

# CODE OF BUSINESS CONDUCT

Lanitis E.C. Holdings Ltd

Lanitis Group of Companies - Head Offices, 21, Arch. Kyprianou Street, 3036 Limassol, P.O. Box 50336, 3603 Limassol, Tel: 00357 25820920  
Fax: 00357 25352580, Website: [www.lanitis.com](http://www.lanitis.com), E-mail: [info@lanitis.com](mailto:info@lanitis.com)



Strong corporate culture

supports the **SUCCESS**  
of our Group!

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## 1. A MESSAGE FROM OUR CHAIRMAN

One of the major characteristics of the *Lanitis Group* is the diversification of its businesses. Over the last 100 years of our country's economic presence, the *Lanitis Group* has covered a wide spectrum of business activities and has firmly established itself as the Leader Through Time.

People are primary to the success of the *Lanitis Group* – be they employees, business partners, customers or shareholders, each individual contributing through their diverse background and experience towards the dynamic force that has constituted the solid foundation of the Lanitis Group's business perspective.

A common philosophy and perception is shared among us all – the commitment to maintaining high ethical standards has been sustained since its establishment at the end of the 19th Century.

The Code of Business Conduct that follows determines the frame of this philosophy and is based on 3 axels that sustain our values: Reliability, Integrity and Social Contribution.

The establishment of the Code of Business Conduct, driven by our Vision, Values and Mission Statements, was essential in order to act as a guide to enable ethical and sound decisions to be made in the best interest of all Lanitis Group stakeholders.

The *Lanitis Group* Vision is to continue to participate to the Economy and the Society through positive contribution based on development, innovation and quality, resulting to a future of dynamic perspective.

The establishment of a framework based on reliability enables the Group to play a pioneering and innovative role through providing products and services that in tandem are profitable and achieve an active part in the economic and social life of our country.

When we all understand these values and conduct our individual behaviour by them, we protect one of our greatest assets, our reputation. Every decision we make, every action we take, can affect employee morale, the way the world perceives our Group and the sustainable results we achieve.

The Management of the *Lanitis Group* has the responsibility and is expected to demonstrate its personal commitment in compliance with the Code of Business Conduct. Compliance with the Code of Business Conduct is essential for preserving and enhancing our reputation.

Thanks in advance for taking the time to read and understand our Code of Business Conduct and I hope that it can be used as an important tool and aid to our daily operations.



PLATON E. LANITIS  
Chairman

## 2. INTRODUCTION

The *Lanitis Group* of Companies (the term 'Group' includes Lanitis E.C. Holdings Limited, its subsidiaries and associated companies in which Lanitis E.C. Holdings Limited has a direct or indirect stake of more than 50%), is committed to responsible corporate behaviour; this includes high standards of business conduct in our relationships with employees, customers, shareholders, suppliers, governments, competitors, as well as, the local communities in which we operate.

In the pursuit of these values, all *Lanitis Group* employees, are expected to maintain high standards of integrity, honesty and fair dealing and behave themselves, at all times, so as to avoid actions which may adversely affect the interests or good standing of Lanitis E.C. Holdings Limited or any *Lanitis Group* Company.

Although, each Company of the *Lanitis Group* has wide freedom in decision making, all companies and all employees within the *Lanitis Group* are expected to be aware of, understand and act in accordance with the Corporate Ethics set out in this Code of Business Conduct.

## 3. THE PURPOSE OF THE CODE OF BUSINESS CONDUCT

The purpose of the Code of Business Conduct is to guide all employees within the *Lanitis Group* to have a clear understanding of the principles and ethical values that the *Lanitis Group* wants to uphold.

The Code of Business Conduct applies to all subsidiaries and associated companies, in which Lanitis E.C. Holdings Limited has a direct or indirect stake of more than 50% and to all employees of the *Lanitis Group*, anywhere we do business. Wherever the *Lanitis Group* participates in associates and/or joint ventures, the Code of Business Conduct standards should also be actively promoted.

Compliance with the Code of Business Conduct is an important factor in maintaining and building our culture and the reputation of the *Lanitis Group* as a responsible and trustworthy business partner, employer, supplier and corporate citizen.

The Code of Business Conduct is necessarily broad and general in nature. It is not possible to anticipate every situation. Nevertheless, these basic principles and ethical values should serve as a guide to each of us in our dealings with customers, suppliers, shareholders, colleagues and others with whom the *Lanitis Group* has business relationships.

## 4. COMPLIANCE WITH LAWS AND REGULATIONS

There are several governmental and industrial laws and regulations applicable to the *Lanitis Group's* business. We should be aware of and well informed about the laws and regulations governing our work activities, including those concerning: occupational health & safety, employment practices, protection of the environment, competition, intellectual property, and, the payment of taxes and social security.

## 5. ETHICAL BUSINESS CONDUCT AND FAIR DEALING

We must accept responsibility for maintaining and enhancing the *Lanitis Group's* reputation for integrity and fairness in its business dealings. In its everyday business transactions, the *Lanitis Group* must be dealing honestly and in an objective manner with all its customers, suppliers, employees and others with whom the *Lanitis Group* has a business relationship.

We support free competition. We seek to compete fairly and ethically and within the framework of applicable competition laws, we will not prevent others from competing freely with us.

## 6. EMPLOYEES

Human Resources are fundamental to the success of the *Lanitis Group*. The dynamic approach of our people determines our business perspective. We need to make sure that we attract, select and retain the best.

**Respect** – The mutual respect constitutes the base of our business relationships. We will treat each other with respect and fairness at all times, just as we wish to be treated ourselves.

**Equal Opportunities/No Discrimination** - in employment related matters (including recruitment, access to training and promotion, transfers, employment termination, discipline, compensation and benefits), decisions are made on the basis of the qualifications, experience, performance record and abilities required for the work to be undertaken, and relevant business circumstances.

**Harassment** - Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics, as well as, unwelcome sexual advances. We are encouraged to speak out if a colleague's behaviour makes us uncomfortable and to report harassment if and when it occurs.

**Working Environment and Occupational Health & Safety** - We are all responsible for maintaining a safe workplace by following safety and health rules and practices. We are responsible for immediately reporting accidents, injuries, unsafe equipment and any other hazardous practices or conditions which may harm our safety and health.

**Employee Communication** - The *Lanitis Group* is committed to open, honest, timely and effective communication with all employees and encourages people to work together and co-operate. Sharing knowledge helps strengthening our culture. We are not allowed to make or engage, in any incomplete, inaccurate and/or false record or communication of any kind, whether internal or external, including but not limited to incomplete, inaccurate and/or false expense, attendance, financial, or similar reports and statements.

**Personal Conduct** - Dishonest or illegal activities on *Lanitis Group* premises or while performing business duties will not be acceptable and could lead to disciplinary action. The following activities are strictly prohibited:

- Consumption or being under the influence of alcoholic beverages or other controlled substances, such as drugs.
- Driving vehicles or operating *Lanitis Group's* equipment while under the influence of alcohol or controlled substances.
- Betting or Gambling. The use of *Lanitis Group's* resources and facilities for gambling, including, but not limited to, placing bets over the telephone, fax, e-mail or Internet.

## 7. CONFLICTS OF INTEREST

We will perform our duties conscientiously, with honesty, and in accordance with the best interests of the *Lanitis Group*. We must not use corporate property, information, our position or the knowledge obtained as a result of our position for private or personal advantage. Any actions that create or seem to create a conflict between our personal and the *Lanitis Group* interest should be avoided. However, we are required to disclose any situation that may be, or appear to be, a conflict of interest. General guidelines to help us better understand common situations that may cause a conflict of interest are listed below:

**Outside Engagements** - We all share a serious responsibility for the *Lanitis Group's* reputation and good public relations, especially at the community level. Our readiness to help with religious, charitable, educational, and civil activities brings credit to the *Lanitis Group* and is encouraged. We must, however, avoid acquiring any business interest or participating in any other activity outside the *Lanitis Group* that would, or would appear to:

- Create an excessive demand upon our time and attention, thus depriving the *Lanitis Group* of our best efforts on the job.
- Create a conflict of interest that may interfere with the independent exercise of judgment in the *Lanitis Group's* best interest.

**Gifts and Entertainment** - We are not allowed to accept gifts, entertainment, or personal favours that could, in any way, influence, or appear to influence, business decisions in favour of any person or company with whom or with which the *Lanitis Group* has, or is likely to have, business dealings. Similarly, we can not accept any other preferential treatment under these circumstances thanks to our position within the *Lanitis Group*, putting the *Lanitis Group* in an inconvenient position. We can accept, however, gifts of nominal value or invitations and other customary entertainment in relation to professional activities.

**Family Members and Close Personal Relationships** - We are not allowed to use personal influence to get the *Lanitis Group* to do business with an organization in which our family members or friends have an interest. We should disclose any close relationship that might appear to be in favour of another organization to the expense of *Lanitis Group's* interests.

**Employment of Relatives or Friends** - Employment or placing close family members or friends in positions that create a conflict of interest is prohibited. Prohibited relationships are those in which the employee:

- has direct supervisory authority over the relative or friend.
- exercises any significant influence with respect to the relative/friend's hiring, placement, promotions, evaluations, or pay.

**Kickbacks and Secret Commissions** - Regarding the *Lanitis Group's* business activities, it is unacceptable for us to receive payment or compensation of any kind, except as authorized under our remuneration policies. In particular, the *Lanitis Group* strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others.

**Loans** - We should not personally borrow from the *Lanitis Group's* customers, suppliers, individuals or companies with which the *Lanitis Group* does business.



## 8. CUSTOMERS

The *Lanitis Group* aims to provide high standards of both quality of products/services and customer support. We earn customer loyalty by delivering on our promises and by treating our customers with respect.

**Product/Service Quality and Safety** – We will provide consistently high quality and reliable products/services which at the same time are safe and meet customer needs, prior, during and after the sale.

**Sales and Marketing** - We will build long-term relationships with our customers by demonstrating honesty, sincerity and integrity. Our marketing and advertising activities will be based on accurate and truthful records. Deliberately misleading messages, omissions of important facts or false claims about our products/services or false or misleading claims about the products/services of our competitors are unacceptable. We will obtain business at arm's length, legally and ethically. Some business situations call for giving gifts or providing entertainment. Our gifts or entertainment must be legal, reasonable, consistent with accepted business practice and not extravagant in nature, or of modest value, and approved by Management.

**Customer Information** - We are expected to protect customer information that is sensitive, private or confidential - just as carefully as we protect our own. Customer information cannot be revealed to anyone out of the *Lanitis Group*, unless we are obliged by the law.

## 9. BUSINESS PARTNERS

Building quality relationships with other companies gives the *Lanitis Group* a competitive advantage. We will not do business with others who are likely to harm the *Lanitis Group's* reputation. For example, we will avoid doing business with others who intentionally violate the law. We will not use a third party to perform any act prohibited by the law or by the *Lanitis Group* Code of Business Conduct.

**Purchasing Practices** - Purchasing decisions must be made based solely on the *Lanitis Group's* best interests. Suppliers win the *Lanitis Group's* business based on product or service suitability, price, delivery and quality. Purchasing agreements should be based on competitive bids and be documented and clearly identify the services or products to be provided, the basis for earning payment and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.

**Subcontractors** - Subcontractors play a vital role in fulfilling many of our business. In some cases, the subcontractor is widely known to our customers. It is very important to ensure that our subcontractors preserve and strengthen the *Lanitis Group's* reputation, by acting consistently with our Code of Business Conduct.

**Associates, Joint Ventures and Alliances** – The *Lanitis Group* strives to ally with companies that share our commitment to ethics. We will work to ensure the standards of our associates, joint ventures and alliances are compatible with our own.

**Agents and Consultants** - Commission rates or fees paid to dealers, distributors, agents, or consultants must be reasonable in relation to the value of the product or service that is actually being done, consistent with law, policy and local practice. We will not pay commissions or fees, that we have reason to believe, will be considered as a bribe.



**Cooperation between the Companies of the Lanitis Group** – It is expected by each individual Company of the *Lanitis Group* to give priority and protect the best interest of the various companies within the *Lanitis Group*. The Cooperation between the Companies of the *Lanitis Group* is of utmost importance. We shall cooperate and share human, management and other resources, as long as this does not violate the law or adversely affect our business interests and shareholder value. Our dealings and business relationships within the *Lanitis Group* should be fair and at arms length. In the procurement of products and services, a *Lanitis Group* Company shall give preference to another *Lanitis Group* Company, as long as, it can provide these on competitive terms relative to third parties.

## 10. SHAREHOLDERS

The *Lanitis Group* aims to achieve sufficient profit to finance its growth and to provide the resources required to meet its responsibilities to shareholders, employees, customers, suppliers and the wider community in a balanced and responsible manner.

**Protection of Investment made in the Lanitis Group** - We will protect the investment of our shareholders as if it was our own. We will have, as a key objective, the provision of a proper rate of return on funds invested, competitive with the one the leading companies of the same sector achieve.

**Assets Protection** - We have a responsibility to protect the *Lanitis Group's* assets entrusted to us from loss, damage, misuse or theft. The *Lanitis Group's* assets, such as: funds, products, equipment and vehicles, computers and software, should strictly be used for business purposes and other purposes approved by management. In relation to the internet connection, we do not download any data that is unprofessional or inappropriate for business use. The *Lanitis Group's* assets should never be used for purposes that violate the law or our policies.

**Protecting Confidential Information** - We should ensure that confidential information is preserved and protected. Confidential information is not generally known outside the organisation and either gives or could give the *Lanitis Group* a competitive advantage or disadvantage, or could lead to the loss of an existing competitive advantage, if it became known to others or became known in the public domain. This kind of information should not be revealed to anyone outside the organisation, unless we are obliged by law or by an appropriate confidentiality agreement.

**Insider Trading** - We are not allowed to trade in securities or any other kind of property based on material information that we hold due to our position in the *Lanitis Group*, if that information has not been reported publicly.

**Integrity of Financial Records** - To make responsible business decisions, we require honest and accurate recording and reporting of information. This includes such data as quality, safety and personnel records, as well as all financial records. All financial books, records and accounts must accurately reflect transactions and events and no undisclosed or unrecorded liabilities or assets shall be established or maintained. Books and records must be maintained in all respects according to law and the accounting principles, policies and procedures that the *Lanitis Group* has adopted and must conform to the *Lanitis Group's* system of internal controls.

**Audits and Investigations** - We must fully cooperate with all audits and investigations carried out within the *Lanitis Group*. All information provided, must be truthful, complete and accurate. We will not conceal, alter or destroy documents or records in response to an investigation or other lawful request.



## 11. COMMUNITY

**Charitable Activities** – The *Lanitis Group*, in addition to the charitable activities of the Evagoras and Kathleen Lanitis Foundation, makes donations for charitable and other purposes, as well as encouraging employee charitable fund raising efforts. The same applies to each individual Company of the Lanitis Group.

**Personal Activities** - We are free to support community, charity and political organizations of our choice, as long as we represent ourselves only. We should make it clear that our views and actions, in no way, are those of the *Lanitis Group*. Official statements are only made by the Management and Directors of the *Lanitis Group*. Our outside activities, under no circumstances, should interfere with job performance.

**Environment** - We respect the environment by complying with all applicable environmental laws in all countries in which we operate. The *Lanitis Group* is committed to protecting the environment by minimizing the negative environmental impact of our operations and operating our businesses in ways that foster sustainable use of the world's natural resources.

## 12. COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

A group - wide organizational structure has been established to coordinate, implement and oversee compliance with the Code of Business Conduct.

**The Business Conduct Committee** - The Business Conduct Committee has an oversight responsibility for the compliance with the Code of Business Conduct. The Business Conduct Committee consists of Messrs:

Platon E. Lanitis, Chairman  
Costas E. Lanitis, Director  
Marios E. Lanitis, Director  
Ioannis C. Archontides, Director

**The Business Conduct Compliance Officer** - The Business Conduct Compliance Officer, Mrs. Valentina Panayi Pappou, Group Internal Auditor, is responsible for the operational management of the compliance with the Code of Business Conduct, including managing the investigation process, reviewing the results of investigations and reporting to the Business Conduct Committee. The Business Conduct Compliance Officer will also serve as a resource for the *Lanitis Group* by providing training materials, communications, advice and guidance on matters related to the integrity of the *Lanitis Group* and this Code of Business Conduct.

**Each Individual Company of the Lanitis Group** - It is the responsibility of the Board of Directors and the Management of each individual company of the *Lanitis Group* to ensure, so far as is reasonably practicable, that the principles and ethical values embodied in this Code of Business Conduct are communicated to all employees of the *Lanitis Group*. Each individual Company shall appoint a contact person who shall ensure the effective implementation of the Code of Business Conduct. The Board of Directors of each individual company of the *Lanitis Group* will not reprimand the management for any loss of business resulting from adherence to this Code of Business Conduct.

**Management** – The Management has a key role in the implementation and compliance of the Code of Business Conduct and is expected to demonstrate its personal commitment to our standards of ethical conduct, in both words and actions and to lead its employees accordingly. The Management has the responsibility to create and maintain a business environment, in which the ethical and lawful behavior is required. This responsibility includes the briefing and updating



of employees regarding the current policies and procedures. Furthermore, the Management must be diligent in looking for indications of unethical or illegal conduct and taking appropriate and consistent action to address any situations that seem to be in conflict with the law or the Code of Business Conduct.

**Personal Responsibility** - We are all personally responsible for the implementation of the Code of Business Conduct. We are required to know, understand and comply with the Code of Business Conduct and we are personally responsible for doing so. Failure to comply with the Code of Business Conduct and the law will be regarded as misconduct and will lead to disciplinary measures appropriate to the violation. The Lanitis Group expects all employees to report any suspected violation of the law or of the Code of Business Conduct. The Lanitis Group undertakes the obligation that, no employee, will suffer as a consequence of bringing to the attention of the Business Conduct Compliance Officer or the Business Conduct Committee a breach or suspected breach of law or this Code of Business Conduct.

### 13. CERTIFICATION

All employees must certify in writing that they have received, read and understood the Code of Business Conduct.

### 14. WAIVERS AND MODIFICATIONS

Waivers of any provision of this Code of Business Conduct must be approved by the Business Conduct Committee. Any waiver or modification of any provision of this Code of Business Conduct will promptly be disclosed, to the extent required by law or regulation.

### 15. ASKING QUESTIONS/ RAISING CONCERNS

The information in this Code of Business Conduct will help us work through most difficult business issues and dilemmas. In the real business world, however, things are not always 'Black or White'. If you find yourself in a situation where the "right thing" is not obvious and clear or doing the right thing is difficult, remember our values: Reliability, Integrity and Social Contribution.



## THE BUSINESS CONDUCT COMPLIANCE OFFICER

For any queries, concerns and/or reports of violations of this Code of Business Conduct you can contact The Business Conduct Compliance Officer by:

- a. Simply calling toll free **(00357) 8000 1166**
- b. Sending an E-mail at **vpappou@lanitis.com**
- c. Visiting our internet website at **www.lanitis.com**
- d. Sending a Letter to **Business Conduct Compliance Officer, P.O. Box 50336, 3603 Limassol, Cyprus**

All queries and reports of violations are confidential.

### WHEN IN DOUBT, ASK YOURSELF...

1. Are my actions legal?  
If it's not legal, don't do it. It's that simple.
2. Am I being fair and honest?
3. Will my action stand the test of time?
4. How will I feel about myself afterwards?
5. How will it look in the newspaper?
6. Will I sleep soundly tonight?
7. What would I tell my child to do?
8. How would I feel if my family, friends, and neighbours knew what I was doing?

**Do the Right Thing!**

## ASK BEFORE ACTING

### Key Contacts:

- Your Management.
- Your Human Resources Department.
- Your Company's appointed contact person for the Code of Business Conduct (if not the Human Resources Department).
- The Business Conduct Compliance Officer at Lanitis E.C. Holdings Ltd.



