laws and the Group's internal rules, and for avoiding the inadvertent disposal of such documents and records. On the other hand, each Representative shall appropriately dispose of non-essential documents and records, which are not needed any more (such as duplicate copies, reference files or drafts).

The integrity of the Group's books, records and other documents depends upon the validity, accuracy and completeness of the underlying information, including invoices, time reports and other inputs. Therefore, all such underlying information must be properly recorded, classified and summarized in accordance with the Group's internal rules, which, in turn, shall comply with generally accepted accounting principles and applicable laws. Making any false or misleading entries on any Group's books, records or other documents, including financial reports, test reports or time reports, is strictly prohibited.

Any payments made or received by the Group must be promptly and accurately recorded in the books. No payment on behalf of the Group shall be approved without adequate supporting documentation, nor made with the intention or understanding that any part of such payment is to be used for any unlawful purpose. Finance and accounting officers of the Group have a special fiduciary responsibility to ensure that the Group's finance and accounting practices support the full, fair, accurate, timely and clear disclosure of the Group's financial condition and results of operations.

## VIII. IMPLEMENTATION

This Code of Ethics was approved by the Board of Directors of CPI Property Group S.A. on 27 March 2019, and shall be revised from time to time, as determined by the Board of Directors of CPI Property Group S.A.

As a general rule, the overall responsibility for the pursuing of individual policies comprised in this Code of Ethics rests with the Board of Directors of CPI Property Group S.A. that acts through the Compliance Officer, unless in any Group's internal rule stated otherwise.

Implementation of this Code of Ethics and other Group's internal rules falls within the competences of the Compliance Officer. In this respect, the Compliance Officer is responsible for ensuring that all Representatives (and other relevant persons and entities) receive information about this Code of Ethics and other Group's internal rules, and for organizing and carrying out internal trainings to increase understanding of the issues governed thereby.

On operative level, it is the responsibility of each managing employee to ensure that this Code of Ethics and other Group's internal rules are complied with within his or her area of responsibility. The Compliance Officer reports on a regular basis to the Board of Directors of CPI Property Group S.A. on the implementation of this Code of Ethics and other Group's internal rules, compliance therewith, and related issues and incidents, if any. Compliance with this Code of Ethics and other Group's internal rules is also subject to the Group's internal audit, and is overseen by the committees of the Board of Directors of CPI Property Group S.A., if appropriate.

This Code of Ethics is an attempt to point all of the Representatives in the right direction, but no document alone can achieve the level of principled compliance that we are seeking. In reality, each of the Representatives is personally responsible for his/her actions and must actively seek out and absorb the relevant information, strive every day to maintain his/her awareness of the relevant issues and comply with the Code of Ethics's principles and spirit to the best of his/her abilities.

Any Representative being uncertain about how to apply or interpret any information set forth in this Code of Ethics or other Group's internal rules, is encouraged to refer the matter to, or seek the advice of, the Compliance Officer. Should not be the Compliance Officer competent or able to answer or handle the Representative's query, he/she will refer the Representative to the competent officer or department.

As a general rule, any breach of applicable laws, this Code of Ethics or other Group's internal rules is to be reported, unless in any Group's internal rule stated otherwise, to the Compliance Officer or through the whistle-blowing procedure. The Compliance Officer, in turn, will inform the Board of Directors of CPI Property Group S.A. on material breaches, so that proper investigations and adequate steps and measures are undertaken.

As a consequence, any violations of this Code of Ethics and other Group's internal rules will not be tolerated and any Representative, who violates the standards set forth in this Code of Ethics or other Group's internal rules may be subject to disciplinary action, which, depending on the nature of the violation and the history of the respective person, may range from a warning or reprimand to termination of employment or other relationship and, in appropriate cases, civil legal action or referral for regulatory or criminal prosecution.