

**POLICY ON COUNTERING
UNFAIR PRACTICES
IN THE LUMA GROUP**



RE  ALLOYS
RENEWABLE ENERGY ALLOYS

§ 1

General provisions

1. The objective for introduction of this regulation is to determine and apply the POLICY ON COUNTERING UNFAIR PRACTICES IN THE LUMA GROUP (hereinafter the "Policy") by current analysis of the situation in order to eliminate events that expose the Company to loss, are detrimental to its interest or that directly related to unlawful act. The Policy defines standard of fair behaviour that minimise the risk of fraud or other cases of behaviour incompatible with the generally adopted ethical principles.
2. Application of high fairness standards, ethical conduct in all actions, in particular those in terms of everyday tasks in the Company constitute a key part of building credibility, trust and care for the Company's image. This is evidence of responsible and transparent approach to the work performed.
3. Application of the Policy eliminates possible unethical events, those of corruptive nature and other event detrimental to the Company.

§ 2

Definitions

For the purpose hereof, the following definitions are introduced:

1. Policy - the policy on counteracting unfair practices in the Luma Group;
2. Luma Group - companies belonging to the Luma Holding capital group within the meaning of international accounting standards;
3. Company - each company of the Luma Group;
4. Order - the Company's order arranged in line with the internal regulations, in particular with the Contractors Selection and Procurement Procedure;
5. Contractor - a natural person, or any entity, who is competing for the order, has submitted a tender or concluded an agreement regarding the order;
6. Procedure documents - documents specified in the Contractors Selection and Procurement Procedure;
7. Financial gain - each good whose value may be expressed in monetary terms (it may be not only an increasing wealth, but also conclusion of an advantageous agreement e.g., a loan granted on preferential terms, transfer of receivables, shares in companies, services);
8. Personal gain - a benefit of non-financial nature improving situation of a person who obtains it (e.g., a promise of promotion, limitation of professional tasks, gratification, acceleration of medical procedure);
9. Damage - a sum of actual harm and lost benefit.

§ 3

List of good practices

At application of the Contractors Selection and Procurement Procedure and at performance of other tasks, determining parameters of an order, it is recommended to observe the following practices:

1. Avoiding every situation that may potentially cause conflict of interests, meaning actions against the interest of the Luma Group;
2. Accepting gifts and invitations or giving them to third parties due to the work performed is possible only if it does not entail expectations of reciprocal actions, additional benefits, preferential treatment or any other kind of obligations to be fulfilled towards the giver. Accepting or giving gifts or invitations only when it is lawful;
3. Preferable form of communication with a contractor is a written form or electronic mail (e-mail);
4. Meetings between contractors and employees involved in realisation of a given order, in line with the Contractors Selection and Procurement Procedure, should be held in the registered office of the ordering party, unless the nature of the order requires the meeting to be held outside the registered office of the ordering party. In case of necessity to arrange the meeting in the Contractor's registered office within the pending procedure, in line with the Contractors Selection and Procurement Procedure, it is recommended that at least two representatives of the ordering party take part.
5. Limitation of contact with the contractor only to the extent arising from the order performed;
6. Keeping written records of contacts with the Contractor in terms of the order at the stage of the pending procedure upon the Contractors Selection and Procurement Procedure;
7. Observance of fair competition principles, impartiality towards persons participating in the procedure and order performance.
8. Informing an immediate supervisor on relatedness that may affect fair competition or impartiality, or informing an immediate supervisor on other actions related to unfair competition Journal of Laws 1993, No. 47, item 211, as amended;
9. Detailed analysis of procedure documents at the stage of their preparation (before their verification or approval), in particular when they have been prepared by the Contractor;
10. Proper applications and relevant justification of the type of procurement procedure selection and selection of the Contractor.
11. A thorough and careful analysis of reasons for the changes suggested by the Contractor during performance of an order, or in the agreement;
12. Current control of completion of particular stages of order performance;
13. Diligent acceptance of the performed order, enforcement of conditions specified in the agreement and informing an immediate supervisor of any situation of a failure to meet the contractual conditions;

14. Firm lawful reaction to each, even the most minor, behaviour of the Contractor suggesting unethical or corruptive actions;
15. Respective response to unlawful or unethical actions noticed in other associates;
16. Observance of the policy on the business secret and caring for protection of information related to implementation of projects of the Luma Group.

§4

Hazard identification

1. The Luma Group pursues many business undertakings, projects and introduces innovative solutions related to the business activity conducted, that is why it is subject to a number of hazards in terms of disclosure of information being the business secret, corruptive activities or other illicit actions specified by law.
2. Basic types of hazards that may be encountered by employees and mandataries of the Company within their operations related to performance of tasks are:
 - a) disclosure of a business secret resulting in unfair action taken by the contractor who may obtain and make use of such information;
 - b) acceptance of financial or personal gain proposed by the contractor in return for positive outcome of the case;
 - c) disclosure of confidential information of the Contractor;
 - d) breach of the fair competition policy by promotion of the contractor with whom the employee is related by family, social, financial or other ties;
 - e) actions aiming at cancellation or hindrance of the course of the procedure;
 - f) actions aiming at fraud including computer fraud;
 - g) using a document attesting untrue information;
 - h) counterfeiting and falsification of a document;
 - i) actions aiming at cancellation of the procedure which the actions bring a non-tendered order or other uncompetitive type of procedure;
 - j) unreliable manner of acceptance of the completed order or attestation of an untruth, no enforcement of the proper completion of the order arising from the agreement's provisions;
 - k) succumbing under the Contractor's pressure;
 - l) unlawful exchange of documents consisting of removal or adding ones;
 - m) any and all unlawful actions that may be detrimental to the Company.

§ 5

Ban on contribution to political parties, to public officials; ban on donations

1. It is unacceptable to grant or promise to grant, on behalf of the Company or the Luma Group, direct or indirect (via third parties) financial or personal benefits to public officials in connection with them being public officials, as well as to proceed with the above-mentioned actions in business relations towards any other market participants, also, it is unacceptable to sponsor political campaigns of candidates to both national and local governmental structures.

It is also impermissible to accept or demand any financial or personal gain for oneself or somebody else based on personal relation with public officials or any other entities in connection with performance of professional duties.

2. In-cash or in-kind contributions for measures not covered by the corporate social responsibility strategy applicable in the Company or any contributions raising doubts as for the purpose (conflict of interest) are also unacceptable.

§ 6

Rules of procedure in case of corrupt events

1. It is every employee's or mandatary's duty to react immediately to an action that is a prohibited act (especially a corrupt action) and to react on every irregularity, regardless if the employee or mandatary is a witness or a participant thereof.
2. In cases specified in paragraph 1 the Management Board's representative should be informed.
3. In case of corrupt event, the following measures are proposed:
 - a) in case of a proposition of giving a gain, unfair cooperation, a flat refusal and advising the interlocutor that such behaviour is a prohibited act;
 - b) in case of a suggestion that is not explicitly a corrupt proposal, pointing out that probably the behaviour is unethical,
 - c) in case of repeating the proposal or suggestion, asking for their precise interpretation;
 - d) in case of unambiguous behaviour of the interlocutor whose actions are illicit, securing evidence corroborating the event for the purpose of submitting them to the Management Board or to law enforcement;
 - e) regardless the situation development, the employee's behaviour may not provoke the unfair interlocutor to corrupt behaviour;
 - f) immediate taking the measure specified in paragraph 2 above.
4. The Management Board's representative, having become aware of the unfair practice, in particular of corrupt action, will take investigative measures or will

submit a notification to the law enforcement. Then, an analysis preventing such events in the future will be conducted.

§ 7

Legal consequences

1. In case of actions non-compliant with the internal regulations or law provisions, persons responsible for their occurrence may, among others, bear the consequences:
 - a) set out in the act of 06 June 1997, the Criminal Code, as amended;
 - b) set out in the act of 26 June 1974, the Labour Code, as amended;
 - c) set out in the act of 16 April 1993, the Unfair Competition Act, as amended;
 - d) set out in the act of 16 April 1993, act on prevention of unfair market practices, as amended;
 - e) based on the act of 23 April 1964 - the Civil Code
2. In specified cases, pursuant to the Labour Code, order sanctions in a form as a warning, reprimand or financial penalty may be applied to the employee. In justified cases the employer may terminate the employment contract without notice due to a gross violation of basic employee duties. In case of mandataries, civil-law contract may be terminated.
3. The employee or mandatary may be held financially responsible if their action entails a damage.
4. Regardless if there has been an abuse in the Company, internal audits of the employee's work will be conducted.

§ 8

Implementation of the Policy

1. The effectiveness of the Policy implementation is conditioned by:
 - a) acquainting the employees with the Policy;
 - b) a proper system of irregularities detection and elimination;
 - c) introduction of instruments facilitating irregularities reporting, including corrupt events;
 - d) immediate, adequate response to notifications of staff members responsible for implementation of the Policy as well as management staff;
 - e) strong enforcement of law, drawing respective consequences, proper building of employees' awareness;
 - f) constant exchange of experience, creation of a catalogue of irregularities detected for the purpose of their avoidance in the future.
3. A person appointed for supervision over the implementation of the Management Board's resolution adopting the Policy will be responsible for proper implementation of the Policy in the Company, with the consideration of the above-listed conditions.



4. Each employee's duty is to familiarise themselves with this Policy and to abide by the principles set out herein.
5. Managers of organisational units of the Company are responsible for the Policy implementation in the units they manage. moreover, they have a duty to enable all subordinate employees or mandataries to acquaint themselves with the Policy, also to monitor observance of the provisions or regulations hereof on an ongoing basis and to cooperate constantly with the person responsible for the Policy implementation in terms of anti-corruption prevention.


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