

AUTO HRVATSKA Business Group

AUTO HRVATSKA d.d.
AUTO TANGENTA d.o.o.

MAN IMPORTER HRVATSKA d.o.o.
AUTO HRVATSKA PRODAJNO SERVISNI CENTRI d.o.o.
KAM I BUS IMPORTER d.o.o.
AUTO HRVATSKA AUTOMOBILI d.o.o.
AUTO HRVATSKA AUTODIJELOVI d.o.o.

KAM I BUS d.o.o., Doboj Jug
MAN IMPORTER BH d.o.o., Sarajevo
KAMION IMPORTER d.o.o., Doboj Jug

MAN IMPORTER MAKEDONIJA DOOEL, Skopje
KAM I BUS DOOEL, Skopje

KAM I BUS IMPORTER d.o.o., Ljubljana-Šentvid

Code of Prudent and Diligent Conduct in Business Activities

Act in use since November 5, 2015, updated on September 1, 2018.

Companies of the AUTO HRVATSKA Business Group (hereinafter: AUTO HRVATSKA) based on the Organization Regulations, Business policy, Property Protection Act, Work Regulations and employment contracts and with the consent of the Board of Directors of AUTO HRVATSKA d.d. have implemented on September 1, 2018 the following updated

CODE OF PRUDENT AND DILIGENT CONDUCT IN BUSINESS ACTIVITIES

I Fair Competition and Competition Laws

Fair competition allows for the free development of the market – with the development of related social benefits. The fairness principle relates to competition for market share.

Every employee is obligated to adhere to the principle of fair market competition.

What follows contains the types of conduct which can lead to not conforming with competition laws.

AUTO HRVATSKA employees may not:

- communicate with the competition on prices, capacities, salaries, offers, profit, margins, expenses, distribution methods or any other parameter that determines or may influence the conduct of AUTO HRVATSKA on the market, with the aim of influencing similar behavior in the competition,
- make agreements with the competition on non-competition, limiting trade with suppliers, as well as submitting fake offers and on sharing of customers, markets, territory or production programs, as well as
- influence presale prices, charged by buyers of AUTO HRVATSKA or attempt to limit import or export of goods supplied by AUTO HRVATSKA.

Employees may not attain data on competition using corporate espionage, bribes, theft or electronic surveillance, as well as consciously pass on false information on the competition and their products and services.

II Protection of Fair Competition: Bids and Approving Advantage

AUTO HRVATSKA competes for orders fairly with its quality and prices of its innovative products and services, and not with bids of inappropriate benefit. AUTO HRVATSKA

employees may not directly or indirectly offer, promise, approve or authorize providing money or any other value to a government official with the aim of influencing an official decision or for acquiring an irregular advantage. The same applies to private, commercial parties in a business transaction with the aim of attaining an irregular advantage. Every bid, promise, approval or gift must conform to appropriate regulations and policies of AUTO HRVATSKA and must not give the impression of ill intent or inappropriateness. No bid, promise, approval or gift may be given, if it could be interpreted as an attempt at inappropriately influencing a government official or as a bribe for a commercial party with the aim of approving a business advantage for AUTO HRVATSKA.

Employees may not provide money or anything of value indirectly (for example, to a consultant, agent, intermediary, business partner or third party) if circumstances dictate that such value may directly or indirectly be passed on to a government official with the aim of influencing an official decision or to acquire an inappropriate advantage, or to influence private, commercial parties in exchange for attaining an inappropriate advantage in a business transaction.

Responsible persons at all levels of AUTO HRVATSKA must take measures to:

- ensure that third parties understand and conform with the AUTO HRVATSKA policy on the protection of fair competition or related policies,
- ascertain the qualifications and reputation of such third parties and
- include the appropriate legislation that protects AUTO HRVATSKA in agreements and contracts.

This especially relates to, but is not limited to, situations in which employees contact government officials on behalf of AUTO HRVATSKA.

The expression “government official” in a wider sense includes officials and employees of any government or public body, agency or legal person, at any level, including officials and employees of businesses in public ownership or owned by local bodies or public international organizations, as well as candidates for public office, officials and employees of political parties and political parties in general.

III Anticorruption: Demanding and Accepting Advantage

Employees may not use their positions to attain, demand, accept or receive the promise of advantage. This does not relate to receiving occasional gifts of symbolic value or meals or entertainment of reasonable value in accordance with local customs and practices and internal regulations of AUTO HRVATSKA. Any other gifts, meals or forms of entertainment must be declined.

IV Prevention of Money Laundering

Money laundering is the process of hiding the nature and source of money connected to a criminal activity – for example, terrorism, the drug trade or bribery – by integrating

“dirty money” in the business process and presenting it as legitimate or in such a way that its source or owner cannot be identified.

AUTO HRVATSKA conducts business with reputable clients, consultants and business partners, who conduct legal business activities and whose funds are acquired through legitimate sources.

AUTO HRVATSKA does not condone money laundering. All employees shall conform to current legislation on prevention of money laundering and the appropriate procedures, such as the prompt notification of higher management in cases of suspicious payment offers, and all with the purpose of revealing and removing suspicious payment methods or clients and other transactions where the possibility of money laundering exists.

To avoid problems in this area, employees shall monitor and report suspicious behavior of clients, consultants and business partners.

Employees shall also monitor accounting and bookkeeping conditions related to possible forms and frameworks of receiving cash, especially from buyers who do not have a registered office in the Republic of Croatia.

V Avoiding Conflict of Interest

The duty of every AUTO HRVATSKA employee is to make business decisions in the best interest of AUTO HRVATSKA and not based on personal interests. Conflicts of interest arise when employees act and promote their own personal interests to the detriment of the interests of AUTO HRVATSKA.

Employees must notify their superiors of any personal interests that might be related to the performance of their professional duties.

Employees may not use companies with which they conduct business as representatives of AUTO HRVATSKA for personal contracts or orders if they stand to attain any advantage from such a contract or order.

This especially relates to cases in which an employee directly or indirectly influences or has the possibility to influence the decision on whether that company might finalize a contract with AUTO HRVATSKA.

A conflict of interest might arise in the business relationship with the competition or when conducting activities in the interest of the competition or participating in additional activities which prevent employees in performing their duties and responsibilities towards AUTO HRVATSKA.

It is important that all employees in their day-to-day work recognize and avoid conflicts of interest and even situations which might appear to be conflicts of interest.

VI Relationships with Suppliers

AUTO HRVATSKA expects its suppliers to conform to the same values and to do business in accordance with applicable legislation.

AUTO HRVATSKA expects its suppliers to act in accordance with the following principles, which AUTO HRVATSKA accepts as a responsibility related to interest groups and the environment:

- conforming with applicable legislation,
- respecting the basic human rights of employees,
- conforming with legislation that prohibits child labor,
- accepting responsibility for the health and safety of its employees and
- acting in accordance with applicable legislation and international standards on environmental protection.

VII Donations

AUTO HRVATSKA does not make political donations (donations to politicians, political parties and political organizations).

As a responsible member of the community, AUTO HRVATSKA may make financial donations and donations in the form of its products and services for education and science, art and culture, sports, as well as social and charitable projects.

Sponsorships for which AUTO HRVATSKA receives advertising are not considered donations, nor are contributions to industrial associations (chambers) or memberships in organizations which serve business interests.

Types of donations that are always prohibited:

- donations to individuals and for-profit organizations;
- donations sent to private accounts;
- donations to organizations whose aims do not conform with the corporate principles of AUTO HRVATSKA;
- donations which might damage the reputation of AUTO HRVATSKA.

The prohibition of donations to individuals and donations sent to private accounts does not apply to cases of donations in the field of copyright.

All donations must be transparent. The identity of the recipient, as well as the planned purpose of the donation must be clear, and the reason and purpose for the donation must be explained and documented. Quasi-donations, or donations which appear to be for payment of services, but actually are much bigger than the services rendered, are prohibited and they violate the principle of transparency.

Sponsorship relates to any contribution of AUTO HRVATSKA in money or any other means of contributing to an event organized by a third party in exchange for the opportunity to advertise the AUTO HRVATSKA brand. For example, by featuring the

AUTO HRVATSKA logo, by mentioning it in the opening and closing speeches or with the involvement of the speaker, as well as tickets for the event.

All contributions made as sponsorship must be transparent, conform with contracts and decisions, be in written form and serve a legitimate business purpose and they must be appropriate to what the event organizer is offering. Contributions may not be promised, offered or given so as to ensure an unfair advantage for AUTO HRVATSKA or for other inappropriate purposes and may not be offered for events organized by individuals or organizations whose goals are not compatible with the corporate principles of AUTO HRVATSKA or which may damage the reputation of AUTO HRVATSKA.

VIII Gifts – Incentives – Representation

It is permitted to accept and provide gifts and entertainment of modest value, if it is received or provided within the framework of usual business practices.

It is expressly prohibited to offer and provide money or monetary equivalents. Accepting and providing gifts and entertainment must not be frequent or excessive, as it may represent a risk of corruption or it violate laws or regulations. The value, type and frequency of providing gifts and entertainment must be commensurate with the status of the recipient and in all cases must be made in moderation and governed by common sense. Gifts and entertainment may not be provided if they might influence or may be perceived to influence the outcome of business transactions. Gifts and entertainment may not be provided if not done transparently, reasonably and in good faith.

It is prohibited to offer, promise or provide, both directly and indirectly, gifts, entertainment or hospitality or any other benefits to government and appointed officials, or officials of local government, without prior approval by:

- management, or the Executive Directors of individual AUTO HRVATSKA companies, when a request is submitted by a company employee;
- the chairman of the assembly of each individual AUTO HRVATSKA company, when a request is submitted by the management of the company;
- the Board of Directors of Auto Hrvatska d.d., when a request is submitted by an executive director of Auto Hrvatska d.d.

Occasionally, employees may be invited to an event and there are occasions when AUTO HRVATSKA as a host invites customers to an event. AUTO HRVATSKA does not prohibit its employees from participating or inviting partners to such events to further develop business relationships and come to a better understanding with business partners, while conforming with the following rules:

- the hospitality must be appropriate to business relations;
- hospitality must not exceed a monetary limit;
- all hospitality needs to be chronologically accounted for in the hospitality register;
- travel expenses and hotel expenses when an employee of AUTO HRVATSKA is invited will be paid by AUTO HRVATSKA, other than in cases stipulated by the Code;

- employees may not receive personal gifts that exceed the prescribed value limit, other than in cases stipulated by the Code.

If an employee is offered a gift, lunch, dinner or other form of representation that exceeds the guidelines and principles of AUTO HRVATSKA, the employee is obligated to politely decline and explain the principles of AUTO HRVATSKA.

If returning the gift might insult the gift giver or in circumstances where the nature of the gift given prohibits the returning of the gift, the employee is obligated to inform company management which will assist them in giving the item to charity, sharing it with a wider group of employees, organizing a random selection between a larger group of employees or finding some other transparent solution. If management or executive directors find themselves in this situation, they are obligated to act in the same manner.

In communication with suppliers and customers and before giving gifts, one should always keep in mind the rules which the suppliers and customers have with regard to gift giving and representation so as not to involuntarily insult someone or put them in an awkward position.

AUTO HRVATSKA stipulates the limits on receiving and providing of goods and services for its companies:

- for cost of overnight stay: up to HRK 1,000.00 (hotel up to **** stars)
- for cost of business gifts:
 - for business entities owned by state/local government: HRK 200.00
 - for business entities owned by private businesses: HRK 500.00
- costs of representation per person: HRK 300.00 (applies to all entities)
- for cost of representation events – based on prior approved expenses plan.

The above amounts include VAT.

A chronological register of hospitality, revenue and expenses must be kept at the level of each AUTO HRVATSKA company.

To exceed the set limits, a prior written consent of these bodies is required, which in accordance with the provisions of this section give prior approval for offering gifts to government officials and appointed officials, or to local government officials.

Approval of exceptions and exceeding limits should be obtained prior to the occurrence of the event for which an exception or exceeding limits was requested, in accordance with planned activities of each company.

Exceptions and exceeding limits should be reasonable, transparent, socially acceptable and fit the purpose for which it was requested.

IX Application of the Code

Application of the Code is monitored and overseen by the compliance adviser, who is appointed until revoked by the Board of Directors of Auto Hrvatska d.d. for all AUTO HRVATSKA companies. The Board of Directors is obligated to appoint a compliance adviser within 15 days of this Code coming into effect.

Each AUTO Hrvatska company must appoint a person from its employees who will manage a chronological register of hospitality, revenue and expenses. The Register template is an appendix and a constituent part of the Code.

The Board, or the executive directors of AUTO HRVATSKA companies are obligated yearly, no later than March 1, to submit a report to the Company Assembly and the compliance adviser for the previous year regarding the management of the register, non-compliance with the Code and suggestions for improving of prudent and diligent conduct in business activities. The compliance adviser is obligated to submit a report on received reports within 15 days of receiving them to the Board of Directors.

If the Board, or the executive directors of AUTO HRVATSKA companies fail to comply with the obligations from the previous paragraph by March 1, the compliance adviser is obligated to request and collect the reports in question within 15 days and deliver them to the Board of Directors. If the compliance adviser does not receive the requested reports even within these 15 days, he is obligated to notify the Board of Directors without delay.

At the request of the Board of Directors, the compliance adviser will collect and deliver reports for shorter periods, and if he becomes aware of any Code infractions he will pass this information to the Board of Directors immediately after learning of them.

The Boards, or executive directors of AUTO HRVATSKA companies, are obligated to deliver, at the request of the adviser, all requested data and information regarding conduct according to the provisions of the Code within eight days.

The provisions of the Code are also applied to all companies with headquarters in Bosnia and Herzegovina, to all companies with headquarters in the Republic of North Macedonia and to all companies with headquarters in the Republic of Slovenia.

For the aforementioned companies, limits are applied to received and delivered goods and services which are specified for companies in Croatia and are calculated according to current exchange rates of local currencies.

Considering the special circumstances, customs and practices of each country in which our companies do business, it is possible for the Board of each company to suggest changes to the limit which is then considered by the chairman of the Assembly of each company and approved after obtaining approval of the Board of Directors.

X *Code Infractions and Liability*

AUTO HRVATSKA managers and employees are responsible for infractions of the provisions of the Code.

For managers of AUTO HRVATSKA, non-compliance with the provisions of the Code represents a violation of obligations under the managerial contract and are reason for termination of the managerial contract.

For employees of AUTO HRVATSKA, non-compliance with the provisions of the Code represents a serious violation of employment obligations.

XI Final Provisions

The Code with the appendix is published on the AUTO HRVATSKA website and internal "ListAH" pages.

The regulations come into effect on the day of their adoption and are applied to all AUTO HRVATSKA companies.

Appendix: – Register template for hospitality, revenue and expenses

AUTO HRVATSKA d.d. Board of Directors

Chairman
Igor Brigljević

Deputy Chairman
Zlatan Jabučar

Member
Bogdan Tihava

AUTO HRVATSKA d.d.

Chief Executive Director
Bogdan Tihava

Executive Director
Robert Srebrenović

Executive Director
Zvonko Merkaš

MAN IMPORTER HRVATSKA d.o.o.
Director
Velimir Marović

AUTO HRVATSKA PRODAJNO SERVISNI CENTRI d.o.o.

Director
Mario Fabek

KAM I BUS IMPORTER d.o.o.

Director
Lari Host

**AUTO HRVATSKA
AUTOMOBILI d.o.o.**
Director
Alen Vuksan-Ćusa

**AUTO HRVATSKA
AUTODIJELOVI d.o.o.**
Director
Igor Božović

KAM I BUS d.o.o.
Director
Ivan Vuković

MAN IMPORTER BH d.o.o.
Director
Marko Tihava

KAMION IMPORTER d.o.o.
Director
Mirza Aličajić

MAN IMPORTER MAKEDONIJA DOOEL
Director
Ivica Viljac

KAM I BUS DOOEL
Director
Ivica Viljac

KAM I BUS IMPORTER d.o.o.
Director
Mario Tisanić

AUTO TANGENTA d.o.o.
Director
Caroline Vranić
