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CODE OF CONDUCT

Rev. 1

27.05.2022.

Created by
QMS & Compliance manager

Approved by CEO

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1 Preamble

Since 1990s or since the first day when it was possible to register a private company, Primacošped d.o.o. continuously offers international forwarding, domestic and international transport services. In 100% of private, family Šimić ownership and within 26 years of business, company has grown into one of the leading national companies in its industry.

Today, Primacošped is ONE STOP SHOP for all purposes of domestic & international transport: road, air, sea etc., within all transport routes and transport assets, freight services, customs clearance representation and performing customs procedures as Authorized Customs Freight Forwarder at border crossings.

Developed, well-built technologies and skills in all areas of shipping and delivery of goods, which are used on a daily basis for completing business activities and tasks, are providing high quality answers and solutions for every high level demanding activities and inquiries, which are also comparative advantages ahead of our competitors. Our reputation, credibility and business ethics are of the highest importance, created by all of our employees and theirs long-term work.

With clear vision, dedicated work and continuos investments in human resources i business infrastructure since its foundation, Primacošped has grown into national leader of international freight forwarder.

Primacošped has adopted a zero tolerance attitude towards all types of devations and violation of this Code of Conduct which is completely and fully supported by Management Board.

2 Purpose

Every multinational company runs business combining the work of its employees with the active support of its suppliers and customers. In today's surroundings in which anti-corruption laws are being strictly enforced, companies can be directly exposed to major responsibilities if their employees or business partners violate applicable laws. In various jurisdictions bribery and corruption are considered as criminal offenses or felonies for both parties, as for individual, so for his employer. Primacošped is obliged to prevent, refuse and detect any kind of bribery attempts and other corruptive business practices.

3 Scope

These guidelines are applicable to all of the affiliates and business within Primacošped. All of the affiliates shall endeavor to accept, apply and promote these guidelines and procedures in accordance to principles of these guidelines. Risk control against unethical and business malpractices is an obligation for every affiliate within Primacošped. Company has also developed a training program for business partners in order to minimize mentioned risks and to enhance business relationships with comissioned business partners. With that kind of approach, Primacošped will ensure that its business partners share our commitment to business accordingly to ethical principles, fairness and on a highest integrity level in accordance withPrimacošpeds own principles and guidelines.

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4 Conflict of interest

Every employee is obliged to detect and report any kind of conflict to his superiors and also to take actions to avoid and to reject all of the personal interests before, during and after performed business processes. Employees, busines partners and other relevant acters are expected to report to Primacošped any situation that may appear as a conflict of interest especially any kind of economic issue. Any situation or activity in which the personal interests of the Primacošped conflict with the interests of other acters are to be avoided. Conflict of interest occurs when employee has personal or financial relationship or some other interest which could have a realistic or assumed influence on making a decisions or taking actions which couldn't be considered as decisions of the best interest of Primacošped; or when employee uses his function (position) in group for his own personal benefits. In case of any suspicious actions, employee must always request for advice of his superiors or law and legal department of Primacošped. One of the highest values of Primacošped is to have and maintain an excellent repuration. Performing business activities accordingly to ethical principles an with personal integrity are of the highest importance for Primacošped. Commitment to business integrity actually means that would rather lose an opportunity or sales than to get or achieve benefits using impractical or unethical assets (means). **Conflict of Interest is strictly forbidden for Primacošped and its employees.**

5 Legislation

This Code of Conduct is based on our values and considers inter alia the Universal Declaration of Human Rights, the principles of the UN Global Compact, the ETI Base Code, ISO14001, United Kingdom Bribery Act 2010. and developed standards for corruption prevention. All of the affiliates and its employees are obligated to perform business activities accordingly to applicable domestic laws and business practices. If an employee does not understand law and business practices terms, he / she should ask for professional assistance of his superior and / or law and legal department.

6 Bribery & Corruption definitions

6.1 Bribery

Bribery is the offer or acceptance of anything of value in exchange for influence on a government / public official or employee. In general, bribes can take the form of gifts and payments of money in exchange for favorable treatment, such as awards of government contracts. Other forms of bribery may include property, various goods, privileges, services and favors. Bribes are always intended to influence or alter the action of various individuals and go hand in hand with both political and public corruption. No written agreement is necessary to prove the crime of bribery, but a prosecutor generally must show corrupt intent. In most situations, both the person offering the bribe and the person accepting it can be charged with bribery. Legal sanctions can be far-reaching in case that guilt has been proved and may contain: financial or long-lasting prison sentence for people involved into bribery actions, financial fines for Primacošpeds affiliates whos representatives are involved into bribery actions and mandatory exclusions of employees involved into bribery actions and if they are corrupt.

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6.2 Corruption

Corruption is the misuse of power (by heritage, education, marriage, election, appointment, business or whatever else). Corruption is also dishonest behavior by those in positions of power, such as managers or government officials. Corruption can include giving or accepting bribes and inappropriate gifts, double dealing, „under-the-table" transactions, manipulating elections, diverting funds, laundering money and defrauding investors. Penalties for being found guilty of corruption include fines, imprisonment and a damaged reputation. Engaging in corrupt behavior may have negative long-lasting effects for an organization. Corruption is likely to cause inefficiency when assets are used inappropriately. When corruption occurs within an organization, unflattering media coverage typically follows, which may result in customers losing trust in its business practices and products.

There must be a strong focus on education; it must reinforce best business practices and alert managers and employees where to look out for corruption. This can be achieved by introducing mandatory learning such as anti-corruption and anti-bribery courses. Senior executives and management must set a strong culture of honesty and integrity by leading by example.

Corruption is likely to be reduced with accountability mechanisms in places; this is likely to reinforce a culture that fosters strong ethical behavior while holding those to account who violate the norms. Corruption can further be reduced by making it easy to report, whether by managers, employees, suppliers and customers. It must be often overlooked by colleagues. **Corruption is strictly fobidden in / from / by / to Primacošped and all of the employees, affiliates, suppliers and customers.** Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions (such as Ministry of Internal Affairs) about detected bribes and corruptions.

7 Various Labour Laws

7.1 Forced labour

Forced labour is any work or service which people are forced to do against their will, under threat of punishment. It affects millions of men, women and children around the world. It is most often found in industries with a lot of workers and weak regulation. These include:

- Agriculture and fishing
- Construction, mining, quarrying and brick kilns
- Domestic work
- Manufacturing, processing and packaging
- Market trading and illegal activities

Forced labour is the most common element of modern slavery. It is the most extreme form of people exploitation. Although many people associate forced labour and slavery with physical violence, in fact the ways used to force people to work are more insidious and ingrained in some

cultures. Migrant workers are targeted because they often don't speak the language, have few friends, have limited rights and depend on their employers. Forced labour happens in the context of poverty, lack of sustainable jobs and education, as well as a weak rule of law, corruption and an economy dependent on cheat labour.

Forced labour is strictly fobidden in Primacošped and all of the employees, affiliates, suppliers and customers. Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions (such as Ministry of Internal Affairs and Ministry of Labour and Pension System) about detected forced labour.

7.2 Child Labour

Child labour is work that harms children or keeps them from attending school. Around the world growing gaps between rich and poor in recent decades have forced millions of young children out of school and into work. The International Labour Organization estimates that 216 million children between the ages of 7 and 17 currently work under conditions that are considered illegal, hazardous, or extremely exploitative. Underage children work at all sorts of jobs around the world, usually because they and their families are extremely poor. Large numbers of children work in commercial agriculture, fishing, manufacturing, mining and domestic service.

Such labour involves at least one of the following:

- Violates a nation's minimum age laws
- Threatens children's physical, mental or emotional well-being
- Uses children to undermine labour standards
- Prevents children from going to school
- Intolerable abuse, child slavery, child trafficking, debt bondage, forced labour or illicit activites

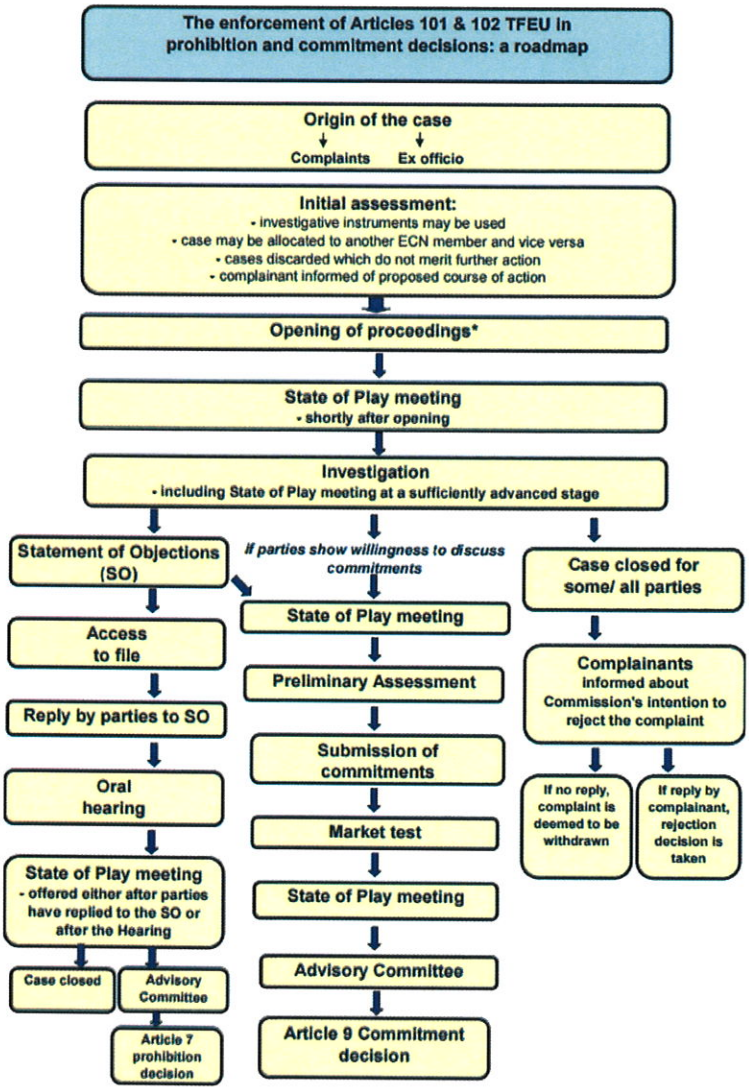
The use of child labour is strictly prohibited, in line with ILO Convention 138 on the Minimum Age and Convention 182 on the Elimination of the Worst Forms of Child Labour, as for Primacošped, its employees and affiliates so for suppliers and customers. Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions (such as Ministry of Internal Affairs and Ministry of Labour and Pension System) about detected child labour.

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8 Antitrust Law

Antitrust Law is a statut developed by various Governments to protect consumers from predatory business practices by ensuring that fair competition exists in an open-market economy. **Antitrust Law violations are strictly prohibited for Primacošped, its employees and affiliates, suppliers and customers accordingly to Antitrust Legislation of the European Commission / EU Competition Law.** Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions (such as Domestic Competition Agency and European Commission) about detected violation.

Investigation flowchart



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8.1 Conduct vis-à-vis Competitors

Primacošped's Code of Conduct, when dealing with competitors, characterizes in particular by the following main guidelines and rules:

- Honest and fair contact with the other person
- Respectful behavior and mutual consideration
- Cooperation in the spirit of partnership
- Equal treatment of all
- Conduct in harmony with the applicable law

In dealing with competitors, activities aimed at influencing prices and conditions, dividing up sales territories or customers or using means to inhibit free and open competition are strictly prohibited. Joining into a „cartel" is also prohibited. Given the fact that it can be difficult to distinguish between prohibited „cartels" and legitimate collaboration, the signing / acceding company shall designate a person who can be contacted in case of doubt.

9 Expectations of Employees

Primacošped's employees are expected to adhere to the various good business practices. They are also, at all times, regardless of role / function, expected to:

- Treat others with dignity and respect at all times
- Support the mission and values of the company
- Conduct themselves in an ethical manner at all times
- Comply with departmental, company and european expectations, policies and procedures
- If management, adhere to management responsibilities
- Report to work as scheduled and seek approval from their supervisors in advance for any changes to the stablished work schedule, including the use of leave and later or early arrivals and departures
- Perform assigned duties and reponsibilities with the highest degree of public trust
- Devote fill effort to job responsibilities during work hours
- Maintain the qualifications, certifications, licensure, and/or training requirements identified for their positions
- Demonstrate respect for the company and toward company coworkers, supervisors, managers, subordinates, clients, students and customers
- Use company equipment, time and resources as authorized
- Support efforts that ensure a safe and healthy work environment
- Utilize leave and related employee benefits in the manner for which they were intended
- Resolve work-related issues and disputes in a professional manner and through established business processes
- Meet or exceed established job performance expectations
- Make work-related decisions and/or take actions that are in the company's best interest

Drugs and alcohol are strictly prohibited for every employee, affiliates, suppliers or customers. **Primacošped has adopted a zero tolerance attitude towards all types of drugs and alcohol usage which is completely and fully supported by Management Board.** Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions (such as Ministry of Internal Affairs) about detected violation.

Failing to adhere as described, employees are a subject of Primacošped's Code of Labour and possible disciplinary actions in accordance to the Croatian Labour Law.

10 Expectations of Managers

In addition to the expectations identified above, management is responsible for and retains the authority to manage and direct the size of the workforce, the work environment, work assignments, work hours, promotions, demotions, transfers, dismissals and all other personnel actions. Managers are expected to:

- Set objectives and establish the goals that employees need to reach
- Organize tasks, coordinate his/her allocation and arrange the right roles for the right people
- Motivate and communicate in order to mold staffers into cooperative teams and to convey information continually up, down and around the organization
- Establish targets and yardsticks that measure results and clarify outcomes to ensure that the company is moving in the right direction
- Develop people through finding, training and nurturing employees, a company's primary resource
- Ensure a safe and respectful work environment
- Provide employees with ongoing feedback
- Address performance and/or behavioral problems in a timely fashion an in accordance with various laws, directives, norms, standards and guidelines
- Improve processes and quality

Failing to adhere as described, employees are a subject of Primacošped's Code of Labour and possible disciplinary actions in accordance to the Croatian Labour Law.

Actions that directly and irreversibly violate Primacošped's expectations:

- Payment of the fictitious deliveries or invalid invoices
- Dismissal of complaint / lawsuit or billing without documented, legitimate business justification
- Fictitious employments
- Providing special discounts without proper business justification
- Payment of the fictitious services

- Personal loans without expected repayment
- Gifts in the form of computers and office furniture that officials can exchange for personal use or benefit
- Increase the cost of service to create bribery opportunities

11 Guidelines & Principles promoting Social Responsibility

Primacošped completely and fully supports the United Nations Framework and Guiding Principles on Business and Human Rights and expects the employees, affiliates, suppliers and customers to respect all human rights, including labour rights, throughout theirs business activities.

Primacošped, its affiliates, suppliers and customers must grant their employees the right to Freedom of Association and Collective Bargaining in accordance with all applicable regulations, directives and laws.

Primacošped, its suppliers and customers must provide to their employees with wages and benefits that, at a minimum, comply with national laws. In any way, wages should always be enough to meet basic needs for employees and their entitles official dependents.

11.1 Human rights

Forced, bonded or involuntary prison labour are strictly prohibited in Primacošped. Employees are not required to lodge „deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice and in consultations with management board and legal & law department.

Primacošped, including its affiliates, suppliers and customers, must meet the ETI Base Code principles. The main principles regarding social responsibility are as follows:

- Employment is freely chosen
- Freedom of associatoin and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour is strictly prohibited
- Living wages are paid
- Working hours are not excessive
- Regular employment is provided
- Discrimination is strictly prohibited
- Harsh and inhuman treatment is strictly prohibited

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11.2 Discrimination

Primacošped, its affiliates, suppliers and customers must operate with dignity, respect and integrity in regards the treatment of its employees and must meet the following requirements:

- No discrimination in hiring and employment practices on the grounds of critera such as of race, colour, religion, gender, age, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests and marital status in accordance with the International Labour Organization Convention no. 111 on discrimination
- Psychological, physical, sexual or verbal abuse, threat or harassment, intimmidation must not be tolerated and has to be immediately reported to authorized person for the protection of employee dignity
- Respect the privacy rights of its employees whenever it gathers private information or performs employee monitoring practices

11.3 Health protection

Primacošped, its affiliates, suppliers and customers must guarantee protection of their employees in the workplace and workplace health protection withing the scope of national provisions as follows:

- A safe and hygienic working environemnt must be provided, bearing in mind the prevailing knowledge of the inustry and of any specific hazards
- Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with or occurring in the course of work, by minimising tge causes of hazards inherent in the working environment
- Employees must receive regular and recorded health and safety training. Such training must be repeated for new or reassigned employees
- Access to clean toiler facilities and to potable water, and if applicable, sanitary facilities for food storage must be provided
- Acommodation, where provided, must be clean, safe and must meet the basic needs of the employees
- Must assign responsibility for health and safety to a senior management representative
- Must be prepared for emergency situations. This includes employee notification and evacuation procedure, emergency training and drills, appropriate first-aid suppliers, appropriate fire detection system and suppression equipment and adequate exits out of facility
- Must regularly train employees on emergency planning, responsiveness and medical care
- Must employ at least one Health & Safety specialist in accordance with applicable laws and regulations

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11.4 Proper & fair working conditions

Primacošped, its affiliates, suppliers and customers must guarantee adequate resources for daily business performance and must meet requirements as follows:

- Working hours must comply with national laws, colletive agreements and the provisions of two articles below this one, whichever affords the greater protection for employees.
- Working hours, excluding overtime, shall be defined by eomployment contract and must not exceed 40 hours per week (affiliates located at i.e. border crossing are excluded due to specific nature of business where the office must be open 24/7)
- Overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workfoce as a whole. It shall not be used to replace regular employment and shall always be compensated at a rate defined by National Labour Law or Company Code of Labour.
- Working hours may exceed 40 hours in any seven day period only in exceptional circumstances where all of the follwing are met:

    - This is allowed by national law
    - This is allowed by agreement or collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce
    - Appropriate safeguards are taken to protect employees´ health and safety
    - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies

- Employees shall be provided with, defined in National Labour Law, day(s) off (resting days)

11.5 Environmental protection

Primacošped, its affiliates, suppliers and customers commit to comply with all legal laws and regulations, requirements and to demonstrate continual improvement of its environmental performance.

Primacošped, its affiliates, suppliers and customers are encouraged to improve theirs environmental performance where possible and commit themselves to act under the precautionary principles and also commit to bear the costs for environmental damage caused by his actions.

Sustainable and efficient use of resources is highly vital for every company. Primacošped expects others to work in a resource-saving way including recycling, waste reduction, proper wate disposal and closed loop operations.

Primacošped highly recommends implementing ISO 14001 or other applicable standards as management tools to improve the environmental protection.

Primacošped, its affiliates, suppliers and customers must make sure that they obtain, keep current and following the reporting guidelines of all the required environmental permits and registrations.

Primacošped, its affiliates, suppliers and customers must identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and proper disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances must be strictly followed. Every acter must comply with material restrictions and product safety requirements set by applicable laws and regulations. Everyone must ensure that key employees are aware of and trained in product safety practices.

Primacošped, its affiliates, suppliers and customers must optimise its consumption of natural resources, energy and water. Every acter must implement and demonstrate sound measures to prevent pollution and minimise accumulation of solid waste, wastewater and air emissions. Prior to disposal or discharge, companies must characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.

11.6 Company's business secrets

Primacošped, its affiliates and employees, suppliers and customers and its employees must safeguard trade and company secrets. It is strcitly prohibited to divulge confidential information, confidential documents to third parties without proper authorization or to provide other forms of access to them, unless proper authorization has been granted or it has to do with publicly available information.

There are eight basic categories of a comprehensive protection plan which includes:

- Creating agreements, policies, procedures and records to establish and document protection
- Establishing physical and electronic security and confidentiality measures
- Assessing risks to identify and prioritize trade secret vulnerabilities
- Establishing due diligence and ongoing third-party management procedures
- Instituting an information protection team
- Training and capacity building with employees and third parties
- Monitoring and measuring corporate efforts
- Taking corrective actions and continually improving policies and procedures

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions and every contractual side.

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12 Radius of special attention

12.1 Third parties

Third party is a group or a person who may be indirectly involved but is not principal party to an arrangement, contract, deal, lawsuit or transaction.

Third party's unethical performance can have legal implications and ruin Primacošped's reputation. By that fact, Primacošped endeavours to create and perform business activities with third party companies or individuals who are sharing the same ethical and honesty principles. Besides that, in order to secure confidential documents or information, Primacošped must perform a detailed document inspection created by third party company or individual.

In case of a third party's request to create and sign a written agreement containing anti-corruption and conduct guidelines, the following must by applied:

- It is a mandatory to inform a third party with our standards and code of conduct
- To enable agreement termination in case of anti-corruption, bribery, code of conduct or any other violation
- Include to determine applicable national laws
- NDA is a mandatory

12.2 Merger & takeover transactions

Primacošped, its affiliates, suppliers and customers can be called for accountability for past and future management board actions within merger and takeover transactons. Therefore it is of the highest importance to know those kind of companies involved in merger and takeover transactions, in order to ensure compliance to ethical and honesty principles.

In order to secure the compliance to this Code of Conduct it is a mandatory to perform detailed inspection of those companies and monitor their business activities after signing the contract.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions and every contractual side.

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12.3 Charity donations

A gift made by an individual or an organization to a nonprofit organization, charity or private foundation. Charitable donations are commonly in the form of cash, but can also take the form of real estate, motor vehicles, appreciated securities, clothing and other assets or services.

Primacošped, its affiliates, suppliers and customers can give charity donations at times, give individual and humanitarian donations. Those donations must be in accordance with ethic and honesty standards and must be compliant to national, legal regulations. Donations can be approved only by Chairman of the board. Approval, besides other actions and consultation with legal and law department, depends on Chairman's evaluation meaning that Chairman must ensure that there is no hidden reason behind donation i.e. a form of bribe. All of the payments related to donations must be properly recorded in legal and law department, and financial department with the necessary documentation regarding correspondence of such activities, which shall be properly archived in legal and law department, financial department and Chairman's office.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions and every contractual side.

12.4 Political sponsorships

For Primacošped, its affiliates and employees, suppliers and customers and its employees, any kind of political sponsorships are strictly prohibited.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions and every contractual side.

12.5 Interactions with public officials

The granting of personal advantages (benefits in kind such as payment and loans, including the giving of smaller gifts over a longer period of time), by signing companies and their employees to public officials (such as civil officials or public employees) with the objective of gaining advantages for the signing company or oneself or for third parties, is strictly prohibited.

Primacošped, its affiliates and employees, suppliers and customers and its employees must be fully compliant withthe above defined rule.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions.

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12.6 Using payment to accelerate processes

For Primacošped, its affiliates and employees, suppliers and customers and its employees, usage of payment in order to accelerate processes is strictly prohibited.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions.

12.7 Stimulations & gifts

Primacošped, its affiliates and employees, suppliers and customers and its employees are not allowed in the course of busines dealig to offer, promise, demand, give or accept gifts, payments, invitations or services that are provided with the aim of influencing a business relationship in a prohibited way or with whom there is the risk of jeopardising the professional independence of the business partner. This generally does not apply to gifts and invitations that are withing the bounds of normal business practice with regard to hospitality, convention and courtesy.

Before accepting gifts and invitations, every potential receiver must evaluate the cause which lies behind potential gift and invitation.

Inappropriate gifts must be kindly and always rejected and never offered to third parties. In case if an employee receives inappropriate gift while he / she wasn't aware of the significance of that gift, employee must, without delay, report receival of gift to superiors, management board and legal and law department.

Complete documentation and correpsondence regarding these activities must be kept and properly archived in legal and law department and financial department.

Stimulation of any value, either with cash or cheque, must be rejected. Offered gifts by public and government officials must be rejected.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions.

12.8 Travelling, accommodations, food & hospitality

For Primacošped, its affiliates and employees, suppliers and customers and its employees, while hosting and entertaining are legitimate business, they must exercise good judgement and must not knowingly host or attend business entertainment that is prohibited by national or by foreign law, or that is inappropriately lavish or in poor taste. To determine whether hospitality expenditure is ethical, they should ask themselves:

- How is this benefiting them?
- Can this expenditure be defended publicly?
- Has it been approved in the appropriate manner and in line with the appropriate delegations?

If the answers to any of the above are negative or are unclear, the expenditure must not proceed.

Same principles must be applied for travelling, accommodation and food expenditure evaluation.

All details regardng hospitality must be recorded, shown and kept (archived) in spreadsheet.

When Primacošped receives an invite, Primacošped must pay travelling expenditures, such as accommodation, food or hospitality. Hospitality for unknown companies is strictly prohibited. Offering or accepting travels, parties, food and hospitality toward public and governement officials is strictly prohibited.

Every suspicious action must be reported either to management board or law & legal department. Management board or law & legal department are obligated to perform investigation and provide the results to person who made the report and inform relevant institutions.

13 Monitoring & Compliance

There are various types of monitoring activities undertaken by Primacošped. Monitoring inspections are primarily undertaken to determine whether there is compliance with the Code of Conduct. QMS & Compliance manager in cooperation with legal & law department are responsible for monitoring execution.

Other activities undertaken by monitoring personnel are:

- Providing advice to organisations on appropriate procedures to maintain compliance
- Provisions of advice on the application of theoretical risk assessments in operational situations
- Gathering of information on possible adverse effects of non-compliance

The various types of monitoring are:

- Routine monitoring inspections based on risk profiling of a business activities
- Follow-up visits – there are undertaken to follow-up on issues or to check the implementation of corrective action
- Unannounced „spot checks“ – these are undertaken as a subset of the routine monitoring activities or as part of follow-up checks, incident reviews or investigations

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The purpose of routine monitoring visits is primarily to find out whether the Code of Conduct has been complied with. Secondary objectives of routine monitoring are to train (educate) organisations, affiliates and encourage compliant behaviour in a cooperative manner.

Final reports shall be created through implemented Quality Management Systems procedures (i.e. audit, non-conformances).

14 Documentation & restrictions

QMS & Compliance manager is in charge for handling documentation within implemented management systems.

Legal & law department is in charge for handling the Compliance Registry which contains folloing documents with records of:

- Charity donations
- Inappropriate gifts
- Hospitalities

Compliance Registry must be always available for revision purposes.

Primacošped must alway keep adequate documentation in order to prove which actions have been undertaken to prevent bribery, corruption and non-compliance to this Code of Conduct. All of the records must be fully compliant to finance and accounting principles which include:

- Copies of verified contracts (agreements)
- List of given and received gifts and hospitalities
- Detailed third party inspections

Failing to adhere as described, QMS & Compliance manager and legal & law department are subjects of Primacošped's Code of Labour and possible disciplinary actions in accordance to the Croatian Labour Law.

Legal & law department is in charge do suggest financial limitiations or restrictions for all of the Primacošped's affiliates and to maintain Registry of Currecnt Limitations (restrictions) with all of the records available for revision purposes. Limitations (restrictions) must be approved by management board.

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15 Malpractice suspicions reporting

Malpractice is any act, omission or practice that breaches our rules, conducts or compromises:

- The process of internal and external assessments
- The integrity of Primacošped qualifications
- The reputation and credibility of Primacošped

To report suspected malpractice employees are obligated to e-mail pok@primaco.eu with as much detail as possible.

The outcome of any investigation will be confidential between Primacošped and its employees, affiliates, suppliers and customers.

QMS & Compliance manager and legal & law department are aware and understand that Primacošped's employees wish to stay anonymous when reporting suspected malpractice. We take confidentiality very seriously and we'll always ask you for consent before revealing your identity to other parties unless we're legally obliged to do so. However, when we share information about your allegations with the relevant people, it may be possible for them to work out your identity.

16 Consequences of Malpractice

Malpractice of employees regarding this Code of Conduct, is going to have a disciplinary procedure as consequence. Final action will be employment termination. Management board in cooperation with law & legal department will be responsible to maintain a proper Conduct.

Management board is able to demand and request financial indemnity of company's employees accordingly to national Labour law, Code of Labour and Employment contract.

In case misconduct has led to contract termination between Primacošped and third party, and if ithas been properly reported to adequate institutions, police or management board, a civil lawsuit will be initiated against the acussed party.

17 Training obligation

All of the key employees are obligated to undertake a training. Key employees (such as affiliates directors) are obligated to pass on the knowledge to other collague and to communicate between themselves on a daily basis. This prescription shall be inspected withing the effectiveness check.

Training is performed by QMS & Compliance manager bianully or upon new employment of potential candidate or by legal & law department representative (in case of QMS & Compliance manager absence).

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18 Code of Conduct AOE

This Code of Conduct is applicable for every industry, for all of the sides involved in doing business: shipper, transporter, logistics centre, consignee, supplier, client, customers etc. There are no exceptions and no exclusions.

This Code of Conduct applies to all Directors, executive officers and employees of Primacošped.

This Code of Conduct shall be revised when required by social, business or other relevant conditions.

19 Terms & explanations

Management Board	A committee responsible for the management of a company
Employee	A person employed for wages or salary, especially at non-executive level
Inappropriate gifts	Valuable item offered with obligation to bring the adverse decision
Merger and takeover transactions	Takeover (acquisition) - An act of assuming control of something, especially the buying out of one company by another. Merger - A combination of two things, especially companies, into one. Joint ventures are also considered merger and takeover transactions
Political sponsorship	Is every contribution either in cash or some other reimbursement for supporting prefered political option

Governament official	An official who works for a government department.
Third party	A person or group besides the two primarily involved in a situation, especially a dispute or business
Zero tolerance	Non-acceptance of antisocial behaviour, typically by strict and uncompromising application of the law.

Document change history

Rev.	Created	Effective	Change description
0	20.04.2017.	01.05.2017.	Initial version
1	27.05.2022.	01.06.2022.	New version – no changes