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## ANTI-CORRUPTION POLICY OF INTERNATIONAL TOBACCO MACHINERY POLAND SP. z o.o.

### 1. Goal

**International Tobacco Machinery Poland Sp. z o.o. (hereinafter “Company” or “ITM”) recognizes the transparency and honesty in all areas of our business activity. We practice the policy of the highest standards of professional ethics and zero tolerance of corruption.**

We address this Anti-Corruption Policy to our employees and associates and all business partners of ITM. Moreover, every entity acting for or on behalf of ITM is obliged to observe the rules and standards described herein.

### 2. Definition of corruption and other economic abuse

**Corruption** means activities that demonstrate all statutory features of crimes qualified as corruption under legal regulations being in force in the country where the addressees of this Policy undertake any actions. Corruptive actions are most often defined as activities involving any material or personal benefit to oneself, others or the Company, such as bribery, paid protection, trading in influence, abuse of power, and legalization of proceeds from corruption.

Corruptive activities may take place in active form i.e. offering, promising, or giving undue advantage, or passive form, such as soliciting, requesting undue advantage, consenting to receive and accepting undue advantage.

Corruption occurs when one wants to achieve for himself, others or the Company a certain goal and promises, proposes or grants a financial, personal or other profit to an official, a person performing an economic function, or to any other private entity in order to achieve this certain goal by influencing the objectivity of such an official or other entity.

It has to be taken into consideration that in various countries the definition of an official may differ and may cover for example: government official, civil servant, self-government employee, public officer, a person performing active military service, employee of a government enterprise, etc.

Corruption means also accepting a financial, personal or other advantage in a situation when it can influence the objectivity of a decision or professional activities of the person to whom the advantage is offered.

The phenomenon of corruption may occur in case of actions performed by oneself or with the help of an intermediary.

Potentially corruptive activities may also be recognized as corruption.

### 3. Basic rules of ITM anti-corruption policy

- 1) It is forbidden to offer, give or accept bribes.
- 2) It is forbidden to offer or give any unofficial fees/ gratifications facilitating the settlement of transactions even if the local law allows for it.
- 3) It is forbidden to offer presents or invitations to entertainment events with the intention of influencing the professional judgement of others.
- 4) It is forbidden to accept presents and invitations that may influence the professional objectivity.
- 5) It is required to report conflicts of interests in a situation when the scope of private, social, financial or political activity of an employee/ associate covers with his professional duties.
- 6) It is required to report any noticed corruptive activities to the Management Board.

### 4. Examples of corruptive and unethical activities

In actions for and on behalf of ITM, in internal relations as well as the relationships with external entities, widely understood corruption is forbidden.

Below there is a list of exemplary activities that are recognized unacceptable by ITM due to its corruptive and unethical character:

- 1) offering, making promises of giving and giving any presents, money or any other profits to any person, as well as causing or rewarding wrong behavior (understood as behavior contrary to the principle of acting in good faith, contrary to the impartiality principle or breaching the confidentiality obligation) or undue influencing upon any decision of a government official or private entity in order to gain profit for oneself, others or the Company.
- 2) taking advantage of free travels or other offers of entertainment, accepting gifts or other profits proposed to the employees/ associates/ Company partners (except for those allowed by this Policy) or to their families or close friends by the contractors, potential contractors, the Company employees or any other person being in any relations with the Company. Such activities cover also travels, entertainment, gifts and other profits proposed, offered or given in return for unauthorized business or personal benefits.
- 3) accepting and receiving in any form of presents, money or any other financial, material or personal profits from anybody (directly or indirectly) as the means to reward or induce wrong behavior,
- 4) making promises as to any payment facilitations (i.e. payments used for facilitating or fastening of official procedures to which the payer has the right without any additional fees) directly or indirectly connected with the Company,
- 5) not reporting and tolerating of any violations of law or Anti-Corruption Policy.

The Company recognizes as acceptable certain small gifts (with the exception of alcohol and groceries) as well as some forms of entertainment for private persons under the condition that the gifts are of low value, have basis in the local tradition, are compliant with the applicable law and the local business practice and they are not offered in order to gain unfair advantage but they are only a sign of courtesy. It is however essential to remember that before taking any actions one should make sure whether the above described activities do not qualify as corruption in a given country or in the business policy of the contractor.

In order to avoid any doubts, offering or accepting small gifts or forms of entertainment as the sign of courtesy of a value exceeding PLN 50.00 (fifty Polish zlotys) or of a total value exceeding PLN 500.00 (five hundred Polish zlotys) per calendar year or the equivalent of this value in any foreign currency or in the form of alcohol or groceries (regardless of their value) requires consent of the ITM Management Board.

The Company considers unacceptable giving small gifts in the form of alcohol or groceries to ITM employees in the territory of the Company even if it is based on the local tradition or presents low value.

ITM employees are obliged to be very cautious in contact with officials or state owned entities and each time they need to make sure that handing over even a small gift is compliant with the applicable law and policies and guidelines of the Company because gifts and forms of entertainment that are admissible in relations with corporate clients may be illegal or unethical in relations with public officials. Some governments or companies may apply regulations forbidding their employees and officials to accept any more or less valuable objects or services from anybody. Moreover, one has to remember that many private entities have their own anti-corruption policies that may be more strict than the statutory regulations in a given country.

## 5. Reporting of violations and doubts

In each case when an employee or associate obtains information regarding any violations of the ITM Anti-Corruption Policy, anti-corruption policy being in force at the ITM business partner's and/or statutory legal regulations, she/he is obliged to immediately report such violations to the Company. Such reports may be performed by addressing an electronic message to: [zgloszenia@itmgroup.eu](mailto:zgloszenia@itmgroup.eu) or directly to the Company's Management Board in a written form. Similarly, when there is suspicion or possibility of violating the above rules, and also in case of indirect or direct contact with a situation of requesting, demanding or suggesting by anybody as to the above mentioned violations, an employee/ associate is obliged to report every such case.

An employee/ associate is obliged to report any doubts, concerns or questions in the scope of the above rules immediately after the doubts appear and before taking any actions which can have a negative impact upon the Company.

In case of receiving a present/ gift exceeding the maximum value allowed under the ITM's Anti-Corruption Policy of which the employee/ associate had no chance to refuse due to the delivery form e.g. via mail, and also in case of receiving a present/ gift to which the employee/ associate has doubts if it breaches the Anti-Corruption Policy, such employee/ associate is obliged to immediately report such event to the Management Board of ITM by sending an e-mail to [zgloszenia@itmgroup.eu](mailto:zgloszenia@itmgroup.eu) or directly to the Company's Management Board in written form – in both cases the sender needs to indicate the donor person and the circumstances in which the present/ gift was given.

An employee/ associate is obliged to submit the above described reports immediately and only in good faith, and should make every effort to document the reported problems and questions as far as possible. The report immediacy is an important element in the employee's / associate's good faith assessment.

In case of reporting the potential breaches in accordance with the rules described in this Policy, the identity of the employee/ associate that has submitted the report shall be kept confidential to the maximum extent possible and the Company shall investigate every report with due diligence.

## 6. Liability

Breach of the Company's Anti-Corruption Policy by an employee/ associate may cause the application of disciplinary sanctions, including immediate termination of employment contract/ cooperation contract.

The employee/ associate that has been proved to act to the detriment of the Company or cause damage to the Company upon the employee's/ associate's fault, may be held materially liable in accordance with the legal regulations.

In case of reasonable suspicion of the ITM Anti-Corruption Policy infringement or proven breach of the ITM Anti-Corruption Policy by ITM's business partner, the Company has the right to suspend cooperation until the matter is clarified or to immediately terminate the cooperation contract.

Notwithstanding the above, in a situation when the corruptive or unethical actions or other economic abuse have exposed the Company to financial losses or other damages, including any sanctions imposed by public authorities or contractual penalties, such a case may be addressed to the civil and/or criminal court.

Every employee/ associate of ITM is obliged to acknowledge with the current ITM Anti-Corruption Policy in the form of a written statement.

One-time acceptance of this Anti-Corruption Policy by ITM's business partner means the acceptance of its' compliance to all future contracts with ITM and any further cooperation with ITM. ITM reserves the right to amend this Anti-Corruption Policy at its' discretion at any time by posting the updated policy on the website of ITM: [www.itmgroup.eu](http://www.itmgroup.eu)

**Management Board of ITM Poland Sp. z o.o.:**



**Leszek Sikora**



**Anna Pucula-Porochnenko**

Radom, 13.11.2017