

# **CODE OF CONDUCT**

## **TMR GROUP**

### **Article 1**

#### **PURPOSE**

Purpose of the TMR Group's Code of Conduct (the "Code") is to prevent potential illegal or unfair practices that could possibly occur in managing the TMR Group and in performing work activities; regulate conduct of the TMR Group and its employees as regards moral standards that can be more strict than the standards set forth under legal regulations of binding force; and to improve and support application of the generally accepted standards of optimum corporate governance.

### **Article 2**

#### **APPLICATION OF THE CODE**

The Code shall be binding upon all employees and managers of the member companies of the TMR Group – Tatry mountain resorts, a.s. being the parent company and all subsidiaries managed by Tatry mountain resorts, a.s.

The Code is the TMR Group's internal regulation and not a legal regulation of binding force; it does not supersede legal regulations of binding force.

Rules contained in the Code reproduce and supplement the rules contained in other internal regulations and guidelines of the TMR Group.

Violation of the regulations shall result in a disciplinary action, including termination of employment. Certain cases can also be referred to prosecuting authorities.

### **Article 3**

#### **STANDARDS OF CONDUCT**

The corporation demands that each employee meet all their obligations in compliance with the most strict principles of corporate ethics and all legal regulations in force. To attain this goal, all employees shall be aware of and, at the same time, comply with certain standards of conduct in a workplace and in the course of their job. All employees and managers of the TMR Group shall abide by the provisions of the Code and related regulations.

#### **❖ CUSTOMERS**

Fair and proper approach to customers, satisfaction of their needs and interests is the basic assumption of successful, firm and long-lasting business relationships.

Employees of the TMR Group shall:

- do their job in a manner satisfactory to the customer. Relations with customers must be discreet, polite, free of any preferential treatment, prejudice or discrimination;
- in communication with customer, whether verbal or written, abide by the most strict standards of conduct;
- act in a professional manner, observe the principles of appreciation, empathy and responsiveness in problem solving;
- provide customers with timely, complete, true and understandable information about products and services of the TMR Group. Any deliberate concealment or misrepresentation of information can result in loss of customers' and public's confidence impairing goodwill of the TMR Group and, therefore, is inadmissible;

- be attentive to customer's needs, keep monitoring, evaluating, improving and innovating products and services of the TMR Group.

#### ❖ **SHAREHOLDERS**

One of the TMR Group's fundamental priorities is to protect and appreciate investments of shareholders. The TMR Group's economic and financial performance aims to protect and further increase the value of the TMR Group in order to provide shareholders with long-term yields.

The TMR Group provides shareholders with all important information required to take major decision and creates such conditions that enable shareholders to take part in decision-making process that concerns such shareholders.

Employees of the TMR Group shall:

- provide internal and external auditors with exact information, cooperation and enable such auditors to access documents related to their work;
- effect payments, transfer of property and other transactions based on proper authorisation in a manner securing full, true, exact and proper recording thereof in the accounting system in compliance with internal regulations of the TMR Group;
- hold responsibility for protection of the TMR Group's property as well as for adequate and economical use of the TMR Group's property.

#### ❖ **BUSINESS PARTNERS AND SUPPLIERS**

Relationships with business partners and suppliers of the TMR Group are based on mutual trust and respect. The TMR Group abides by the terms and conditions agreed with suppliers; provides its business partners with true information about economic situation; does not abuse the TMR Group's market position; and creates proper and transparent conditions for all its suppliers and business partners. All information concerning relationships with suppliers and business partners is confidential.

Considering their job position, employees of the TMR Group shall:

- select for cooperation persons and companies that have good reputation, required experience and qualification and that act in compliance with the TMR Group's rules of conduct;
- select for cooperation persons and companies based on their quality, avoid conflicts of interest, inadequate gifts or any other benefits that could compromise the supplier selection process;
- refuse any benefit offered by a business partner.

#### ❖ **EMPLOYEES**

As regards labour-law relations, the TMR Group acts in compliance with the Labour Code, the relevant legal regulations treating labour-law relations and valid Labour Agreement; and treats each employee with respect. The TMR Group pays special attention to professional and personality growth of its employees. The TMR Group takes care that dismissal of employees be lawful, objective, transparent and ethical.

Employees of the TMR Group:

- shall build in a workplace the atmosphere of mutual respect, trust and solidarity;
- shall not discriminate against any person on the grounds of gender, family status, age, ethnic origin, colour, political opinions, handicap, religion or sexuality;
- shall only make decisions based on quality, performance and qualification;
- shall prevent any form of discrimination;
- shall not engage in any psychological or physical abuse or sexual harassment;
- shall not humiliate or offend any other individual;
- shall refrain from any conduct that could be considered as offensive, intimidating, insidious and insulting.

## ❖ OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health of employees belongs among the basic priorities of the TMR Group. The TMR Group ensures a safe working environment to its employees. In order to ensure a safe working environment, employees of the TMR Group shall:

- become familiar with and observe the relevant legal regulations related to occupational safety and health;
- attend and undergo relevant occupational safety and health trainings;
- forthwith inform the relevant superior of any dangerous or health-damaging working conditions;
- employees are forbidden to bring, keep and consume alcoholic beverages and other narcotics and psychotropic drugs in workplaces of the TMR Group and are not allowed to report to work under their influence;
- abide by the no smoking regulations in a workplace;
- do only that job they are trained, fit (in terms of health) and qualified for and always in compliance with safety requirements.

## ❖ ENVIRONMENT

The TMR Group considers protection of the environment to be one of the basic priorities. The TMR Group abides by and respects ecological standards in all its activities and observes the sustainable development concept in the environmental area and assists in environmental protection and engineering in regions of its business.

Employees of the TMR Group shall:

- abide by all valid regulations in the area of environmental protection related to their job position;
- perform their job in a manner harmless to the environment.

## ❖ RELATIONSHIPS WITH PUBLIC INSTITUTIONS

The TMR Group's relationships with public authorities, regional self-government authorities and other public institutions are in compliance with the laws and ethics. The TMR Group endeavours to build and maintain good relationships and efficient communication with the representatives of public administration, self-government, mass media and other public institutions and acts as a socially responsible entity. When providing assistance or support to public institutions, the TMR Group must employ legal and moral procedures.

Employees of the TMR Group shall not:

- accept or give, whether directly or indirectly, gifts, commission or any other benefits in order to win or maintain commercial contracts or influence business partners;
- change, destroy, hide, falsify documents, information and records subject to investigation or frustrate in any manner collection of information, data and records by the relevant state officials.

## ❖ ABUSE OF CONFIDENTIAL INFORMATION

The TMR Group's principle is to ensure confidential treatment of financial, operational and other information and prevent abuse of information obtained during employment relationship. Confidential information shall mean information related to the TMR Group, its shares and other business entities not commonly available and being of fundamental importance. Information of fundamental importance shall mean all inside information that could be abused by competitors or that could, upon disclosure thereof, damage the TMR Group and that any sensible investor would consider as important in acquisition or sale of a commercial instrument.

Employees of the TMR Group shall:

- keep confidential the information provided to them within their work, save for the cases when disclosure of information is approved or ordered;
- be prudent in provision of confidential information and shall protect the confidential information from accidental disclosure;

- if disposing of important, confidential or inside information, store such information and prevent any use or provision thereof to third persons for purpose of direct or indirect personal benefit (e.g. by way of a sale or acquisition of commercial instruments of the TMR Group before such confidential information is published);
- in the event of employment termination on any grounds and by any party, handover all documents, records and identifications.

#### ❖ **CONFLICT OF INTEREST**

Conflict of interest occurs when personal interests or activities interfere with the obligations of an employee, his/her effective activities or his/her loyalty with the TMR Group and when his/her activity could damage or bring disadvantage to the TMR Group.

Employees of the TMR Group:

- shall not engage in activities bringing about conflict of interest or making such impression, they shall act in a moral manner and they shall not pursue or accept any personal benefit at the expense of the TMR Group;
- shall not abuse their official standing in the TMR Group for their own benefit and they shall avoid any relationships bringing about the risk of bribery;
- can do business activities or any other gainful employment having the business objective identical to the business objective of the TMR Group with employer's consent only.

#### **Article 4**

##### **APPLICATION AND CODE VIOLATION NOTICES**

The Code applies to all employees and managers of the TMR Group as well as to any persons acting on the TMR Group's behalf. All individuals are obliged to observe the Code, present it in a positive light and act in compliance with the provisions thereof.

Each employee shall report any violation of the Code, as well as any suspicious, illegal or unethical behaviour connected with business activities of the TMR Group. Employee should give such notice in good faith to the TMR Group's HR Department. Such notice can be made verbally, by phone or in writing. All individuals authorised to receive such notices of violation of the Code shall ensure anonymity to the person giving such information. The Board shall examine the Code violation notice as regards its legitimacy and decide on the consequences against the persons responsible for violation of the Code, with the Internal Management and Administration Code forbidding any retaliatory conduct against employees giving such notice.

#### **Article 5**

##### **CODE PUBLISHING**

The Code is published on the Internet pages of the TMR Group. Any changes to the Code shall be posted on the same pages.

#### **Article 6**

##### **APPROVAL OF THE CODE**

The Code was approved by the Board of Directors of Tatrý mountain resorts, a.s. on 11 December 2012; by the Board of Directors of GRANDHOTEL PRAHA a.s. on 11 December 2012; by the Board of Directors of Tatrý mountain resort services, a.s. on 11 December 2012; and by the statutory body of Interhouse Tatrý, s.r.o. on 11 December 2012.

The Code can only be changed and amended based on a decision of the Board of Directors of Tatrý mountain resorts, a.s.