



Group Anti-Fraud Policy - Construction

Introduction

This CTP Group Anti-Fraud Policy - Construction addresses everyone at the CTP Construction Department (“**CTP Construction**”) and applies to all activities within it. It is designed to:

- Secure smooth CTP Construction operations, clarify competencies of relevant positions and manage related risks in relation to fraudulent behaviour; and
- Take appropriate measures within CTP Construction operations to detect potentially fraudulent behaviour at its early stage and encourage respective persons to report suspicious behaviour.

This policy applies to all entities pertaining to the CTP Group of companies (“**CTP Group**”) and to:

- Executive officers (“**Executives**”); and
- Full or part-time employees, temporary staff and individuals providing services to the CTP Group as contractors (“**CTP Staff**”), primarily all members of the CTP Construction (i.e. the Head of the CTP Construction, Senior Project Managers and Junior Project Managers, and other members of CTP Construction),

irrespective of their duties, position in the CTP Group hierarchy or the country they are based in, who are involved in construction process.

Executives and members of the CTP Construction are altogether referred to as “**CTP Construction team**”.

Any reference made to the CTP Group further in this policy shall include any CTP Group entity.

Each member of the CTP Construction team is required to confirm compliance with this Anti-Fraud Policy - Construction every year and to follow appropriate training.

This policy cannot be applied retroactively beyond its effective date.

This policy is available at Compliance Office.

This policy should be read in conjunction with the Annex 1 hereto, which details the local jurisdiction’s specifics, the CTP Group Code of Conduct, the CTP Group Anti-Bribery and Corruption Policy and CTP Group Fair Competition Policy provided that the potentially fraudulent behaviour may contain also aspects of corruption, bribery or behaviour contrary to rules of fair competition.

Legal risks associated with the CTP Construction operations and managed by means of the CTP group: Anti-Fraud Policy - Construction are regulated, above all, in the acts applicable to the particular CTP Group entity.

The aim of the CTP group: Anti-Fraud Policy - Construction is to focus on anti-fraud matters at the CTP Construction, whereas its aim is not to stipulate rules for construction proceedings and construction works, which are governed by the applicable construction laws and regulations.

EXAMPLES OF RISKS

If an individual or a CTP Group entity in general breaches or circumvents the rules established in this CTP Group: Anti-Bribery and Corruption Policy, they are at risk of committing certain criminal offences. Those might typically include but are not limited to the following:



AN INDIVIDUAL

Breach of the Duty to Administer Another's Property

Offence:

a person violates the legally imposed or contractually assumed obligation to take care of or manage the property of another person, and thus causes the other person damage, e.g. a CTP Staff intentionally contracts overpriced constructional works, causing a damage to the CTP Group entity in the extent of difference between the contracted price and a standard market price of the contracted works.



CTP GROUP ENTITY

Fraud

Offence:

a person enriches themselves or someone else by putting someone in error, using one's error, or by concealing material facts and thus causing damage to a stranger's property that is not negligible, e.g. a CTP Staff provides inflated invoices for services from a co-perpetrator to another (uninvolved) CTP Staff, who is made believe that the fees for services are market standard.

1. Principles

- 1.1. The CTP Construction team members acknowledge that legal risk associated with the CTP Construction operations and described herein-above are imminent, above all, in situations where the CTP Construction team members deal with third parties, i.e. any individual or legal entity apart from the CTP Group and its representatives (including public institutions and their officials). Typically, such third parties are the suppliers and clients of the CTP Group entity and such situations include the selection of the third party, set-up of contractual relationship with the third party and execution of transactions of any type (e.g. payments). Due to that, this policy focuses on specification of rules in such situations.
- 1.2. Fraudulent behaviour may negatively affect the CTP Group, as well as the CTP Construction team members, even if not caused directly by them, but caused by a third party dealt with by a CTP Construction team member. This may typically be a situation where an intentional fraudulent behaviour of a third party leads to damage on the side of the CTP Group entity, whereby such fraudulent behaviour could have been discovered and damage could have been eliminated, had the concerned CTP Construction team member acted with due diligence. See the definition of fraudulent behaviour for the purposes of this Anti-Fraud Policy - Construction in Section 3.1 below.
- 1.3. In reflection of the above-said, the CTP Construction team members act with special cautiousness while dealing with third parties on behalf of the CTP Group. This applies especially to Junior and Senior Project Managers, as the CTP Group representatives in charge of particular projects and dealing directly with the third parties.

- 1.4. The CTP Construction team members further acknowledge the utmost interest of the CTP Group, which is that every CTP Construction team member complies, in the course of the CTP Construction operations, with the applicable laws and moral norms, acts fairly and ethically.
 - 1.5. The CTP Group is committed to ensure that no CTP Construction team member will suffer adverse consequences for refusing to engage in conduct that would violate this Group Anti-Fraud Policy - Construction, the CTP Group Code of Conduct, CTP Group Anti-Bribery and Corruption Policy, CTP Group Fair Competition Policy or applicable legal regulation, i.e., above all, for refusing to engage in fraudulent behaviour or refusing not to report such behaviour.
 - 1.6. Any person found to be engaged in activity violating this Group Anti-Fraud Policy - Construction will be subject to the CTP Group disciplinary measures.
 - 1.7. CTP complies with international standards and agreements, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (MNEs).
-

2. Reporting and Consultation Channels

- 2.1. The CTP Construction team members are required to report any known or suspected incidents of fraudulent behaviour (as defined herein-below) to the CTP Group AML & Compliance Officer without undue delay. The CTP Construction team members are requested to discuss any fraud-related concerns with the CTP Group AML & Compliance Officer.
-

3. Fraudulent Behaviour and General Rules

- 3.1. For the purposes of this Group Anti-Fraud Policy - Construction, fraudulent behaviour is any intentionally deceptive action designed to provide the perpetrator (or eventually any third party) with an unlawful gain and, at the same time, leading to damage on the side of the CTP Group entity or any other person (whether an individual or a legal entity). Fraud involves misleading the CTP Group entity or the third party, making use of such misleading or providing a false representation of facts, whether by intentionally withholding important information or providing false statements to the CTP Group entity or the third party.
- 3.2. The perpetrator, as mentioned herein-above, can be any CTP Construction team member or any third party.
- 3.3. The CTP Construction team members are prohibited from committing or encouraging any other person to carry out fraudulent behaviour.

EXAMPLE: Splitting large orders across multiple purchase orders so that they do not attract attention is a red flag.

EXAMPLE: Purchase orders for vague or poorly defined services including “blanket orders”.

EXAMPLE: A company structure created with the sole purpose of artificially increasing the margin.

EXAMPLE: Insider trading - transactions affected by someone’s conflict of interests (misuse of information and / or status in business relations).

4. Selection of Suppliers and Clients

- 4.1. While selecting a supplier or a client of the CTP Group entity, the respective Project Manager in charge of a particular project is required to act diligently by “getting to know” the potential supplier/client, i.e., above all:
 - 4.1.1. Make sure that the potential supplier/client or any of its affiliates does not have any negative history and has not been involved, to the possible knowledge, in any public case, which could indicate that the potential supplier/client may act fraudulently towards the CTP Group;
 - 4.1.2. Review publicly available information regarding the potential supplier’s/client’s corporate structure to make sure (to reasonable knowledge) that there are no irregularities, which could indicate that the potential supplier/client may act fraudulently towards the CTP Group entity (i.e. unexplainable use of shelf companies),
 - 4.1.3. Review publicly available information regarding the potential supplier/client as to financial record-keeping and reporting, to make sure (to reasonable knowledge) that there are no suspicious absences or discrepancies;
 - 4.1.4. Make sure that the potential supplier/client is fully qualified legally and materially to perform the duties, for which it is applying to be engaged with the CTP Group entity;
 - 4.1.5. Make sure (to reasonable knowledge) that the potential supplier/client relies on a knowledgeable staff (rather than solely on publicly known individuals and/or politicians and/or political parties, i.e. individuals without the necessary knowledge for performance of duties under the mandate with the CTP Group entity); and
 - 4.1.6. Make sure that the potential supplier/client actively, demonstrably, and effectively promotes and realises sustainable business operations, supports fair work, equal treatment and continuously strives to make efforts to innovate and improve the quality of the works and/or services the potential supplier/client provides.
- 4.2. Only such third party, which meets all criteria listed in Section 4.1 hereof (and other business requirements as per the particular situation), is eligible to become the CTP Group entity’s supplier/client. In case that the Junior/Senior Project Manager in charge of the project intends to engage a potential client/supplier, which does not meet the criteria listed in Section 4.1 hereof, the Junior/Senior Project Manager in charge of the project must receive a prior written approval of the CTP Group AML & Compliance Officer. Provided that the CTP Group operates in multiple jurisdictions, an approval of CTP Group AML & Compliance Officer may be given via e-mail.
- 4.3. In case of any doubt as to the compliance of the potential client/supplier with the criteria listed in Section 4.1 hereof, the Junior/Senior Project Manager in charge of the project is required to consult the CTP Group AML & Compliance Officer.
- 4.4. The Junior/Senior Project Manager in charge of the project is required to duly document the fulfilment of his/her obligations under Sections 4.1 and 4.3 hereof in such manner that the CTP Group is at any time and in relation to any supplier/client able to prove that the obligations under Section 4.1 hereof were complied with.

5. Set-up of Contractual Relationship with the Suppliers and Clients

- 5.1. While setting-up a contractual relationship with a potential supplier or a client of the CTP Group entity, the Junior/Senior Project Manager in charge of particular project is required to maintain awareness and monitor any red flags, which may indicate fraudulent intentions or behaviour of the potential supplier/client towards the CTP Group entity. Such red flags can be, for instance:

- 5.1.1. Request of the potential supplier/client to have commissions paid to a third person or another third party without a reasonable explanation;
 - 5.1.2. Request of the potential supplier/client to pay commissions or have commissions paid in cash without a reasonable explanation;
 - 5.1.3. Request of the potential supplier/client to split payments in an unusual manner and/or without a reasonable explanation;
 - 5.1.4. Request of the potential supplier/client to have paid commissions to the bank account maintained by a foreign bank (i.e. located in a different country than the country the supplier/client is seated in);
 - 5.1.5. Request of change of pricing and/or frequency of payments on the side of the supplier/client without a reasonable explanation;
 - 5.1.6. Lack of cooperation or failure of the potential supplier/client to provide reasonably requested documentation without reason; and
 - 5.1.7. Inexplicable and unexpected changes to the potential supplier's/client's management and/or corporate structure.
- 5.2. In case specific CTP Group's entity is obliged person under the local AML regulation, also anti-money laundering red flags need to be monitored by the Junior/Senior Project Manager in charge of particular project. For red flags related to AML regulation, please see the respective AML policy.
 - 5.3. In case of any doubt as to whether a red flag listed in Section 5.1 hereof have arisen, as well as in case that any such red flag indeed arises, the Junior/Senior Project Manager in charge of the project is required to immediately consult the CTP Group AML & Compliance Officer. The Junior/Senior Project Manager in charge of the project is required to duly document the fulfilment of his/her obligations under this Section 5.2, as well as any facts related to potential occurrence of the red flags listed in Section 5.1 hereof.

6. Maintenance of Relationship with the Suppliers and Clients, Execution of Payments

- 6.1. At all times during the contractual relationship with the supplier/client, the Junior/Senior Project Manager in charge of the project is required to keep maintaining awareness and monitoring any red flags, which may indicate fraudulent intentions of the potential supplier/client towards the CTP Group entity, as listed in Section 5.1 hereof.
- 6.2. Junior/Senior Project Manager in charge of the project is further required to act with appropriate cautiousness and make sure, at all times during the contractual relationship with the supplier/client, that all payment instructions are addressed to, or respectively received by, on the side of the supplier/client, a person duly authorized to act on behalf of the supplier/client. Instructions for payments from the side of the supplier/client are never to be communicated via telephone without further validation in writing (still prior to the execution of the respective payment).
- 6.3. The Junior/Senior Project Manager in charge of the project is responsible for ensuring and maintaining due documentation of all fulfilments of any type provided by a supplier to the CTP Group entity or refer to information documented in the CTP Group entity's accounting system. The documentation must be ensured and maintained in order that the CTP Group can, at any time and in relation to any supplier, internally audit and prove that the fulfilment in reality took place as internally approved and as otherwise documented, including place of provision and its value.
- 6.4. Junior/Senior Project Manager in charge of the project is responsible to ensure, in relation to all relationships with the CTP Group entity's suppliers within the particular projects, that fulfilments from the side of the CTP Group entity's suppliers are not overvalued. Junior/Senior Project Manager in charge of the project must undertake all reasonable effort to ensure so.

- 6.5. The CTP Construction team members acknowledge and are required to follow the CTP Group internal rules on approvals of payments. In terms of payments executed via electronic means, the approvals take place via the CTP Group entity's accounting system and the approval rules are as follows:
- 6.5.1. Individual orders up to EUR 4,000 (or a corresponding equivalent in another currency) are approved by the respective Junior/Senior Project Manager in charge of the project.
 - 6.5.2. Individual orders exceeding EUR 4,000 (or a corresponding equivalent in another currency) have to be approved by Head of CTP Construction / Member of CTP Group's entity Board of Directors or a General Manager.
- 6.6. Unreasonable splitting of orders out of business standards with the purpose of lowering the order value under the CTP Group or legislative threshold and thus avoiding approval is strictly prohibited. Such fulfilments, which together constitute one functional unit and are ordered in temporal connection, must be placed in one order or, at least for the approval purposes hereunder, must be treated as one order.
-

7. Signing Documents

- 7.1. The CTP Construction team members acknowledge and are required to follow, at all times when dealing with third parties, the CTP Group internal rules on signing of legal documents. Only duly authorised person is allowed to sign legally binding documents on behalf of the CTP Group entity.
- 7.2. At the CTP Group, all legally binding documents need to be signed by the CTP CEO or CTP Group CFO or by person delegated by a Power of Attorney.
- 7.3. A cover sheet has to be attached to each contract and signed accordingly.
- 7.4. Any contract deviating from standard CTP Group model contracts has to be reviewed by CTP Legal team.
- 7.5. In case of doubt about adequate authorisation, prior consultation with CTP Legal team should be sought.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Austria

This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to Austria.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Austrian jurisdiction:

- Austrian Criminal Code (Strafgesetzbuch, Sections 146 to 148, 153); and
- Austrian Statute on Responsibility of Legal Entities (Verbandsverantwortlichkeitsgesetz).

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Bulgaria



This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to the Republic of Bulgaria.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Bulgarian jurisdiction:

- Criminal Code, Chapter V, Section IV (Fraud), Art. 209 –Art.212a. The provided provisions set the criminal liability concerning fraudulent behaviour. Participation and attempted fraudulent behaviour are also subject to criminal liability.; Art. 216 (Destruction); Art. 217 (Breach of Trust where the criminal damages property which was under his/her custody), Art 201 (Appropriation), etc.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Czech Republic



This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to the Czech Republic.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Czech jurisdiction:

- Act No. 40/2009 Coll., the Criminal Code (Art. 209 Fraud, Art. 220 and Art. 221 Breaches of the Duty to Administer Another's Property); and
- Act No. 418/2011 Coll., on Criminal Liability of Legal Entities and Proceedings against them.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Hungary

This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to Hungary.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Hungarian jurisdiction:

- Act C of 2012 on the Criminal Code;
- Act II of 2012 on infringements, the infringement procedure and the infringement registration system; and
- Act CIV of 2001 on the criminal measures applicable against legal entities.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction



The Netherlands



This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to the Netherlands.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Netherlands:

- The Criminal Code (“*Wetboek van Strafrecht*”), e.g. criminal offences stipulated as bribery in Art. 177 providing gifts or services to a public official to achieve a certain goal, Art. 178 providing gifts or services to a judge to achieve a certain goal, Art. 178a on the subsequent qualification of public officials and judges, Art. 328ter accepting or requesting gifts, promises or services, Art. 363 accepting a gift or service while reasonably knowing that this gift or service is only offered for a certain goal, Art. 364 accepting a gift or service as a judge while reasonably knowing that this gift or service is only offered for a certain goal, Art. 364a on the subsequent qualification of public officials; criminal offences stipulated as falsification of documents in Art. 225; criminal offences stipulated as embezzlement in Art. 321; and criminal offences stipulated as deceit in Art. 326.
- Art. 51 of the Criminal Code describes that Criminal Offences may be committed by natural persons, such as the CTP employees and executives, and legal entities, such as the CTP Group.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Poland



This annex to *the CTP Group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to Poland.

Introduction

Legal risks associated with *the CTP Group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Polish jurisdiction:

- Act of 6 June 1997 the Criminal Code, Journal of Laws 2020, item 1444 as amended ("**Polish Criminal Code**"), (criminal offences stipulated in Art. 284 Appropriation, Art. 286 Fraud, Art. 296 Breach of Trust, Art. 297 Financial fraud, art. 300 Frustration of creditors, art. 301 Bankruptcy fraud etc.); and
- Act of 28 October 2002 on Criminal Liability of Legal Entities for Acts Prohibited Under Penalty, Journal of Laws 2020 item 358, as amended ("**Polish Act on Criminal Liability of Legal Entities**").

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction



Romania

This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to Romania.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Romanian jurisdiction:

- L Law no. 286/2009 regarding the Criminal Code, published in the Official Gazette 510 from July 24th 2009, as further amended ("**Criminal Code**") (Art. 295 embezzlement, Art. 244 Fraud); and
- Law no. 31/1990 regarding companies as amended (art 273 abuse of corporate assets).

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction



Serbia

This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to the Republic of Serbia.

of the CTP

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Serbian jurisdiction:

- Arts. 208, 210, 223, 223a, 301 and 363 of the Criminal Code ("Official gazette RS", No. 85/2005, 88/2005 - correction, 107/2005 - correction, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014, 94/2016 and 35/2019) (hereinafter: "**Criminal Code**"); and
- Art. 2 of the Law on Criminal Liability of Legal Entities ("Official gazette RS ", No. 97/2008) (hereinafter: "**Criminal Liability of Legal Entities Code**")– Legal entities can also be held accountable for the felonies described in the Criminal Code, if conditions from this law (i.e. Criminal Liability of Legal Entities Code) are met.

Annex 2 to the CTP Group: Anti-Fraud Policy - Construction

Slovakia



This annex to *the CTP group: Anti-Fraud Policy - Construction* applies to all activities of the CTP Group taking place in or related to the Slovak Republic.

Introduction

Legal risks associated with *the CTP group: Anti-Fraud Policy - Construction* are regulated, above all, in the following acts, applicable within the Slovak jurisdiction:

- Act No. 300/2005 Coll., the Criminal Code (Art. 221 Fraud, Art. 237 and Art. 238 Breaches of the Duty to Administer Another's Property); and
- Act No. 91/2016 Coll., on Criminal Liability of Legal Entities.