



Compliance Code

Baltic Control® · Version 14_12-10-2020



Baltic Control® Group

Caring about quality



Compliance Code

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I. Introduction

1. Code Objective

The purpose of this Baltic Control® Compliance Code ("Code") is to enhance the status of A/S Baltic Control Group Ltd ("Baltic Control®") by ensuring that everyone complies with the standards of professional conduct throughout our organization, including franchisees, joint ventures or other partners who are authorized to work under the Baltic Control® brand. Everyone must, with their consent, ensure their ethical behavior and 100% integrity of the services they provide.

II. Baltic Control® Compliance Principles

1. Integrity

Baltic Control® shall operate in a professional, independent and impartial manner in all its activities.

Baltic Control® shall carry out its work honestly and shall not tolerate any deviation from its approved methods and procedures. Where approved test methods make provision for tolerances in results, Baltic Control® shall ensure that such tolerances are not abused to alter the actual test findings.

Baltic Control® shall report data, test results and other material facts in good faith and shall not improperly change them, and shall only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained.

2. Conflicts of interest

Baltic Control® shall avoid conflicts of interest with any related entity in which it has a financial or commercial interest and to which it is required to provide services.

Baltic Control® shall avoid conflicts of interest between Baltic Control®'s companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

Baltic Control® shall ensure that its employees avoid conflicts of interest with the activities of Baltic Control®.

3. Confidentiality

Baltic Control® shall treat all information received in the course of the provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

4. Anti-bribery

Baltic Control® shall prohibit the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment.

Baltic Control® shall prohibit the use of any routes or channels for provision of improper benefits to, or receipt of improper benefits from, customers, agents, contractors, suppliers, or employees of any such party, or government officials.

5. Fair marketing

Baltic Control® shall only present itself and conduct marketing, including any comparisons with or references to competitors or their services, in a manner that is truthful and not deceptive or misleading or likely to mislead.

6. Health and Safety

Baltic Control® has a policy on fair labour and safety described in our Code of Conduct.

7. Fair Labour

Baltic Control® is aware of our social responsibility for our employees and the people, communities and environments in which we work and shall respect human rights as described in Baltic Control®'s Code of Ethics.

III. Baltic Control® Compliance Rules

1. Organizational Rules

1.1 Implementation

Baltic Control® shall implement a Compliance Programme, based on this Code, throughout its organization provided our mandate in the applicable arrangement empowers Baltic Control A/S, Denmark to enforce the rules.

Baltic Control® will implement this Code by integration of its requirements into our Quality Management System and/or internal audit system – both the quality management system and the internal audit are performed by independent external auditors.

1.2 Baltic Control®'s Compliance Principles and Rules

1.2.1 Baltic Control®'s Board has confirmed their commitment to implementing this Code by publishing their own:

- (a) Principles which will, at least, reflect the TIC Council Compliance Principles
- (b) Rules which shall, at least, reflect the TIC Council Compliance Rules

1.2.2 Baltic Control® will send a copy of the Compliance Principles and Rules which apply throughout our organization, and any subsequent updates thereof, to the Director General of TIC Council for verification of compliance with this Code.

1.2.3 The TIC Council Director General will, within two months of receipt of the Baltic Control®'s Compliance Principles and Rules, or any updates thereof, carry-out a documentary review and confirm to Baltic Control® either that it appears to comply with TIC Council requirements or that it needs clarification or revision.

1.3 Appointment of Compliance Officer and Committee

Baltic Control A/S Board of Directors consisting of:
Karina Engstrøm Nielsen, Chairman of Board
Martin Engstrøm Pedersen, CEO
Nicolai A. Clausen, Member of Board
Anders Drejer, Member of Board

has approved of the Compliance Programme and have appointed a Compliance Committee consisting of:

Martin Engstrøm Pedersen, CEO
Karina Engstrøm Nielsen, Chairman of Board
Michał Miłański, Compliance Officer
Liselotte Healy, Deputy Compliance Officer
Stephan Neben, CFO/HR

and the following senior executives to ensure the upholding/execution of the Programme throughout Baltic Control®:

Michał Miłański, Compliance Officer
Liselotte Healy, Deputy Compliance Officer

and the external auditor:

Ernest & Young
Værkmestergade 25
Box 330
8000 Aarhus

1.5 Human Resources

1.5.1 Recruitment

Prior to job offer, prospective employees of Baltic Control® will be informed of Baltic Control®'s Compliance Programme (Principles and Rules).

1.5.2 Employee commitment

Baltic Control® shall ensure that:

(a) Each employee will be provided with a copy of the Baltic Control®'s Compliance Principles and Rules and requested to sign a declaration that it has been received, read and understood. A record will be kept in the file of the employee.

(b) The following senior managers will be requested to sign a declaration each year that they are updated and follow these codes:

Martin Engstrøm Pedersen
Karina Engstrøm Nielsen
Liselotte Healy
Carsten Vammen

(c) Where Baltic Control A/S, Denmark's mandate empowers it to enforce the rules in other parts of the organization, managers responsible for these other parts shall be required to sign annual declarations relative to those parts of the organization for which they are responsible.

Baltic Control®'s Rules will make it clear that employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

1.5.3 Training

All employees, including managers, of Baltic Control® will be given a copy of the TIC Council Compliance Training Guide. A Record of course completion shall be kept in the file of each employee. Each employee has to undergo compliance code training.

1.5.4 Consultation on Code development

Baltic Control® employees will have the opportunity to provide input on the development of the Programme during performance evaluations, staff training sessions or at review meetings or directly to the Compliance Officer.

1.5.5 Employee performance evaluation

Baltic Control® will ensure that each employee has an on-going understanding of Baltic Control®'s Compliance Programme during employee performance evaluations.

1.6 Employee "help lines"

All employees can contact baltic@balticcontrol.com.

1.7 External communications

Baltic Control® will ensure effective external communications by:

- 1.7.1 Publicly disclosing Baltic Control®'s Principles and Rules and, if appropriate, related information on our website and in our annual accounts.
- 1.7.2 Providing facilities and tools, to receive enquiries, complaints or feedback from relevant interested parties can be sent to our main e-mail address published on our website.

1.8 Reporting of violations

- 1.8.1 Baltic Control®'s employees are encouraged to report details of violations or suspected violations to either Baltic Control®'s Compliance Officers or their nominated delegate(s).

The reporting employee shall be fully protected against any form of reprisal unless they acted maliciously or in bad faith. If requested, the employee's anonymity shall be protected to the extent reasonably practicable.

- 1.8.2 Baltic Control® employees will be required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge in the same manner as provided for under section 1.8.1.

1.9 Member's investigations and sanctions

- 1.9.1 Baltic Control®'s Compliance Officers or their nominated delegate(s) shall initiate, where appropriate, an investigation into any violation of the Programme reported to them or coming to their knowledge.
- 1.9.2 Baltic Control® will maintain a documented procedure for the handling of investigations and sanctions which shall include requirements for:
 - (a) The maintenance of records of all reported violations and subsequent actions taken.
 - (b) The alleged perpetrator of such violation to have the right to be heard.
 - (c) Baltic Control®'s management or Compliance Committee is to decide the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal.
 - (d) The Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and pre-

pare periodic summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.

1.10 Effectiveness of the Programme Implementation

1.10.1 Management Declarations

Baltic Control® will require its senior managers (Karina Engstrøm Nielsen, Martin Engstrøm Pedersen, Liselotte Healy, and Carsten Vammen) and where applicable for other parts of the organization, other managers as referred to in 1.5.2.(b) above to prepare and sign, on an annual basis, a Compliance Declaration which, as a minimum, shall be based on the template contained in Annex A. These Compliance Declarations shall be received, in respect of all applicable locations and/or activities, by the Compliance Officer who shall submit an annual summary report to Baltic Control®'s Compliance Committee.

1.10.2 Internal audits

Baltic Control® will require our nominated internal auditors, as part of our internal audit plan, to verify that Baltic Control® Compliance Principles and Rules have been implemented within our organization and that the Management Declarations, as per section 1.10.1, (a) have been completed in conformance with Annex A and (b) reflect compliance with the Principles and Rules and (c) in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits shall review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme. The TIC Council Guidance Check List for Members' Internal Compliance Audits should be used for guidance or reference as appropriate.

The compliance findings resulting from such audits will be reported to the Compliance Officer who will submit a summary report to Baltic Control®'s Compliance Committee. The Compliance Officer and/or Compliance Committee shall take follow-up actions where appropriate.

1.10.3 External examinations

1.10.3.1 Frequency

The effectiveness of the implementation of the Programme shall be examined at least annually by Baltic Control®'s appointed independent external audit firm. The required scope of the examination is detailed in section 1.10.3.5.

1.10.3.2 Independent external audit firm

Baltic Control®'s independent external audit firm appointed to carry-out this examination:

- (a) shall be (i) either the firm engaged for the audit of Baltic Control®'s (consolidated) financial statements or another external audit firm entrusted with auditing Baltic Control®'s Programme and, in either case, (ii) a member of a recognised national professional accountancy organization or approved by the TIC Council Director General as being appropriately qualified for the verification of Baltic Control®'s Programme, and

(b) the external auditor shall be 100% independent from Baltic Control® business, i.e. not a member or associate of f. inst. ITS, BIVAC, SGS or the like.

1.10.3.3 Use of complementary external audit firms

(a) If, as per section 10.3.2(b), there are countries of Baltic Control®'s operation where the international audit firm does not have offices and it is necessary to use different external audit firms (which shall comply with section 10.3.2(a)), or correspondent audit firms which do not apply a uniform approach and methods, Baltic Control® and its international external audit firm shall be required to report to the Director General of TIC Council on the arrangements made to ensure that a consistent examination of the Programme implementation is achieved in respect of all locations. In such cases, Baltic Control®'s international external audit firm shall act as the co-ordinator of the other external audit firms and prepare one consolidated Assurance Report.

(b) Baltic Control®'s appointed external audit firm may, by agreement with Baltic Control®, utilise the services and reports of independent management system certification or accreditation bodies which have performed audits of Baltic Control®'s management systems based on international standards. However, such certification and accreditation bodies or their reports shall not be used for the verification of financial and related aspects, included in the specific Anti-Bribery requirements and section 11, without the prior approval of the TIC Council Director General.

1.10.3.4 Notification to TIC Council of Baltic Control®'s appointed external audit firm(s)

Prior to the appointment of the external audit firm(s), or any subsequent proposed changes thereof, Baltic Control® shall submit details to the Director General of TIC Council for confirmation of compliance with TIC Council requirements.

1.10.3.5 Scope of examination

For the purposes of demonstrating that Baltic Control® is in conformance with the TIC Council Compliance Code, Baltic Control® shall require the external audit firm to:

- (a) Perform, as a minimum, the following assurance Review Procedures based on ISA as adapted for the TIC Council Compliance Code:
- (i) Verify that Baltic Control®'s current Compliance Principles and Rules remain identical to those submitted to, and approved by, TIC Council.
 - (ii) Verify that Baltic Control® has established a Programme incorporating the requirements of the Code.
 - (iii) Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) Compliance Committee records and (c) compliance training.
 - (iv) Review the following consolidated management statements:
 - Political contributions
 - Charitable contributions and sponsorships
 - Intermediaries' remuneration

- Extraordinary expenditures relating to gifts, hospitality and expenses and verify whether these statements:
- reconcile with the accounting records and supporting documentation
- have been approved by the Compliance Committee where applicable.

- (v) Verify that all Management Declarations from senior managers in all countries of operation have been received and tested the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer or, where applicable, his/her nominated delegate(s).
- (vi) Any other areas and audit procedures as considered appropriate by the external audit firm and agreed with Baltic Control®.

(b) Perform the assurance Review Procedures, as per section 1.10.3.5(a), by audit sampling in respect of both Baltic Control®'s locations and the systems and documentation applicable to those locations. The audit sampling shall be agreed between the auditor and Baltic Control®, based upon a compliance risk assessment and taking into account Baltic Control®'s organization and peculiarities.

(c) Maximise the use of the services of Baltic Control®'s corporate internal audit function and/or internal quality auditors to avoid duplication of efforts and minimise additional costs.

1.10.3.6 External audit firm's "Assurance Report"

Baltic Control® shall require the external audit firm to issue an Assurance Report based on the Proforma Assurance Report, contained in Annex B, which is provided for guidance and may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards.

Baltic Control® shall instruct its external audit firm to send a copy of the Assurance Report to the Director General of TIC Council within 6 months of Baltic Control®'s financial year-end closing date.

1.10.3.7 Reportable Conditions

Reportable conditions which are detected by the external audit firm during performance of the Assurance Review Procedures shall be reported in the Assurance Report regardless of whether or not Baltic Control® has already taken corrective action.

The external audit firm shall not be required to include in its Assurance Report any minor non-conformities detected. These shall be communicated separately to Baltic Control®'s management for corrective action within the time frame stipulated by the auditor.

1.10.3.8 TIC Council follow-up of Assurance Reports

- (a) The Director General of TIC Council shall submit to the TIC Council summary reports of the Assurance Reports received.
- (b) In the event that an Assurance Report contains reportable conditions, the Director General of TIC Council shall follow these up, where applicable, in conformance with the TIC Council Complaints and Disciplinary Procedures.

1.11 Application of Baltic Control®'s Principles and Rules in business relationships

To ensure that Baltic Control®'s Compliance Principles and Rules are applied, to the extent appropriate, in its business relations with parties external to Baltic Control®'s organization such as intermediaries, joint venture partners, agents and subcontractors, contractors and suppliers, Baltic Control® will implement the following:

1.11.1 Intermediaries

To ensure (a) the intermediary's compliance with Baltic Control®'s Compliance Principles and Rules and (b) avoid improper payments being channelled through intermediaries, Baltic Control® will:

- 1.11.1.1 Prior to appointing new intermediaries, or renewing or substantially revising the terms of the appointment of an intermediary appointed prior to the entry into force of this Code, conduct due diligence which shall include:
- (i) A risk analysis
 - (ii) An interview with the intermediary
 - (iii) Providing the intermediary with a copy of Baltic Control®'s Compliance Principles and Rules and requesting confirmation that, in the event of his/her/its appointment, or re-appointment, they accept that their/its contract with Baltic Control® shall require their/its full compliance with the Principles and Rules and allow that this may be periodically verified by Baltic Control®, TIC Council or a 3rd part.
 - (iv) An investigation of the intermediary's background which, for intermediaries required to deal with government officials, shall be performed by an independent investigator and the findings reviewed and approved by Baltic Control®'s Compliance Committee.
 - (v) A considered judgement based on a remuneration analysis performed as per TIC Council requirements that the compensation paid to each intermediary is an appropriate and justifiable remuneration for legitimate services rendered, and does not facilitate improper payments by an intermediary.
- 1.11.1.2 Ensure, following an appointment of an intermediary or renewal of revision of the terms of appointment as per 1.11.1.1, the intermediary's continual compliance with Baltic Control®'s Principles and Rules through monitoring his/her/its conduct and, in the event of breach, take remedial action which could, for serious breaches, result in termination of the contract.
- 1.11.1.3 Where appropriate, undertake to provide training and support to the intermediary.
- 1.11.1.4 Maintain records of fulfilment of the above mentioned requirements, including a copy of the contract with the intermediary, consistent Baltic Control®'s Compliance Principles and Rules.

- 1.11.1.5 Account for the intermediaries' remuneration in a separate general ledger account in Baltic Control®'s accounting records. Baltic Control® shall consolidate all such payments made by any of its operations forming part of its organization.
- 1.11.1.6 The auditor will in his annual accounts clearly state the amount paid to intermediaries.
- 1.11.1.7 Not deal with prospective intermediaries which it knows to be involved in bribery.
- 1.11.1.8 Baltic Control® shall use its best endeavours to require intermediaries, appointed on terms agreed prior to the date on which this Code comes into force, to comply with Baltic Control®'s Principles and Rules.

1.11.2 Joint venture partners

- 1.11.2.1 Baltic Control® will conduct due diligence of prospective joint venture partner(s), as outlined in section 1.11.1.1.
- 1.11.2.2 Baltic Control® shall not deal with any prospective joint venture partner(s) which is known to be involved in bribery.
- 1.11.2.3 Baltic Control® will monitor the joint venture's compliance with Baltic Control®'s Principles and Rules through monitoring of its conduct and, as appropriate, periodic verification.
- 1.11.2.4 Baltic Control® will use its best endeavours to require its joint venture partner(s), with which it entered into Agreements prior to the date on which this Code comes into force, to operate the joint venture in conformance with Baltic Control®'s Principles and Rules.

1.11.3 Agents and Subcontractors

- 1.11.3.1 Baltic Control® will undertake due diligence of prospective agents and subcontractors, as outlined in section 1.11.1.1.
- 1.11.3.2 Baltic Control® will, where appropriate, provide training for agents and subcontractors.
- 1.11.3.3 Baltic Control® will not deal with prospective agents and subcontractors which is known to be involved in bribery.
- 1.11.3.4 Baltic Control® will monitor the agent's or subcontractor's compliance with Baltic Control®'s Principles and Rules through monitoring of its/their conduct and, as appropriate, periodic verification.
- 1.11.3.5 Baltic Control® will use its best endeavours to require Agents and Subcontractors, appointed on terms agreed prior to the date on which this Code comes into force, to comply with Baltic Control®'s Compliance Principles and Rules.

1.11.4 Contractors and suppliers

- 1.11.4.1 Baltic Control® will conduct its procurement practices in a fair and transparent manner.
- 1.11.4.2 Baltic Control® will undertake due diligence in evaluating major prospective contractors and suppliers. Baltic Control®'s Compliance Committee shall provide guidance to employees on the definition of "major prospective contractors and suppliers" and the scope of due diligence.
- 1.11.4.3 Baltic Control® will make known its Compliance Principles and Rules to major contractors and suppliers.
- 1.11.4.4 Baltic Control® will avoid dealing with prospective contractors and suppliers which is known to be involved in bribery.

1.12 Complaints and Disciplinary Procedures

- 1.12.1 Complaints concerning alleged non-compliance with this Code by other members should be lodged with TIC Council in accordance with the TIC Council Complaints and Disciplinary Procedures. Baltic Control® will refrain from submitting such complaints to other parties unless it is necessary to do so to protect Baltic Control®'s reputation.
- 1.12.2 Breaches of this Code may lead to sanctions.

2. Integrity Rules

2.1 Non abuse of tolerances

- 2.1.1 Baltic Control® shall ensure that where approved test methods make provision for tolerances in results, such tolerances shall not be abused by employees to alter the actual test findings.
- 2.1.2 Baltic Control® shall provide guidance to their employees for dealing with clients who expect Baltic Control® to abuse tolerances to obtain acceptable results.

2.2 Conflicts of interest

In order to avoid conflicts of interest, or the appearance of conflicts of interest, in Baltic Control®'s business transactions and services, the following requirements shall be taken into account:

- 2.2.1 Baltic Control® will avoid conflicts of interest between:
 - (a) Baltic Control® and any related entities in which Baltic Control® has a financial or commercial interest and to which it is required to provide services.
 - (b) Baltic Control®'s companies and/or divisions engaged in different activities but which may

be providing services to either (i) the same client or (ii) each other.

- 2.2.2 Baltic Control®'s employees shall not, directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of Baltic Control®, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes.
- 2.2.3 Baltic Control®'s employees shall not hold any position with a competitor or client.
- 2.2.4 Baltic Control®'s employees shall not conduct any company business with any member of their family or with an individual or organization with which they or their family is associated. Baltic Control®'s employees shall not employ a member of their family without approval of Baltic Control®'s management.

2.3 Protection of confidential business information

- 2.3.1 Baltic Control®'s employees shall be required, as a condition of employment, to sign a Non-Disclosure Agreement prohibiting the disclosure of any confidential business information, obtained during the course of their employment, to other parties.
- 2.3.2 Baltic Control® shall ensure that all intermediaries, joint venture partners, agents, subcontractors, franchisees, contractors and suppliers are made aware of the confidential nature of business information that they may handle through their dealings with Baltic Control®, and that they should not disclose confidential information to other parties.
- 2.3.3 Baltic Control® has introduced adequate security measures in our organization's premises containing confidential business information to ensure that (i) access is restricted to authorised personnel only (ii) documents/data are stored in designated secure areas and disposed of in a secure manner.

2.4 Sector Specific Integrity Rules

In respect of those business sectors in which Baltic Control® is active, Baltic Control® shall comply with any sector specific Integrity Rules published by the applicable TIC Council Technical Committee.

3. Anti-bribery Rules

3.1 Compliance with laws

- 3.1.1 Baltic Control® will ensure that the Principles and Rules of our Programme meet the requirements

of this Code and local laws relevant to countering bribery in all the jurisdictions in which Baltic Control® operates.

- 3.1.2 In the event that the local laws specify additional or different requirements, which are not covered by our Programme, Baltic Control® shall modify our Programme for the country(ies) concerned. Records shall be kept of countries where our Programme has been modified.

3.2 Analysis of risks

Baltic Control®'s Compliance Committee and/or senior executive, or his/her delegate, in each country of operation shall organise periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews shall be systematically conducted:

- (i) Prior to the commencement of a new service or the start up of operations in a new country and
- (ii) Whenever a significant breach of Baltic Control®'s Principles and Rules occurs which warrant a review of the existing control measures.

3.3 Political contributions

In order to ensure that Baltic Control®, its employees, agents or intermediaries shall not make direct or indirect contributions to political parties, organizations or individuals engaged in politics, as a way of obtaining advantage in business transactions, Baltic Control® will implement the following:

- 3.3.1 Baltic Control® will give maximum EUR 10.000 for political contributions.
- 3.3.2 Proposed political contributions, shall be subject to prior review and approval by Baltic Control® Compliance Committee and shall take into account the applicable laws in the countries concerned.
- 3.3.3 All political contributions made by Baltic Control® shall be accounted for in a separate general ledger account in Baltic Control®'s accounting records. Baltic Control® shall consolidate all such payments made by any of its operations forming part of our organization and the auditor to verify this in his/her annual accounts.
- 3.3.4 Baltic Control®, by our auditors who will prepare in his/her annual accounts, will prepare annually a consolidated management statement of all political contributions made including those made on our behalf by our employees, agents and intermediaries.

3.4 Charitable contributions and sponsorships

To ensure that charitable contributions and sponsorships are not being used as a subterfuge for bribery:

- 3.4.1 Baltic Control® will maintain a Policy and criteria for charitable contributions and sponsorships.

- 3.4.2 Baltic Control®'s Compliance Committee has stipulated charitable contributions and sponsorships to be maximum EUR 200.000 p.a. with a maximum of EUR 25.000 each recipient for charitable contributions and sponsorships.

- 3.4.3 Prior to approval of each proposed charitable contribution or sponsorship, in excess of EUR 10.000, a due diligence review shall be conducted to ensure that:

- (i) The organization receiving the contribution or sponsorship is reputable following a purpose unequivocally in the public interest and having the financial and personnel resources required to reach its purpose. Care should be taken to ensure that the organization is not a "front" for some other purpose. Donations to individuals shall be avoided unless approved and monitored by Baltic Control®'s Compliance Committee.
- (ii) There are no conflicts of interest.

- 3.4.4 Sponsoring agreements shall be in writing and state the consideration being offered by Baltic Control®: if funds are offered, the use of these funds shall be specified in detail and an opportunity to check on their use must exist.

- 3.4.5 Records shall be maintained locally of all charitable contributions and sponsorships and progress monitored to ensure that they have been used for the intended purpose.

- 3.4.6 All charitable contributions and sponsorships made by Baltic Control® shall be accounted for in a separate general ledger account in Baltic Control®'s accounting records.

- 3.4.7 Baltic Control® shall prepare annually a consolidated management statement of all charitable contributions and sponsorships made by Baltic Control® or on our behalf.

3.5 Facilitation payments

Facilitation payments are defined as small payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

Recognising that facilitation payments are a form of bribery, Baltic Control® shall work to identify and eliminate them.

3.6 Gifts, hospitality and expenses

To ensure that the offer or receipt of gifts, hospitality or expenses does not:

- (a) Influence, or be perceived to influence, a contractual or material transaction or
- (b) serve, or be perceived to serve, as an inducement to act in breach of duty, Baltic Control® shall implement the following:

- 3.6.1 Baltic Control®'s Compliance Committee shall set limits / guidelines on the value of gifts, hospitality or expenses that may be given without special authorisation from Baltic Control®'s Compliance Committee.
- 3.6.2 Guidelines will be provided to employees on the circumstances under which (a) gifts, hospitality or expenses may be received and (b) gifts may be kept by employees or should be surrendered to Baltic Control®'s management for disposal.
- 3.6.3 Baltic Control® is to give gifts only with the approval of the Managing director, however, within the limitation set forth by the TIC Council Compliance Code.
- 3.6.4 All extraordinary expenses / proceeds, falling outside the limits / guidelines set in section 3.6.1, related to gifts, hospitality and expenses, shall be accounted for in a separate general ledger account in Baltic Control®'s accounting records. Baltic Control® will consolidate all such payments made by any of our operations forming part of our organization.
- 3.6.5 Baltic Control® shall prepare annually a consolidated management statement, of all extraordinary expenses / proceeds.

3.7 Accounting and book keeping

Baltic Control® shall maintain accurate books and records which properly and fairly document all financial transactions. Off-the-books accounts shall be prohibited.

4. Fair Marketing Rules

Baltic Control® shall provide guidelines to employees, agents and intermediaries to ensure that:

- a. they conduct marketing (including comparisons with, or references to, competitors, competitors' services or third parties) in a manner that is truthful, is not deceptive or misleading or likely to mislead, and is consistent with applicable laws; and
- b. they present Baltic Control® in a fair manner; and
- c. Baltic Control®'s presentations and publications accurately and unambiguously reflect Baltic Control®'s network and affiliations, resources / capabilities, experience and services provided.

ANNEX A

Management Declaration

Confidential

Baltic Control® Compliance Programme

Management Declaration for the year ending _____ 20 _____

To: _____ (*Baltic Control®'s Compliance Officer or nominated delegate*)

Name of Manager: _____ Job Title: _____
Locations and/or activities covered by this Declaration: _____

I _____ (*name of Manager*) do hereby declare that in implementation of

Baltic Control®'s Compliance Programme for the year ending _____ 20____ in each of the locations and/or activities, as listed above, falling under my area of responsibility:

1. To the best of my knowledge I, and members of staff reporting to me, have complied in all respects with the Compliance Principles and Rules;
2. I have verified that the Compliance Principles and Rules have been distributed to each employee who had not previously received them;
3. I have fully and completely reported to the Compliance Officer any violation or suspected violation of the Principles and Rules, including any solicitation or offer of any improper payment or advantage, which has come to my knowledge;
4. I have fully and completely implemented all corrective and disciplinary actions required by the Compliance Committee in respect of any violation of the Principles and Rules.

Place _____ Date _____

Signature _____

Management Declaration Supplement (Optional)

This template is optional. It provides a listing of topics to be reported to the Compliance Officer which may be reviewed and verified by the Manager responsible. The information may be available in databases or annexed to the Declaration.

Subject	Section
<p>1. Compliance training Demonstrates that all employees, including any recently recruited and promoted employees, have attended the appropriate compliance training course.</p>	1.5.3
<p>2. Reporting of (a) violations / suspected violations and (b) solicitations for, or offers of, improper payments or advantages and (c) actions arising; subcategorised as follows: 2.1 Integrity Rules 2.2 Anti-bribery Rules 2.3 Fair Marketing Rules Provides details of reports and progress.</p>	1.8 & 1.9
<p>3. Internal audits conducted Provides details of locations audited, the findings and, where applicable, corrective actions taken.</p>	1.10.2
<p>4. Intermediaries Provides details of (a) due diligence conducted (b) agreements entered into with intermediaries (c) remuneration analysis (d) in respect of intermediaries dealing with government officials, approval by the Compliance Committee (e) monitoring of the intermediary's compliance with the Rules and Principles (f) training and support.</p>	1.11.1
<p>5. Joint venture partners Provides details of (a) due diligence conducted, (b) joint venture agreements entered into (c) verification of compliance with the Rules and Principles.</p>	1.11.2
<p>6. Agents and subcontractors Provides details of (a) due diligence conducted (b) agents and subcontractors appointed (c) verification of compliance with the Rules and Principles (d) training provided.</p>	1.11.3
<p>7. Major contractors and suppliers Provides details of (a) due diligence conducted in evaluating major prospective contractors and suppliers (b) contracts entered into with major contractors and suppliers.</p>	1.11.4
<p>8. Modifications of Compliance Programme to comply with local laws Provides details of any additional or different requirements specified in local laws which requires a modification to the Programme.</p>	3.1
<p>9. Analysis of bribery risks Provides details of periodic assessment reviews and actions arising.</p>	3.2
<p>10. Political contributions Provides details of (a) prior approvals by the Compliance Committee (b) political contributions made including those made on the Organization's behalf by employees, agents and intermediaries.</p>	3.3
<p>11. Charitable contributions and sponsorships Provides details of (a) due diligence conducted (b) all charitable contributions and sponsorships made (c) monitoring of the use of charitable contributions and sponsorships.</p>	3.4
<p>12. Gifts, hospitality and expenses Provides details of (a) gifts, hospitality and expenses for which special authorisation was requested from the Compliance Committee (b) gifts surrendered to management for disposal.</p>	3.6

Place _____ Date _____

Signature _____

ANNEX B

Proforma Assurance Report of external audit firm

"Assurance Report on Baltic Control®'s Compliance Programme"

1. Purpose of assurance review

We have performed review procedures on the management and reporting processes of the Compliance Programme Baltic Control A/S over the year _____ or the period _____ to _____ to determine whether these incorporate the requirements of the TIC Council Compliance Code dated _____ and whether this has been adequately implemented within Baltic Control®'s organization.

Baltic Control® is responsible for the development and maintenance of the management and internal reporting processes of the Compliance Programme. Our responsibility is to report on the management and reporting processes of the Compliance Programme based upon our review procedures.

2. Scope of assurance review

The scope of our review procedures was to:

- (i) Verify that the current Compliance Principles and Rules of Baltic Control® remain identical to those submitted to, and approved by, TIC Council.
- (ii) Verify that Baltic Control® has established a Programme incorporating the requirements of the Code.
- (iii) Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) Compliance Committee records and (c) compliance training.
- (iv) Review the following consolidated management statements:
 - Political contributions
 - Charitable contributions and sponsorships
 - Extraordinary expenditures relating to gifts, hospitality and expenses
 - Intermediaries remunerationand verify whether these statements:
 - reconcile with the accounting records and supporting documentation.
 - have been approved by the Compliance Committee where applicable.

- (v) Verify that all Management Declarations from Senior Managers in all countries of operation have been received and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer or, where applicable, his/her nominated delegate(s).

- (vi) Any other areas and assurance review procedures as considered appropriate by us and agreed with Baltic Control®.

We based our review primarily on management and other information provided to us by the company's management and staff. We also interviewed personnel responsible for the Compliance Programme, including the Compliance Officer, Managers and other appropriate employees, both at Group level and selected countries. We also performed tests, on a sample basis, of relevant documentation including Group policies, management and reporting structures, documentation and systems in place at

_____ (specify country(ies) visited).

There are no generally accepted international standards for these other Assurance Engagements. In the absence of such standards, we based our approach on best practices as well as on the underlying principles of the standards of the International Federation of Accountants but adapted as necessary. We, therefore, planned and performed our procedures to obtain a reasonable basis for our conclusions. However, we have not performed an audit. Accordingly, we do not express such an opinion.

3. Results of our assurance review

During our review the following aspects were noted for follow-up action:

Based on our review procedures, with the exception of the above mentioned findings (*where applicable*) nothing has come to our attention to cause us to believe that:

- (i) the Compliance Programme does not meet the requirements of the TIC Council Compliance Code
- (ii) the Compliance Programme has not been adequately enforced and implemented
- (iii) the systems for collection, analysis and aggregation of Compliance Programme violations are not functioning as designed and that
- (iv) the consolidated management statements for intermediary remuneration, political contributions, charitable contributions and sponsorships, and extraordinary expenditures relating to gifts, hospitality and expenses do not properly reflect the figures as reported by the affiliates or reporting units.

4. Recommendations

From our work, we have provided the following recommendations to management which have been agreed:

Name of External Audit

Date

Firm

ANNEX C

Code of Ethics

Baltic Control® shall strictly act in accordance with these Ethical Principles by ensuring that they are reflected in their own Programme which shall be implemented based on the requirements of the TIC Council Compliance Code.

1. Integrity

Baltic Control®'s work shall always be carried out in a professional, independent and impartial manner.

Baltic Control®'s work shall always be carried out honestly, with no influence tolerated in respect to any deviation from either Baltic Control®'s approved methods and procedures or the reporting of accurate results.

Data, test results and other material facts shall be reported by Baltic Control® in good faith and will not be improperly changed.

All reports and certificates issued by Baltic Control® shall correctly present the actual findings, professional opinions or results obtained.

2. Conflicts of interest

Baltic Control® shall avoid conflicts of interest with any related entity in which Baltic Control® has a financial or commercial interest and to which Baltic Control® is required to provide services.

Baltic Control® shall avoid conflicts of interest between Baltic Control® companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other. Baltic Control® shall ensure that our employees avoid conflicts of interest with the activities of Baltic Control®.

3. Confidentiality and Data Protection

Baltic Control® shall respect the confidentiality and privacy of client's information and ensure processes are in place to adequately protect such information.

Baltic Control® shall treat all information received in the course of the provision of our services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

4. Anti-bribery

Baltic Control® shall prohibit:

- offers, gifts or acceptance of bribe in any form, including kickbacks on any portion of a contract payment.
- the use of any routes or channels for provision of improper benefits to, or receipt of improper benefits from, customers, agents, contractors, suppliers or employees of any such party or government officials.

5. Fair Marketing

Baltic Control® shall:

- conduct marketing (including comparisons with, or references to, competitors, competitors' services or third parties) in a manner that is truthful, not deceptive or misleading or likely to mislead, and is consistent with applicable laws.
- present ourselves in a fair manner; and
- ensure presentational information, including descriptions of Baltic Control®'s network and affiliations, resources employed and the services provided, is accurate and unambiguous.

6. Fair Labour

Baltic Control® is aware of our social responsibility for our employees and the people, communities and environments in which we work and shall respect human rights as described in Baltic Control®'s Code of Conduct.

Aarhus, 23rd of March 2020



Karina Engstrøm Nielsen, Chairman of the Board



Martin Engstrøm Pedersen, Managing Director,