

ANTI-CORRUPTION POLICY OF AB S.A.

1. Introduction

AB S.A. (joint stock company) is one of the largest distributors of IT/household appliances & audio/video devices and toys in Europe. It is a listed company whose intention is not only to strive for growth and success but also to enhance the culture of running a business and its social responsibility.

That is why AB S.A. adopted standards of operation, based on ethical and responsible business principles as well as in accordance with applicable law. The principles which the company follows in its activities are intended to build up an entrenched anti-corruption culture in which offering, inciting or accepting bribes is an unacceptable behavior.

Applicable law covers not only Polish law but also foreign legislation such as the Foreign Corrupt Practices Act (USA) or the UK Bribery Act, which in certain cases may apply to actions taken outside those countries.

Anti-Corruption Policy applies to all persons employed by the company as well as cooperating persons. It is implemented through specific actions such as the agreement approval procedure, which is based on the principles of clarity and transparency. The stringent requirements for acceptance of contract terms and costs by professionals in various fields give us the confidence that we are contributing to a fair and responsible commercial environment. The company also expects that all of its contractors will comply with the principles described in this Anti-Corruption Policy.

2. Purpose of this Policy

The purpose of this Policy is to define standards of operation addressed to employees, cooperating persons, management of AB S.A. as well as its contractors. This Policy provides guidance to identify, avoid and eliminate the potential risk of bribery and corruption. Observance of the Policy counteracts negative financial and legal consequences and also protects the good reputation of the company.

The essence of this Policy focuses on implementation of concrete anti-corruption measures and control mechanisms that are undertaken within AB S.A., and which are supposed to prevent corruption and unlawful activities.

3. What is bribery and corruption?

3.1. Bribery is a crime in accordance with the Polish law which stands for granting or promising to grant material or personal benefits to a person holding public position (including a person holding position in a foreign country or international organization) who, in connection with performance of this function, is incited to violate the law or for the violation of the law.

3.2 The crime of bribery also takes place in the case of granting or a promise to provide material or personal benefits to a person holding a managerial position in an organizational unit running business activity or to a person remaining in an employment relationship with such entity, remaining in the agreement of mandate or the agreement to perform specific task, in exchange for:

- Abuse of granted powers, or
- Failure to fulfill obligation, which may cause property damage to that entity or constitute an act of unfair competition, or in exchange for:
- an unacceptably preferential action for the benefit of the buyer or recipient of goods, services or obligations.

3.3. The crime of paid protection appears when a material or personal benefit is given or promised in return for mediation in settling a case in a state or local government institution, international or national organization or in a foreign organizational unit with public funds, consisting in unlawful influence on decision, action or omission of a person performing a public function in connection with the performance of that function.

3.4. The material or personal benefit is understood as a benefit both for the persons referred to above and for third person. Such a benefit is any advantage not only material, having a monetary value, but also a benefit having no economic value.

3.5. The public official (in accordance with the provisions in force as of the date of publication of this Policy) is:

- 1) the President of the Republic of Poland;
- 2) member of the parliament, senator, councilor;
- 2a) member of the European Parliament;
- 3) a judge, lay judge, public prosecutor, officer of the financial body of a preparatory proceeding or body superior to the financial body of a preparatory proceeding, notary, debt collector, probation officer, official receiver, court supervisor and controller, a person adjudicating in disciplinary bodies acting on the basis of the statute;
- 4) a person who is an employee of government administration, another state body or local government, unless he/she performs exclusively service activities, as well as another person to the extent to which he/she is entitled to issue administrative decisions;
- 5) a person who is an employee of the body aimed to control state activities or the local body aimed to control local government control body, unless he/she performs exclusively service activities;
- 6) a person holding a managerial position in another state institution;
- 7) an officer of an authority appointed to protect public security or an officer of the Prison Service;
- 8) a person performing active military service, with the exception of territorial military service performed at disposal;
- 9) an employee of the international criminal court, unless he/she performs exclusively service activities.

10) from 1 January 2024, the definition of Public Officer will also be extended to inspectors in the Water Inspectorate.

3.6. **The person holding a public function** is a public official, a member of a local government body, a person employed in an organizational unit that has public funds at its disposal, unless he performs exclusively service activities, as well as another person whose rights and obligations in the field of public activity are defined or recognized by statute or international agreement binding for the Republic of Poland.

3.7. The offence of corruption is committed both by a person who grants or promises to provide a material or personal benefit, and also by a person who accepts such benefit (or a promise to grant it). As a rule, these crimes are punishable by up to 8 years of imprisonment (and in the case of significant value of material benefit, i.e. in excess of PLN 200 000, up to 15 years of imprisonment and in the case of financial gain of great value, i.e. exceeding PLN 1,000,000 - even up to 20 years imprisonment)

4. Principles of Anti-Corruption Policy

4.1. This policy prohibits bribery and corruption between AB S.A. and persons holding public functions and their business partners as well as persons employed by them.

4.2. Gifts

Showing hospitality and making appropriate and reasonable gifts is an inherent aspect of doing business. Nonetheless, gifts and invitations to travel and entertainment events may not be used to influence any person or to obtain or maintain an undue business advantage for the Company.

Both the employees of the Company and its contractors may not offer, grant, promise, demand or receive material and personal benefits:

- that could be perceived as illegal or inappropriate,
- whose purpose is to influence the terms of the transaction,
- given in cash or its equivalent (e.g. gift cards, vouchers).

Accepting by the employee of the Company, in connection with employment relationship with in the Company, of any gift, invitation or other benefit of the value exceeding PLN 100 must be priorly approved by his/her immediate supervisor.

4.3. Promotions and competitions with prizes

Any promotions (e.g. discount programs) and prize competitions are held in accordance with this policy as well as with the provisions of the law. Issuing customers with gift cards, vouchers, gift vouchers, etc. is possible only on the basis of the regulations of promotions and competitions conducted by the Company. Awards for contractors are given only in competitions announced by AB S.A., for which regulations and documents recording costs, activities and business purpose are drawn up. Agreements for the organization of promotional events are approved under the applicable procedures by persons from various departments of our company.

4.4. Responsibilities of employees

Employees should use and require third parties to use this Policy with due diligence. Making any payments on behalf of AB S.A. should be initiated after prior verification that the amounts to be paid correspond to the values of the services indicated on the invoices. Employees should exercise caution and pay attention to:

- an offer of monetary, business or gift benefits under the condition of concluding the transaction, omission of procedures or other business benefit;
- requests for payment in cash, payments through intermediaries or payments with the use of other unusual methods.

4.5. As indicated above, it is unacceptable to provide material or personal benefits both directly and through third parties, such as through contractors of the Company acting on its behalf. Ignoring suspicious situations involving third parties does not fulfill the condition of exemption from the liability for violating the principles of this policy.

4.6. One of the key principles of this Policy is maintaining complete and accurate books and records. It is expressly forbidden to enter false or misleading information in the Company's books and records.

4.7. Facilitating payments are a type of bribe. They are usually defined as payments made to expedite or facilitate the performance of a public official for a non-discretionary, routine governmental action. Facilitating payments are prohibited under this Policy. Employees must notify the Representative of the Management Board of AB S.A. for Counteracting Corruption when identifying a facilitation payment request.

4.8. Sponsorship of political parties

Company does not conduct or have in the past conducted any activities related to the transfer of money to political parties or politicians.

4.9. Donations, sponsorship

Granting any sponsorship or charity support by Company under which funds or goods are transferred must be preceded by the signing of an appropriate agreements or documents. Only after approval in accordance with Company's procedure, a transfer of funds or goods (e.g. equipment) may be made.

5. Consequences

Violation of this Anti-Corruption Policy may result in legal consequences, provided for in particular in the Penal Code, both for the Company and for the person involved in the unlawful activity. Corruption offenses are punishable by up to 8 years of imprisonment (and in the case of a material benefit of significant value, i.e. exceeding PLN 200 000 – up to 15 years of imprisonment and in the case of financial gain of great value, i.e. exceeding PLN 1,000,000 - even up to 20 years imprisonment). In addition, a person who violates the rules of this Anti-Corruption Policy will be responsible for the damage caused to the Company by such action.

6. Reporting abuse

6.1. It is the responsibility of all employees to avoid situations and actions that lead to corruption.

6.2. The Company ensures not to tolerate any form of discrimination or harassment against people who reported, in good faith, their concerns or suspicions about potential corruption or refuse to participate in such activities (e.g. when instructed to do so by the supervisor).

6.3. Reporting of any violations of the law regarding corruption is possible on the basis of the “Procedure for reporting violations of the law and taking follow-up actions in force at AB S.A.” adopted by AB S.A. in connection with the act the protection of whistleblowers of June 14, 2024.

6.4. In addition, employees of AB S.A. have the possibility to make anonymous reports of violations of the law and ethical procedures and standards in accordance with the ‘Procedure for anonymous reporting of violations of the law and ethical procedures and standards pursuant to Article 97d of the Act on Offering’, which is an appendix to the ‘Procedure for reporting violations of the law and follow-up applicable to AB S.A.’”

7. Final provisions

This Anti-Corruption Policy enters into force on 25 September 2024.