

Phoenix Spree Deutschland (PSD)- Supplier Code of Conduct

This Code sets out a framework that we expect our key partners to apply and relates to the operating activities that they are engaged in and the products and services they provide to us.

PSD does not itself have an executive function or permanent staff. Accordingly, we have delegated the day to day implementation of the Supplier Code of Conduct to our key partner, PMM Group (PMM) who acts as the Property Advisor to PSD. PSD will ensure that PMM periodically verifies that it has acted in accordance with this policy.

PMM in turn, out-sources many of its key functions to carefully selected partners who undertake some operations for the company. Although these partners will have their own policies, PMM will ensure that key partners verify periodically that they have acted within the spirit of this policy.

We take both our and our partners' responsibilities to our key stakeholders and the communities and environments in which we operate seriously. PSD looks to develop commercial relationships with partners/suppliers that understand and aspire to our business aims and values. In particular, we expect them to share our commitment to how people are treated, the quality of service we provide our tenants and shareholders, health and safety, and environmental and community impacts.

1. Employment is freely chosen

There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour. Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the activities of trade unions and their organisational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

A safe and hygienic working environment shall be provided. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. Child labour shall not be used

There shall be no recruitment of child labour. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

Policies and procedures shall conform to the provisions of the relevant International Labour Organization (ILO) standards.

A child is defined as any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however,

local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply. A young person or young worker is defined as any worker over the age of a child as defined above and under the age of 18.

5. Living wages are paid

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. Deductions from wages as a disciplinary measure shall not be permitted

7. Working hours are not excessive

Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime shall be voluntary and shall not be demanded on a regular basis.

8. No discrimination is practised

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

9. Regular employment is provided

To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

10. No harsh or inhumane treatment is allowed

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

11. Confidentiality

The confidentiality of information exchanged in the course of business must be respected and never be used for illegal purposes or for individual gain. False information must not be given in the course of commercial negotiations.

12. No bribery or corruption will be tolerated

The offering, paying, soliciting or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited. A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.

Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

Suppliers and representatives shall have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with its business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

13. Environmental management

We support and encourage operating practices that are sustainable. The partner/supplier will continually strive towards improving efficiency and sustainability of their operations to reduce their environmental impact.

14. Quality

Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence, to such high standard of quality as is reasonable for us to expect in all circumstances and shall conform in all respects with any order.

Any goods supplied shall be without fault and of the best available design, quality, material and workmanship, be fit for any purpose held out by the supplier.

15. Audit and termination of agreements

PSD, and PMM on behalf of PSD, reserve the rights to verify a partner/supplier's compliance with the Code. Where the partner/supplier reviews or audits demonstrate shortcomings in any of these areas, the supplier should strive to implement a time-bound programme of improvement (remediation) leading to conformance. In the event that we become aware of any actions or conditions not in compliance with the Code, we reserve the right to request corrective actions. PSD reserves the right to terminate an agreement with any partner/supplier that does not comply with the Code.

This Code has been adopted by the Board and is regularly reviewed and updated.

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Chairman