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COLLISION OF INTERESTS MANAGEMENT POLICIES

Pursuant to the stipulations of the Ethical Code of PROPULZIJA d.o.o. (hereinafter: the Company), all its employees are to be loyal to the Company. Therefore, allowed is participation in no activity that would harm the Company, create collision of interests or detrimentally affect the Company's operations or reputation.

Introduction, purpose and application

These Collision of Interests Management Policies (hereinafter: the Policies) of PROPULZIJA d.o.o. make a framework for defining systems, controls and procedures aimed to prevention and mitigation of potential and actual collisions of interests, that is, to identifying, assessing and solving them.

The aims of the Policies are implementation of the activities preventing the Company's Board, managers and employees to participate in making decisions on any matters where they are in a collision of interests.

The Policies apply to the Company's Board and managers, but also to every employee, aimed to providing the highest transparency in the operations possible.

Collision of interests

A collision of interests may occur if an endeavour or action that affects or appears to affect the abilities of the Company's Board, managers and employees to act unbiased or decrease their ability to perform their duties in the way that is in the best interest of the Company possible because at the same time there is motivation to make personal gains.

A collision of interests is any situation where a personal interest (political, business, financial, etc.) of the Board, the managers and the employees differs or could differ from the business interests of the Company.

Actual collision of interests is an existing collision between a personal interest of the Board, the managers and the employees and a business interest of the Company.

A potential collision of interests is a situation where a collision between a personal interest of the Board, the managers and the employees could come to collision with a business interest of the Company.

The Board, the managers and the employees must avoid situations where they could find themselves in a potential or actual collision of interests.

Basic principles

The Board, the managers and the employees must act in the best interest of the Company, in performing their duties must use their best knowledge and skills, and perform all their duties in line with the valid regulations and the Company's statutes and by-laws. Therefore, they are to avoid any situation that could cause for them an actual or potential collision of interests with those of the Company.

The Company's resources may be used only to the Company's benefit, and not to the benefit of any particular participant or a third party.

The Board, the managers and the employees must not use their positions in order to benefit any private interest.

In their communications with others, the Board, the managers and the employees must foster the best interests of the Company and protect its business reputation.

The Board, the managers and the employees must protect the information they have learned in performing their work and keep them as trade secrets.

Violation of the regulations preventing competition constitute violation of employment obligations and will be sanctioned pursuant to the regulations and the Company's statutes and by-laws stipulating employment.

Mechanisms of following up and prevention of collisions of interests and similar phenomena

Educational measures

Aimed to prevention of collisions of interests and similar phenomena, the Company will periodically, and at least once in two years, perform education of its officers and employees performing managerial jobs on the Company's business policies.

Follow up mechanisms

The person in charge of following up the harmonisation will gather information aimed to evidencing and timely identification of potential collisions of interests and similar phenomena in the activities of the Board, the managers and the employees.

The person in charge of following up the harmonisation will keep records on all the reported and processed cases of collisions of interests. The register is to be kept in the form of electronic records, and the entered information are to be kept permanently.

Supervision of the follow up

Implementation of these Policies will be supervised by the Company's Internal Auditors, that will once a year assess the system of managing the collisions of interests and similar phenomena and the procedure established in the Company about this. The Company will be informed on efficiency, reliability and safety of information and procedures established by the Policies at least once a year.

Closing stipulations and coming to force

These Policies will come to force on the date of their enactment.

These Policies will be published on the Company's internet pages and will be made available to everyone.

PROPULZIJA d.o.o.

Petar Milin