



CODEX OF ETHICS GD GRANIT AD SKOPJE



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CODEX OF ETHICS

of GD Granit AD Skopje

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1. INTRODUCTION

1.1 General Principles

This Codex is leans on the main principles for good management and business practices in order to ensure responsible operations. These principles are based on strong ethical norms whose respect is expected from the members of the Supervisory Board, of the Management Board, other employees that have special rights and obligations and from all other employees, towards the investors, the supervisory authorities and between the employees. During the decades many generations gave their experience in building of the ethical norms and values which are based on honesty, trust and integrity.

1.2 Main requirements of the Codex

- The internal supervisory body (the Department for Legal, Personnel and General Affairs) is responsible to promote effective and complete implementation of the Codex;
- Control of the functioning of the Codex and of its periodical updates (ex post control);
- Raising awareness and distribution on all levels in the Company of the rules of conduct and procedures provided by the Codex of Ethics;
- General principles of appropriate system of internal control, especially:
 - i. verifiable and ability to monitor / document any business activity;
 - ii. respecting the principle of division of duties on the basis of which no one can independently manage the whole process;
 - iii. defined rights for division of powers in accordance with the assigned obligations;
 - iv. submission of all relevant information to the supervisory body.

2. Terms and definitions

The following definitions will apply within this document:

- A. „**Users**“ - All persons, categories of persons and persons to whom this document refers - directly or indirectly
- B. „**Managers**“ - All employees that work on a managerial positions in the Company with the function of director or head of department and / or chief project engineer
- C. „**Clients**“ – By this term is meant the following:
- i. „**End customer**“ – an individual and / or legal entity that acquires a service or product arising from the activities performed by the Company;
 - ii. „**Public administration**“ - all bodies of R. Macedonia or, in the case of business activity abroad, the foreign state, which is responsible for overseeing the public interest, as well as for the distribution of public goods and services, such as regional, public services, holders of public office and those responsible for public functions or services.

„**The public administration**“ includes the employees of the local health institutions, the public enterprises, the pharmacists, the veterinarians, the doctors, the representatives of the political institutions, the regional directors, etc. The said public administration may, in accordance with the applicable legislation, announce invitations to tender, purchase or award of outsourcing contracts for one or more services or parts thereof.

D. Supervisory body – The Department for Legal, Personnel and General Affairs

3. CODEX OF CONDUCT

GD Granit AD Skopje, for itself and its subsidiaries, is committed to strive for a high level of quality and ethics in conducting its business, in order to gain maximum trust among other participants in the activities in which it operates, but above all to achieve high standards in terms of results for the end user / citizen.

The Codex of Conduct is designed to assist all those who, for professional and / or other reasons, come into contact with the Company (for example: employees, associates, consultants, suppliers - already defined as users) to understand the content of the Codex.

GD Granit AD Skopje especially encourages and promotes a culture of legality not only in its relations with its employees and associates, but also with its suppliers and customers. To this end, the Company adopts appropriate organizational, management and other control measures to prevent any conduct contrary to the law and these rules by its employees and associates. Therefore, any violation of the rules of conduct could lead to one of the criminal acts codified in the Criminal Code of the Republic of Macedonia (eg: crimes committed by companies, crimes against the individual, corruption, fraud, embezzlement, misuse of privileged information) with the subsequent application of sanctions against both the perpetrator and the Company.

In order to avoid this situation, this Codex of Conduct will be widely distributed within the Company and will be available for consultation within the internal network and all employees and associates of the Company who will need to familiarize themselves with the content of this Codex to respect it and execute it. Non-compliance or failure by employees and / or associates to comply with this Codex of Conduct will further result in the application of disciplinary sanctions, whereby the same conduct constitutes a breach of existing contractual norms.

GD Granit AD Skopje will constantly follow and with the greatest attention will respect the Code through the Department for Legal, Personnel and General Affairs.

This department is authorized with autonomous rights to make decisions and exercise control, it is regularly appointed within the Company.

Recipients are obliged to cooperate with the Sector and / or with persons delegated by it, to check for possible violations both during the inspections and for the specific request of the same.

Employees who are responsible for groups or functions within the Company must oversee compliance with the Codex within their own area of responsibility. Therefore, any non-compliance with the Codex may result in disciplinary action taken by the Company.

In particular, in the case of employees, the penalty may result in termination of the employment contract, in accordance with the provisions of the Employment Law and the national collective labor agreement.



In case of employees working within the Company, and are not employed regularly, the contract may be terminated.

The Codex of Conduct is distributed and available:

- to the employees, associates and temporary employees of the Company at the moment of starting work - or in any case of their introduction to the Company - and at the time of each subsequent amendment of the document;
- to persons outside the Company (e.g. suppliers, consultants, customers, etc.) - where possible - before the start of the contract and through the official website of the Company.
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4. GENERAL PRINCIPLES OF CONDUCT

4.1 Respect and adherence to the law

Adherence to the legal provisions that are conditioned in the regulation of the Company is mandatory for all users.

Every user must make a commitment to comply with the law and regulations that carry you, unless they respect the principle of goodwill, personal protection, impartiality and transparency in administrative activities.

The behavior of the service must be felt by monitoring the efficiency and effectiveness of the services that will be dedicated to each employee and you can not use it and use it for personal and / or social purposes or if you have realized a violation of the law.

According to him, the user must be promised appropriate behavior and its implications for his activities.

In case of doubt, you should choose if you want to advise your manager or contact other products if you need to use additional training.

If the user finds out about any violation of the legislation or regulations that could risk the Company interfering, he / she must immediately report this to the person responsible for implementing this Codex of Ethics.

4.2 Impartiality

In decisions that have an impact on the relationship with the task force (customer relationship, shareholder, personnel or organization of work, selection and supplier and management, relationship with the local community and the institutions that represent it), the Company will avoid any discrimination based on the age, gender, sexual orientation, health status, race, nationality, political affiliation and religious beliefs of its parties.

4.3 Honesty

Users must be fully aware of the ethical significance of their actions and must not pursue personal or commercial gain in violation of the applicable laws and regulations of this Codex of Ethics.

When engaging in contractual relations with third parties, they must ensure that the clauses are written clearly and comprehensibly.

4.4 Integrity

The Company does not endorse or justify any acts of violence or threats in order to achieve conduct contrary to applicable laws and regulations, including ethical standards or the Code of Ethics.

4.5 Efficiency

The economic management and the use of the resources of the Company must be realized in all work activities in accordance with the highest quality standards.

The Company is also obliged to protect and take care of the resources and assets of the Company, as well as to manage its financial assets and capital, taking all necessary measures to ensure full compliance with existing laws and regulations.

4.6 Correctness

When performing any type of activity, employees must always avoid situations where those involved in the transactions are or may appear in the courts of interest.

The user must avoid situations that could create a real or potential conflict of interest or appear to do so.

4.7 Confidentiality: use and protection of information about the Company

The User is obliged to ensure the confidentiality of the information about the Company that he found out, because this information belongs to the Company. Similarly, he / she must refrain from searching for confidential data relating to or being disclosed to the Company or to other recipients.

If the User is aware of confidential information that is not in the public domain, he / she must refrain from disclosing it (including friends and family members), unless they are formally authorized to do so.

The user undertakes to keep the data about the Company secret, as well as all information belonging to other entities in accordance with the rules of the Company for keeping confidential information and business secret, as well as the legal provisions in this area.

The electronic processing of such data must be subject to appropriate security controls in order to protect the Company from unnecessary intrusions, interference or illegal use.

4.8 Transparent management of financial resources

Accounting information must be based on the principles of accuracy, precision, completeness, transparency and relevance of basic data and subsequent recording.

The user must comply with current legislation and applicable national and international accounting principles.

Every operation and transaction must be legitimate, accurate, properly recorded, approved and documented.

It must be possible to check the decision-making process, authorizations, executions and the reason for each transaction.

Evidence documentation must be archived for all operations in order to enable:

- easy checking and accounting;
- identification of different levels of responsibility.

Therefore, each User is obliged to:

- a) cooperates in presenting the operations as accurate, precise, complete and true in the calculations;
- b) immediately inform the supervisory body of any omission, inaccuracy or falsification in the accounting records or in the accompanying documents of which it has learned;

It is prohibited to perform simulated accounting operations, to act fraudulently, to hide, omit, delete or destroy accounting records or documents or to obstruct the performance of audit or supervisory functions.

4.9 Competition

The Company supports the principle of fair competition, legal behavior, in a transparent and fair manner when it comes to competition with other operators present in the market. The same fair approach is needed for all workers, also in terms of ensuring equal employment opportunities, if any, between social and for-profit enterprises.

4.10 Rejection of terrorism

The Company supports and applies the democratic principles on which the Republic of Macedonia is founded.

Any conduct that may represent or be related to terrorist activity or is contrary to the democratic order is prohibited and rejected by the Company.

4.11 Personal integrity and individual protection

The employees and associates of the Company are essential for its success. Accordingly, GD Granit AD Skopje protects and promotes the value of its human resources, in order to improve and increase the value and competitiveness of the skills possessed by its employees.

The Company provides physical and mental well-being to its employees, guaranteeing working conditions that respect individual dignity, as well as safe and healthy working environments.

The Company promotes freedom and individual rights which it considers inalienable.

It rejects any activity that could result in the exploitation or subjugation of humans.

The Company also attaches primary importance to the protection of minors and the identification and sanctioning of any kind of exploitation.



In order to guarantee full respect for the people, the Company undertakes to take care and ensure that the recipient follows the applicable labor laws, with special attention to child labor.

Any recipient who learns of any actions or conduct that may constitute a breach of this obligation must, in accordance with legal provisions, immediately notify his or her superiors and the supervisory body.

4.12 Social responsibility

The Company is aware of the direct and indirect impact that its activities may have on the conditions and general well-being of the wider community in which it operates. Accordingly, the Company intends to conduct its business with respect for the local and national community and to support initiatives with social and cultural value, in order to improve the reputation and the level of social acceptance.

4.13 Rejection of organized crime

The Company is aware of the risk that locally established organized crime groups may influence the activities of the Company, using them to gain an illegal advantage, and is committed to preventing and combating the risk of criminal infiltration in its organization.

Accordingly, all users of this Codex are obliged to comply with the rules established by the Company for assessing the reliability of various entities and persons who have relations with the Company (staff, suppliers of goods and services, customers).

Payments and other financial transactions must be made through authorized intermediaries, so that tracking is guaranteed, based on appropriate documentation.

4.14 Rejection of transnational crime

The Company condemns any behavior, both by persons in top management positions and by lower level employees, which can also indirectly facilitate crimes such as criminal association, mafia association and obstruction of justice; The Company is also committed to implementing all types of preventive and follow-up controls required for this purpose.

4.15 Prevention of money laundering and similar activities

The Company absolutely prohibits all entities of the Codex from receiving, exchanging or transferring money, goods or other valuables that they know to be the result of a crime and to engage in other activities related to such items in order to prevent the identification of their criminal origin.

The Company prohibits the use of cash, goods or other valuables known to be of criminal origin.

4.16 Proper use of the IT system and copyright protection

The use of IT and telecommunication resources by the Users should be based on the principles of diligence, correctness and compliance with the rules of internal security.

Users must refrain from activities intended to cause unlawful damage to the Company's IT or telecommunications systems, other companies, state or public bodies and public services.

In no event shall it be believed that an employee acting in the interests of the Company can justify damaging the Company's information, data or IT programs or to third parties.

The Company undertakes not to copy, use, store or distribute the original works in order to infringe the intellectual property rights of its rightful owners and to refuse to modify or update the operating system or applications in violation of the terms of the license agreement with suppliers.

4.17 Respect for the quality and organization of the Company

The Company monitors the quality management in the performance of its business activity, paying special attention to the organization of the Company and the relations with third parties.

4.18 Respect for health and safety at work

The Company is committed to protecting, promoting and consolidating a culture based on health and safety at work, developing risk awareness and encouraging responsible behavior by all employees and co-workers.

The Company promotes a culture of safety at work, also through information sessions and staff training.

The Company also undertakes to emphasize and familiarize itself with the basic criteria on the basis of which decisions are made and implemented, at each level and for each type of decision, for health and safety at work (also in relation to prevention activities at risk, information, training and preparation of the necessary equipment) in accordance with the following principles:

- risk avoidance;
- assessment of risks that cannot be avoided;
- combating the risk of its source;
- adjusting the work to human needs, especially in relation to the systematization of workplaces and the choice of work equipment, methods of work and production, especially to facilitate monotonous and repetitive work and to reduce the consequences of this on the health of workers;
- taking into account the level of technical development;
- replacement of dangerous with safe or less dangerous items;
- prevention planning, in order to have a consistent overall system that integrates technical aspects, work organization, working conditions, social relations and the impact of the working environment;
- giving priority to collective protection measures over individual protection measures;
- giving appropriate instructions to workers.

4.19 Environmental Protection

The environment is a basic asset that GD Granit AD Skopje is committed to protect, ensuring full compliance with applicable environmental legislation, and accordingly, the Company plans its activities seeking a balance between business initiatives and the necessary environmental needs, taking into account the rights of future generations. Therefore, GD Granit AD Skopje is committed to improving the impact of its business activity on the environment, not only in compliance with current legislation, but also taking into account the development of scientific research and relevant best practices.

The Company promotes among its employees and associates a culture of respect and protection of the natural environment in the performance of work activities and is committed to research and development in environmentally compatible and sustainable technologies and techniques.

4.20 Cooperation with the investigative bodies

The Company recognizes the value of judicial and administrative function and aims for the highest degree of integrity and regularity in relations with the competent authorities.

Accordingly, any conduct that is intended or likely to interfere with investigations or checks carried out by the competent authorities, and in particular any conduct aimed at obstructing the search for truth, including inciting persons summoned by judicial authorities either not to make statements or to make untrue statements.

The Company undertakes to adopt all necessary measures to ensure cooperation, requested by the authorities, within the framework of compliance with applicable law.

5. SPECIAL PRINCIPLES OF BEHAVIOR

5.1 Managing the Company

The Company pursues the corporate goal by respecting the law and the founding act, ensuring the proper functioning of the bodies of the Company.

The mission of the company is to achieve positive economic results. Therefore, it strives to preserve the capital of the Company, avoiding excessively risky engagements.

As a taxpayer, the Company intends to immediately and fully fulfill all obligations under existing laws.

The Company intends to base all its activities in relation to directors, shareholders and third parties on transparency. Accordingly, the Company:

- ensures that its directors and auditors are fully aware of the cases under review, by providing complete and accurate information and access to the Company's documentation, and respects and guarantees their autonomy, assessment and opinion;
- ensures that the shareholders are informed about the general progress and the most significant events that are related to the management of the Company and the development of the business activity and it does so in accordance with the Law on Trade Companies,

- appreciates the fact that the control and supervisory bodies strictly perform their function and ensure that they have the necessary cooperation for this purpose.

5.1.1 Corporate Management

GD Granit AD Skopje builds a corporate management system in accordance with the law and best international practices.

This corporate management system is oriented:

- to increase the value of shareholders;
- for the quality of the work performed;
- for corporate risk control;
- to promote transparency;
- to act in the interest of the shareholders.

5.1.2 Shareholders access to information

Pursuant to the Law on Trade Companies, the Company organizes an annual General Meeting of Shareholders, informing them about the agenda, the possibility of issues that provide a special opportunity for establishing a dialogue between the shareholders and the Management and Supervisory Board of the Company.

Accordingly, regular participation of the directors and auditors in the meeting is ensured.

The Company has appointed a special person to work with shareholders who can at any time receive and have access to information relevant to them.

5.1.3 Management Board

The Management Board performs activities in accordance with the Law on Trade Companies and the Statute of the Company aimed at contract management, performing strategic and organizational functions, as well as checking the presence of the necessary controls to monitor the progress of the Company.

The Management Board performs its functions with care and regularity and ensures that all its members are properly informed about the issues on the agenda.

In this context, the Management Board:

- gives and revokes the authorizations of the managers of the organizational and working units, the managers of the departments;
- periodically receives from the same reports on the organizational and working units, branch offices and companies established by GD Granit AD Skopje;
- determine compensation for the managers of the organizational and working units, the managers of the departments;
- defines the general organizational structure and the structure of the Company, checking its adequacy in relation to the most general goals of the Company;



- reviews and approves strategic, industrial and financial plans;
- reviews and approves operations with significant economic and financial impact or with an impact on the balance sheet, especially if they are performed by related parties or involve a potential conflict of interest;
- follows the general trend in the operation of the Company, with special reference to the conflict of interests and periodically confirms the achievement of the planned results;
- is responsible towards the shareholders at the shareholders' meeting.

The Managers of GD Granit AD Skopje are obliged to:

- all to play an active role in the performance of obligations which enables the Company to benefit from its skills;
- to continuously participate in the meetings of the Management Board upon their invitation;
- to report on any situation in which they have a personal interest or interest on behalf of third parties, refraining in such situations from participating in the decision-making processes of the Management Board;
- to keep confidential all the documents and information obtained as a result of performing their duties and to respect the procedure for their communication outside the Company;
- to ensure that the interests of GD Granit AD Skopje will always prevail over the interests of individual shareholders.

5.1.4 President of the Management Board

The President of the Management Board:

- convenes the meetings, ensuring that the members of the Board are properly provided with the necessary documentation and information needed to enable the Board to express itself competently, in relation to the issues submitted for its consideration and approval, except in cases of need and urgency;
- coordinates the activities of the Management Board and supervises the implementation of the respective meetings;
- contributes to the formulation of the strategies of the Company, in accordance with the General Manager, for the rights and issues delegated to it by the Management Board;
- supervising the audit activities, without violating the role of the internal audit.

5.1.5 General Manager

The General Manager performs activities as follows:

- Supervision and management of the organizational structure of the Company, coordination of all organizational and working units, departments, introduction of all necessary measures to provide the most efficient possible way for technical, economic, commercial and financial management and coordination of all activities of the Company;
- Concluding contracts, amendments, renewal and termination of all types of contracts or relationships, including trade relations, as well as any events involving registered movable and immovable goods, within the powers given by the Statute of the Company;

- Opens, closes and makes transactions on current accounts and any relationship of a financial nature within the previously defined restrictions;
- Gives authorizations, issues decisions, adopts instructions and rulebooks;
- Performs all activities related to participation on tenders, auctions, bids, project financing and other public procedures;
- And everything else that has been assigned to him as an obligation by the Management Board determined by the contract and the Statute of the Company.

5.1.6 Internal Audit

The appointment of the Manager of Internal Audit is made by the Supervisory Board in accordance with the company law. The obligations are performed on the principle of maximum transparency and using their best skills and the highest professional qualifications. He / she is accountable to the Supervisory Board for the inspected conditions.

5.1.7 Independent Audits

The audit of the financial statements of GD Granit AD Skopje is performed in accordance with the selection of the audit company elected on the General Meeting of the Shareholders of the Company.

The reports on the performed audits are reviewed by the Management Board of the Company, the Supervisory Board of the Company and the Shareholders Assembly. The transparency of the reports is ensured by publishing them on the official website of the Company and on the stock exchange.

5.2 Monitoring customer satisfaction

5.2.1 Relations with the customers

The company competes on the market respecting the rules of competition.

The Company does not offer or accept cash or cash equivalents to promote or popularize business ventures for its own benefit. Free gifts are allowed where they are of modest value and cannot be interpreted as a tool to gain services or privileges.

The Company undertakes to guarantee appropriate quality standards of the manufactured products based on previously determined levels and to periodically check their established quality.

The Company continuously provides world-recognized certificates and attestations for its products.

The Company is committed to ensuring the quality of its business activity, mainly understood as customer satisfaction. Ensuring correctness and clarity in all negotiations, as well as faithful and diligent fulfillment of the undertaken obligations. Accordingly, it approaches court and arbitration proceedings only when its legal requirements cannot be met in any other way.

Customer relations are governed by applicable laws and this Codex of Ethics.

Users who have a relationship with customers must maintain ethical, fair, transparent and restrained behavior. The user may not, neither for his own interests, nor for the Company:

- to make unethical compromises of any nature;
- to offer / accept money or other benefits for receiving services or real, potential or tangible benefits of any kind or to conclude tacit agreements to do the same;
- offer / accept free gifts, unless they are of modest value.

These rules of conduct cannot be avoided by using third parties for whose work the recipient is responsible.

The user can immediately terminate the relationship / negotiations with a client who does not intend to comply with the Codex of Ethics, after transmitting this content to his direct manager.

5.2.2 Relations with suppliers of goods and services

The Company considers its suppliers as a competitive factor and an active part of the production process. Selects and identifies them exclusively based on the need of the Company and the quality of the offer. Treat them properly. Encourages their qualification. Where necessary, it checks their compliance with laws and regulations and takes steps to ensure that they adopt appropriate codes of ethics and conduct.

The user must maintain an honest, transparent and restrained attitude towards suppliers, in compliance with applicable laws and this Codex of Ethics, in order to build a relationship based on mutual cooperation and trust.

The User must avoid any inappropriate situation that endangers the integrity of the Company name, just as he / she must not in any way:

- to accept gifts, free goods (unless they are of modest value and in accordance with the procedures of the Company), services or promises from any kind of suppliers;
- to offer gifts, free goods (unless they are of modest value and in accordance with the Company's procedures), services or promises of any kind to suppliers.

The Company delegates the selection of suppliers for the relevant functions and ensures that such selections are made according to objective criteria of competitiveness, quality, price and integrity.

The Recipient must report all cases where the Supplier does not intend to comply with the Codex of Ethics so that the Company can take appropriate action that could lead to the termination of the relationship.

5.3 Relations with shareholders

Shareholders are not just a source of funding, but people with different opinions and ethical tendencies. Therefore, in order to assist them in investment decisions and companies' decisions, they need to have all the relevant information available. GD Granit AD Skopje creates conditions that guarantee that the participation of shareholders in relevant decisions is complete and skillful, promotes parity of information and also protects their own interests, but also those of all shareholders from the intentions of individual shareholders to prevail their own special interests.



GD Granit AD Skopje fulfills its mission, ensuring at the same time, full transparency of the elections. By adopting organizational and management models, it ensures correctness and truthfulness in corporate communications (financial statements, periodic reports, information projections, etc.) and prevents the commission of crimes by companies, such as forgery of accounts, manipulation of shares, false communications with supervisory bodies, etc.).

All financial communications of GD Granit AD Skopje are characterized not only by respecting the legal provisions, but also by understandable language, exhaustion, timeliness and information symmetry for all investors.

5.4 Valuing the shareholders' investment

GD Granit AD Skopje ensures that its economic and financial performance is such as to preserve and increase the value of the Company, in order to adequately reward the risk that shareholders take by investing their capital.

5.5 Relations with the employees

The Company considers that labor is a major factor in its success and guarantees that employees and associates share the goals and plans of the Company.

The Company respects the employment contract and the regulations for health and social insurance. It pursues the goal of stable employment and encourages the continuous improvement of professional skills by providing funds for activities and training of employees.

The Company establishes all initiatives and measures necessary to ensure the psychological and physical health of its employees, as well as the health and decency of the workplace, not only by complying with applicable regulations, but also by promoting a culture of safety, providing appropriate organization for work and strengthen preventive measures.

The Company ensures gender equality in its professional and managerial positions, in salary levels and in opportunities for development and promotion of employees and associates.

The Company monitors full respect for human rights in the work environment. Considers that any conduct or behavior intended to humiliate or insult the dignity and sensitivity of work colleagues, and in particular subordinates, as well as all forms of sexual harassment, should be condemned. Such initiation will lead to disciplinary action.

The Company believes that the union is an important tool for advocating for workers and for promoting their working and living conditions. The company rejects any discrimination against the union. Recognizes elected representatives, guarantees free and independent conduct of trade union activity in the workplace, in full compliance with applicable agreements.

Relations with employees are regulated by appropriate agreements, prepared in accordance with existing legislation and special national collective labor agreements.

The Company encourages equal opportunities. All forms of discrimination based on race, sex, nationality, religion, age, status, physical condition, language, trade union affiliation, politics and all forms of employment favors, pay, promotions and dismissal are prohibited.

The general criteria above are further developed in the following specific criteria described below.

5.5.1 Selection of staff

The evaluation of the staff to be hired is done by comparing the profiles of the candidates with models based on the expectations and needs of the companies, providing equal opportunities for all parties involved.

The requested information is strictly related to checking the required aspects of the professional profile and attitudes, respecting the privacy and opinions of the candidate.

The HR function, within the available information, adopts appropriate measures to avoid favoritism, nepotism and any form of patronage in the selection and employment phase (for example: avoiding the use of admission committee members associated with the candidates).

5.5.2 Employment contracts

The employees have entered into employment in accordance with employment contracts as stipulated by the Labor Law. No form of irregular work is tolerated.

In the employment or service contract, each employee and / or associate receives accurate data on:

- the characteristics of the job and the obligations it has to perform;
- salaries and allowances, as regulated by the Law on Labor Relations and the Collective Agreement in the Private Sector;
- responsibilities, obligations and rights arising from the employment.

The signing of the Contract is done in the Personnel and Human Resources Service where the new employee is allowed to ask questions about its content, which will ensure that he understands the content and the rights and obligations arising from the employment.

5.5.3 Staff management

GD Granit AD Skopje avoids any form of discrimination against its employees. As part of the personnel management and development processes, as already described in the selection phase, decisions are based on the correspondence between the expected profile and the profiles of the employees (for example: in case of promotion or transfer) or when determining on merits (for example: distribution of incentives based on results achieved).

Access to different jobs is also based on the skills and competencies of the employee. The company has a flexible work organization that encourages and facilitates the work of mothers, which encourages motherhood and general care for children.

Employee assessment is carried out in a comprehensive manner, including, in addition to the directors and supervisor, the chief engineers, ie, as far as possible, the people who work with the person, or who are related to the person being evaluated.

Within the available information and privacy requirements, the staffing function is organized to prevent any form of nepotism (for example: with the exception of hierarchical employment relationships between relatives who are relatives).



5.5.4 Distribution of labor regulations

Personnel management rules are made available to all employees through the means of communication in the Company (intranet, web company, organizational documents and managerial communications).

5.5.5 Human resource development and training

Managers use and give full value to all professional skills present in the organization of the Company by using the tools available to promote the development and growth of their employees and associates.

In this area, special importance is given to managers to communicate about the strengths and weaknesses of the employee, so that he can improve his skills, also through tailored training for a specific purpose.

GD Granit AD Skopje provides data as well as ways of training for all employees in order to strengthen its specific skills and maintain the professional value of its staff.

5.5.6 Employee working time management

Every manager is required to make the most adequate use of the employee's working hours, requiring the performance of work in accordance with the realization of their role and plans for the organization of work.

Seeking, as a hierarchical supervisor, services, personal services or any conduct that could constitute a violation of this codex of ethics and conduct will be considered an abuse of authority / position of authority.

5.5.7 Employee participation

The involvement of the employees in the performance of the activities is ensured by providing opportunities for discussion and participation in the decisions for realization of the goals of the Company.

Employees must participate in such opportunities with a spirit of cooperation and independent judgment.

Listening to different points of view, where it is compatible with the needs of the Company, allows managers to make final decisions, employees must, however, always contribute to the implementation of the activities that are decided.

5.5.8 Health and safety

GD Granit AD Skopje is committed to spreading and consolidating a culture of safety, developing risk awareness and encouraging responsible behavior by all employees and associates. In addition, it works on protection, primarily thru preventive measures, of the health and safety of employees, as well as the interests of other stakeholders. GD Granit AD Skopje has established a special Service for Safety and Health in order to fully implement the provisions of the Law on Safety and Health at Work.



GD Granit AD Skopje aims to protect its human resources, assets and financial resources, constantly seeking the necessary cooperation not only within the Company, but also with suppliers, other companies and clients involved in its business.

Accordingly, it aims to have a broader based internal structure, careful monitoring of changes in risk, with interventions of a technical and organizational nature:

- introduction of an integrated risk management and security system;
- continuous analysis of the risk and critical areas in the processes and resources to be protected;
- adoption of the best technologies;
- checking and updating the working procedures;
- training and communication initiatives.

5.5.9 Privacy protection

The privacy of employees is protected in accordance with the Law on Personal Data Protection, which determines the types of information that the Company may require from employees, as well as the appropriate methods of processing and storage.

5.5.10 Personal integrity and individual protection

GD Granit AD Skopje undertakes to protect the personality and well-being of its employees, guaranteeing the right to working conditions that respect personal dignity. For this reason, the Company protects its employees from psychological abuse and combats all forms of discriminatory or harmful behavior towards people, their attitudes and their inclinations (e.g. insults, threats, isolation or overtime pressure, professional restrictions).

Any employee of GD Granit AD Skopje who considers that he / she is subject to harassment or discrimination for reasons related to age, gender, sexual orientation, race, health status, nationality, political views or religion, can report it to the Company that will assess whether there has been a violation of this Codex of Ethics. However, inequalities and differences are not considered discrimination if they are justified or based on objective criteria.

In terms of the above provisions, GD Granit AD Skopje fully implements and respects the regulated legal provisions of the Law on Prohibition of Harassment at Work.

5.5.11 Duties of employees and associates

Employees and / or associates must act in good faith to meet the obligations undertaken by signing the employment contract and be provided for in the Codex of Ethics, which will ensure the necessary work. In any case, they are obliged to report them through specific channels of communication, provided that any violation of the rules of conduct is determined by internal procedures.

In any case, employees and associates must avoid any situation of conflict of interest.



Therefore, the employees and associates of the Company have an obligation to:

- inform their managers about the existence of any family relations, or with third parties who may have relations with the Company and other employees in the Company;
- avoiding any situation that could create conflicts or overlaps in the responsibilities of the recipient Company and his / her personal interests;
- avoid negotiations or relations with third parties that represent a potential conflict of interest in the public administration;
- in each of these cases or when a conflict of interest is possible, the recipient is responsible to report it immediately to his / her supervisor and to the supervisory body, for an appropriate assessment.

5.6 Relations with external collaborators / consultants

The Company may immediately terminate any employment contract concluded with external collaborators / consultants who do not agree to comply with this Codex of Ethics and Conduct.

Any user who identifies the behavior of an outside collaborator / consultant, and who does not comply with this Codex, should immediately notify the supervisory body.

5.7 Relations with the public administration

Only the functions that are left and authorized to perform by direct order of the Company can maintain relations with the public administration in accordance with ethical principles, correctness, honesty and transparency.

The user must avoid behavior that is contrary to the Law and the Codex of Ethics and refrain from creating, encouraging or allowing situations that cause conflicts of interest.

The Company, in its relations with the government and the public administration, gives a statement and provides real documentation, confirmation and information, and its activities are characterized by the principles of accuracy, transparency and verifiability.

The Company does not allow conduct that may occur even if it is intended to directly or indirectly affect the conduct of public officers or to result in an unlawful / unlawful advantage or gain.

In case of participation in public tenders or private negotiations with the state or public administration, the Company strictly adheres to the standards governing individual procedures.

It is therefore strictly forbidden:

- a) to provide to persons belonging to the Macedonian or foreign public administration (or in any case working in the public sector), as well as their relations or family members, whether Macedonian or foreign or persons identified by the them, in order to gain interests or advantages:
 - promises of money and / or benefits of any kind;
 - gifts or free goods of more than modest value or considered to be designed to cause undue advantage to themselves, to other persons or to the Company;



- b) to seek to corrupt and / or influence public administration;
- c) to defraud the public administration for personal or profit of the Company;
- d) to make inappropriate or illegal use of links or, in general, privileged routes to achieve professional goals within the Company;
- e) to receive money, gifts, free goods (unless the values are modest and in accordance with internal procedures), promises, pressures, recommendations, services or work (unless it involves normal and legitimate contractual activity) or conditions contrary to the values and the principles in the Codex of persons belonging to public administration.

The Company, the subsidiary or the branch of the Company, which through a formally specified role, cooperates with the public administration or with the staff that is part of it, must:

- a) comply with points (a) to (e) above;
- b) to document the relations with the public administration in writing as much as possible;
- c) to prepare in writing all contracts and agreements;
- d) to offer / accept gifts, free goods and services only if they are of modest value, legally and in accordance with all applicable laws;
- e) not to transfer the relations with the public administration to consultants or a third party when it could create a conflict of interests;
- f) to immediately inform its manager or the supervisory body of any unethical or illegitimate actions taken by the public administration.

Subsidies or funding received from the state, the public enterprise or the European Union may not be used for purposes other than those for which the funding is granted.

The user must not use or present false or untrue statements and documents or omit the requested information.

5.8 Relations with supervisory, regulatory and governmental bodies

In its dealings with supervisory, regulatory and governmental bodies, the Company bases its activities on the principles of integrity and professionalism, avoiding influence over their decisions or seeking favorable treatment by making promises, offers, payments or other benefits.

The Company maintains relations with the above bodies and authorities, which are characterized by full and active cooperation, to timely provide information required by the authorities to carry out their investigative actions and to carry out orders or measures prescribed by them.

The Company, in its relations with state, regional and local government bodies, as well as with international government bodies, in order to be able to assess itself in terms of legislative and administrative activities in the affected sectors, in any case performs correct and transparent behavior, avoids any secret or collective conduct.

5.9 Relations with the political world

The Company may, if requested, contribute or give preference or other benefits to political parties and trade unions of workers, with the exception of their individual representatives, but only in accordance with applicable law.

5.10 Press and media relations

Employees who are responsible for communicating data and information about GD Granit AD Skopje outside the Company must act honestly, transparently, to guarantee equal access to data and information, for all those who are interested.

Other employees may never make statements, comments or interviews about the Company, including by electronic means such as e-mail or the Internet.

6. METHOD OF DISTRIBUTION

6.1 Communication and information

GD Granit AD Skopje and its managers will undertake activities to spread the familiarity with the Codex and its content for all users and will ensure maximum distribution of it among users and will guarantee its periodic updating.

The Department for Legal, Personnel and General Affairs is responsible for preparing and updating the list of the main recipients and users of the provisions contained in this Codex, as well as the documents related to it.

Each recipient and user is required to sign this list, assigning qualifications and responsibilities.

The Company and its executives will provide a broad introduction to the Codex of Ethics for all internal and external recipients and users.

Granit and its managers will ensure widespread familiarity with the Code of Ethics and its content in the Organizational and Working Units, Departments and Services, with special reference to the subsidiaries over which Granit has control.

6.2 Responsibilities

Managers and other responsible employees, who have been assigned this duty by the Department for Legal, Personnel and General Affairs, as a supervisory body, will check whether this Codex is complied with in terms of user behavior, will clarify and will answer any doubts, questions or uncertainties expressed by Recipients and Users.

The recipient is obliged to report any violation of the Codex that he will find out to the supervisory body.

The employees of GD Granit AD Skopje are obliged to inform the supervisory body of any occurrence that seems to be contrary to the Codex of Ethics.

The supervisory body will maintain maximum confidentiality regarding the violations and the identity of the recipients who reported them.



7. DISCIPLINARY SYSTEM

7.1 Sanctions

Violation of the principles and conduct set forth in the Code violates the relationship of trust established between the Company and the Beneficiary.

GD Granit AD Skopje can protect its interests by taking all necessary measures, i.e. to decide on its own employees in determining appropriate disciplinary measures, including dismissal, while for third parties - Users, may result in initiating a procedure for termination of the contract.

Respecting the principle of adequacy of the offense and punishment, as well as the proportionality of the sanctions in relation to the seriousness of the established violation, the type and scope of any sanctions, they will be determined in relation to the following general criteria:

- a) the subjective aspects of the User's conduct (fraud or negligence, the latter due to lack of caution, negligence or incompetence, also with regard to the foreseeability or otherwise of the event);
- b) the importance of the breach of obligations;
- c) the severity of the created risk / danger;
- d) the extent of any damage / loss incurred by the Company with the eventual application of sanctions;
- e) the level of hierarchical and / or technical responsibility;
- f) presence of aggravating or mitigating circumstances with special reference to the quality of the previous work and the disciplinary records in the last two years;
- g) sharing any responsibility with other workers who contributed to the breach.

8. ANNOUNCEMENT AND ENTRY INTO FORCE

8.1 Transparency

This Codex must be given maximum publicity using every appropriate tool, accessible and visible to all.

In particular, it will be published on the Company's official website and will be distributed to each user and will be part of the introductory training given to each new hiring staff.

8.2 Distribution within the Company

GD Granit AD Skopje undertakes to ensure that the principles, approach and methodologies described in this Codex are distributed to the subsidiaries of the Company, as well as to Limited Liability Companies in which the Company is the sole owner and to be adopted by them.

8.3 Execution

The provisions of this Codex will enter into force on the day of the decision for adoption of the Codex by the Management Board s of GD Granit AD Skopje.

The provisions of this Code shall apply to all employees and their non-compliance entails sanctioning as regulated in the previous provisions thereof.

President of the Management Board
Strasho Milkovski






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