

Code of Ethics of the KORADO Group

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1. INTRODUCTION

Generally the risk of criminal liability can be faced by legal persons in that the company has clear internal rules in accordance with the law, which are generally known within the company, and checked for compliance. One of these internal rules is the Code of Ethics (the “Code”).

2. THE CODE OF ETHICS

We should all obey the law, behave morally and honestly, always take responsibility for our behaviour. Acting in accordance with moral and honest principles is also essential for the KORADO Group (“the Group”).

This Code of Ethics should be a guide to abiding by morals and ethics. It should be an “assistant” for proper behaviour in relation to both external (company, customer, supplier, competitor, etc.) and internal (towards employees and vice versa) areas. The Code defines the behaviour of employees as representatives of the Company. The Code also defines the responsibilities towards shareholders, customers, suppliers, interest groups, the government and government agencies and civilian society in general and behaviour towards employees and vice versa. It specifies the morality of all employees and for third parties it defines the standards that can be expected from the Group.

On the other hand, it is also important to realise that the Code does not contain all the answers and does not address every ethical issue that may arise in reality and therefore if you are not sure of the consequences of your behaviour, it is good to seek advice from someone such as your supervisor or the Company’s Ethics & Compliance Committee .

3. BEHAVING IN ACCORDANCE WITH THE PRINCIPLES OF MORALITY AND HONESTY

3.1. What Should Be Expected from Each Person

Understanding the Code of Ethics and that everyone will behave in accordance with the Code and the law at all times and in all places. Also, each assessing his/her own behaviour in order to avoid even a hint of impropriety.

If anyone has doubts about his or her own behaviour, it is good to ask the following questions:

- Is it legal?
- Is in line with the Code?
- Is it ethical?
- Will this behaviour reflect positively on me or positively on the Company?
- Would I want to read about this in the newspaper?

If the answer to any of these questions is negative, the employee should avoid such behaviour.

3.2. What Should Be Expected from Management

A manager should always have the proper answer to these questions or respond to an increased interest in behaviour in accordance with the Code of Ethics on the part of their subordinates.

He or she should also promote and adhere to the Code of Ethics and:

- Ensure that all subordinates understand their obligations under the Company’s policies regarding the Code of Ethics;

- Discuss ethics and the Code of Ethics and raise awareness of and compliance with them;
- Create an environment where there is no fear of any reprisals;
- Never discourage their subordinates or lead them to achieve business and performance results contrary to ethical behaviour, the Code of Ethics and the law;
- Through their own behaviour, act to prevent the violation of either the law or the Code of Ethics.

3.3. Who is the Code of Ethics for?

The Code of Ethics is a fundamental document of the Group and, through the Group's voluntary adherence, shall maintain the rules thus set forth and is binding for all employees. Each employee, as well as any person acting on behalf of the Company or Group, must be familiar with the Code of Ethics.

All employees are to act and behave in accordance with the Code and with all applicable laws, rules and principles. If the Code proves to be inconsistent with the valid legislation of any country, that country's legislation must be adhered to.

3.4. Increased Awareness and Identification of an Issue

It is the duty of all to observe the ethical standards of the Group. Any violation or indication of such that could lead to behaviour contrary to the Code, should lead to an increased awareness and care on the part of each of us and to a warning of this fact. Only then can the Company respond in good time and take action against such behaviour, ideally before there is any violation of law, or threat to health, safety or the reputation of the Company.

There are several ways to draw attention to any questionable behaviour or conduct. In this matter, please contact:

- Management;
- The Company's Ethics & Compliance Committee .

3.5. Trust, Reliability and Confidentiality

If someone takes the decision to report a potential problem, he or she may remain anonymous. If an employee decides not to make a report anonymously, the Company will use all available means to conceal that person's identity. It must therefore be expected that it may not be possible to provide information on the outcome of an investigation.

3.6. Investigation and Confidentiality

The company takes all reports of possible improper conduct seriously and will make discreet inquiries to determine whether the Code has actually been violated and, where appropriate, take remedial action. Anyone who may be interviewed in connection with the investigation should cooperate fully and honestly and answer truthfully the questions asked.

3.7. Impunity for Informers

The company appreciates the help of employees who identify any situation that the company should pay attention to. Any retaliation or revenge against an employee who in good faith warns of a possible issue is a violation of the Code. Warning about a questionable situation or participation in an investigation is not grounds for hostile behaviour towards any employee, especially demotion, loss of benefits, threats, harassment, bullying or discrimination.

If anyone believes that he/she is a victim of such hostility, report this to your supervisor or head of Human Resources.

3.8. False Accusations and Allegations

The Company will protect any employee who in good faith warns of any questionable situation. However, any intentionally false or dishonest report will also be deemed to be in violation of the Code, as well as lying during an investigation, or interfering with or refusing to cooperate in an investigation. An honest declaration does not mean that it will be confirmed wholly or in part by the investigation, but each statement must be consistent in the belief that the information provided is accurate and true.

4. BEHAVING IN ACCORDANCE WITH THE PRINCIPLES OF MORALITY AND HONESTY WITHIN THE COMPANY

4.1. Business and Financial Accounting

All business and financial records of the Company must be accurate and complete, displaying all transactions honestly, and must be conducted in a timely manner and in accordance with applicable accounting rules and regulations. This applies not only to accounting, but to all reporting.

Ensuring accurate and timely complete business and financial information is the responsibility of every employee of the company, not just the staff of the Finance and Controlling Dept. Accurate accounting and reporting significantly contributes to the reputation and credibility of the Company and at the same time fulfils all statutory and regulatory obligations.

4.2. Protecting Company Assets

The Company's assets must be protected and used only for the purpose and benefit of the Company.

Examples of Company assets:

- Money;
- Materials, goods and products;
- Employee working time;
- Computer systems and software;
- Telephones;
- Wireless communication equipment;
- Photocopiers;
- Company vehicles;
- Patented or copyrighted information;
- Trademarks.

Company assets should be used only for the benefit of the company and in accordance with internal Company regulations (such as the Company Labour Code, Order of the GD on Improper Use of Company Computers and Laptops, Order of the GD on Measures Against the Theft of Company Goods and Materials, Order of the GD on the Operation of Mobile Phones etc.), but in this case it is good to just use common sense. For example, an occasional personal phone call or personal e-mail is acceptable during working hours. Company assets should be used in accordance with Company Policy.

Protection of assets includes:

- Not engaging in personal activities during working hours, especially those that impede the performance of job duties.

- Using a Company computer and Company facilities only for business purposes and at the same time not using Company assets for any illegal or unethical activities such as gambling, pornography or other offensive activities.
- Not using financial benefits gained through your position in the Company.

4.2.1. Employees' Appearance

The appearance of Company employees helps to create a reputation and prestige of the Company as such. Decent clothing, neatness and elegance all contribute to how both clients and business partners, as well as fellow employees in the workplace, perceive the Company as a whole. From the point of view of the image and appearance of Company employees, clothing of appropriate quality is expected of Company employees, as are manners, personal hygiene and adequate cleanliness inspiring trustworthiness. It all combines to create a refined and professional demeanour.

4.3. Use of Information and Confidentiality of Information

The illegal use of confidential and strategic information of the Company by an employee will be considered a serious breach of responsibility and may result in termination of employment.

Employees are required to protect private Company information, also outside the workplace and working hours, and even after termination of employment. Private Company information is considered to be all that which is not included in the Annual Report. Private Company information should not be disclosed outside the company, even to family or friends.

Third parties may be provided only with information contained in the Annual Reports. Information beyond that contained in the Annual Report may be provided only with the approval of the GD. All confidential information must be handled in accordance with Company policy and related Company regulations (such as the Trade Secrets of KORADO, a.s.).

4.4. Rules for the Use of Internal Information in Business Relations; i.e., Insider Trading

Employees are prohibited from trading in shares, including the financial instruments whose prices depend directly or indirectly on these shares or the shares of all companies in the KORADO Group on or outside of stock markets based on private information or internal Company information. It is also prohibited to provide such information to other persons who may use it for this purpose. Such behaviour is also illegal and could lead to prosecution, including the enforcement of personal liability for damages.

Private information/internal Company information in this case refers to any information that a reasonably minded investor could consider important to their investment decisions and which would likely influence the share price. Such information may relate not only to companies within the KORADO Group, but also other companies (issuers), which an employee may learn about by virtue of their position in the Company.

Private/internal information may be obtained by an employee either from their position/function and responsibilities, or by chance.

This includes private/internal information on:

- Financial results;

- Financial plans or budgets;
- Changes in dividends;
- Significant mergers or acquisitions;
- Selling off property;
- Particularly important orders or strategic plans;
- Significant shifts in litigation;
- Technical or product developments;
- Significant changes in the Company's management, joint ventures and major business agreements or
- Business relations.

If an employee has such information available, he or she must refrain from trading in shares to which this information relates until the day after the day when the information is made public. If there is any doubt whether the purchase or sale of shares could be in breach of internal regulations for insider trading, it is advisable to consult the supervisor or the Company's Ethics & Compliance Committee .

As a precaution against possible violation of the rules relating to the use of internal Company information in business relations by members of Senior Company Management, its representatives may not perform any transactions in shares of any companies of the KORADO Group in the two weeks preceding the end of the quarter or fiscal year. This prohibition will apply until two days after the publication of the quarterly results or the results after the end of the business year. This rule applies to all Group employees whose activities or positions allow them access to financial results or other significant information that has not been disclosed.

It is of course forbidden to divulge any private information.

The publication of internal Company information/private information without proper authorisation occurs whenever the information is disclosed outside the normal scope of the professional duties of a worker, or during the performance of other duties on behalf of the issuer. This applies both to information published by the KORADO Group, as well as information disclosed outside of the Company including that provided to journalists, financial analysts, customers, consultants, family members or friends. Employees must always ensure that internal information will be kept safe and secure, so that it is not accessible to unauthorised persons.

Persons who are aware of internal information may not provide to a third party any recommendation to buy or sell any shares to which the information relates, or otherwise encourage a third party to do so.

5. CONFLICT OF INTERESTS

A conflict of interest arises when personal interests and relationships are or may be in conflict with the ability to act in the best interests of the Company or the Group. If there is any suspicion of a possible conflict of interest, the following questions should be asked:

Could my personal interests conflict with the interests of the Company? Could this look like a conflict of interest, within or outside the Company? If there is any doubt, seek advice or assistance.

This section of the Code contains rules on some common conflicts of interest. It may not cover all potential situations. Therefore, it is necessary to use on practical experience and assess the situation at your own discretion. If there is any uncertainty as to what to do, it's a good idea to seek advice.

It is necessary to be especially careful when selecting a supplier, or acting on behalf of the Group with suppliers and customers. The related internal rules and regulations must always be observed.

5.1. External Investment

Investments must be avoided which could affect decisions made in the name of the Company (such as equity participation or ownership of customers', suppliers' or competitors' shares).

5.2. Second Jobs, Speeches, Presentations

It is possible to be employed outside of the Group, but only if such secondary employment does not prevent in any way the performance of the job duties for the Company. Any other work activities must be in accordance with Company policy and any and all internal rules and regulations, and certainly must not be in conflict with the non-competition clause stipulated in the Managerial Agreement.

But employment or the provision of services for remuneration by customers, suppliers or competitors, are not permitted.

Speeches and presentations on behalf of the Group in return for payment or compensation for costs associated with them can only be made on the basis of previous written permission of the supervisor.

Generally it is only possible to serve as a director or to be a member of a statutory body in another company only with the written consent of the Company. This agreement must be updated annually. This agreement need not be required if any such functions are held at the request of the Group. Such approval is also not needed if it concerns a charity or non-profit organisation or a family business, provided that it is not a customer, supplier or competitor.

5.3. Friends and Acquaintances

If an employee of the Group has a friend or relative who is employed by a company which the Group deals with, this is not a conflict of interest in terms of the Code, provided that:

- the employee does not have jurisdiction to deal with these companies on behalf of the Group or
- the employee's friend or relative does not deal with the Group on behalf of the company in which he/she is employed.

If a relative of an employee is employed by the competition, this must be reported to his/her direct supervisor and the information must be updated annually.

The behaviour and actions of a Company employee must always be in the Company's best interest, even in situations where an employee's friend or relative works for a customer or supplier. Also, personal, friendly and family relations in the workplace may not affect the employee's ability to perform and act in the interest of the Company. Any business decisions should always be taken on the basis of qualified and professional information and should not be influenced by other reasons or causes.

Who is a relative according to the Code? A husband, wife, partner (registered or otherwise), parent, grandparent, sibling, child, grandchild, or In-law. Also, anyone living with the employee in the same household, or who is financially dependent on the employee, or vice versa. However, negotiations with any person should always be conducted such that the interests of the Company are not obstructed.

5.4. Gifts and Entertainment

It is not permitted to accept gifts, invitations to meals or entertainment from customers or suppliers if it could affect a decision or the result of a transaction or the performance of any job duties.

Any acceptance of such gifts or offers which are beyond the following limits must be pre-approved in writing by the direct supervisor.

Gifts

- Gifts may not be accepted in return for anything that is promised to a customer or supplier.
- Gifts may not be requested from a customer or supplier.
- Donations may not be accepted in any form.
- Valuable gifts may not be accepted. Examples of acceptable gifts are pens with a company logo or small gift basket; i.e., gifts that have only a symbolic value.
- Gifts or discounts may be accepted for a large group of employees, if they are connected to a contract between the Company and a supplier or customer, and only in accordance with the intention of the customer or supplier.

Invitation to a meal or refreshments and entertainment

- Invitations to meals, refreshments or entertainment may not be accepted in return for anything that is promised to a customer or supplier.
- Meals, refreshments or entertainment may not be requested from a customer or supplier.
- Occasional meals, refreshments or entertainment may be accepted if this event is also attended by the supplier or the customer and the associated costs are in line with local customs relating to food and entertainment within a business context. An ordinary business dinner for example, or participation in local sporting events is generally acceptable.

Travel and “premium” events

If an employee is invited by the customer or supplier to an event which includes travelling outside the city or hotel accommodation, or a so-called “premium” event such as the Olympics, a World Championship, Championship Cup or some Academic accreditation, this must always be discussed with your supervisor, who will assess whether the presence of a Company employee is logically justifiable. If so, the Company should pay the related costs (travel, accommodation).

Refusing gifts, invitations to meals or entertainment

If you are offered something beyond the above examples of acceptable gifts, you are required to politely refuse, citing the Code and internal Company rules and regulations. If it is clear that the return or refusal of such an offer would be perceived as gross indecency, this gift may be accepted provided that the gift be given to the Company, which in turn will ensure that any such benefit be donated to a charity or distributed among a greater number of employees.

Under no circumstances, however, can any share in any company be donated or accepted.

6. BEHAVING IN ACCORDANCE WITH THE PRINCIPLES OF MORALITY AND HONESTY IN EXTERNAL RELATIONS

External relations of a company are vital to success. Outside the environment of the Company, it is important to behave towards everybody honestly and in accordance with the law.

6.1. Government Organisations

The global nature of business means also dealing with representatives of various government organisations worldwide. Government transactions are generally subject to special rules that differ from doing business and negotiating with private individuals. In any communication, it is always necessary to know whether these rules are being observed and if there is any doubt, it is necessary to ask for advice or assistance.

Generally, it is prohibited to offer anything to a government official in exchange for any advantage.

6.1.1. Who are Government Officials?

- Government employees (civil servants) or employees of any company which is managed by a government, anywhere in the world.
- Political parties and leaders of these parties.
- Candidates for political positions.
- Employees of public international organisations such as the United Nations.

It is everyone's responsibility to know whether a person is a public official or not, and if there is any doubt, advice should be sought from the supervisor or the Company's Ethics & Compliance Committee .

6.1.2. Corruption, Bribery

Corruption is considered to be the giving or offering of anything of value or worth for the purpose of influencing the recipient's actions or decision. Corruption and bribery are strictly forbidden by law, the violation of which will lead to prosecution.

More information on corruption can be found on the website of Transparency International as part of their [legal counselling](#).

6.2. Owners, Investors, Shareholders

Financial resources are crucial to achieving the objectives of the Company and for its sustainable development. Achieving financial results may boost investor interest or vice versa. It is therefore in the interests of all of us to deliver honest, accurate, and timely information on the results of the Company to our shareholders or investors. This also applies to the information provided to the public through public means of communication.

6.2.1. Shareholders

The Company is responsible to its shareholders for accepting the decisions and actions that are in its best interest.

6.3. Competition

Particular care must be taken when dealing with the competition and also in collecting information on our competitors. Relations with competitors are perceived particularly sensitively and are protected by various laws.

6.3.1. Law on Protection of Competition

The Company competes honestly and fairly and in accordance with all applicable laws. These laws are often very comprehensive and complicated and may vary in different countries either by what they contain or how they apply. A certain action or behaviour which is permitted in one country may be illegal in another and penalties for violations of such laws can be very strict.

Employees should always understand the specific laws and measures that apply to them. For this purpose, you can consult with your supervisor and/or the Company's Ethics & Compliance Committee .

6.3.2. Collecting Information

All employees are encouraged to collect, share and use information on the Company's competitors. This must, however, be done in accordance with the law and ethical standards. The Company values and protects its proprietary information and respects that of other companies as well.

6.3.3. Acceptable Forms of Collecting Information

Acceptable forms of collecting information are defined as all publicly available sources and ethical research methods. For example, information can be obtained from the following sources:

- Publicly available registries and similar records
- Public speeches of company managers
- Annual reports
- Reports and articles provided by public means of communication such as newspapers, magazines and publications.

6.3.4. Prohibited Activities

The following methods of acquiring information are not permitted:

- Participation in any illegal or unauthorised collecting of information on a competitor is forbidden. This includes activities such as theft, illegal trespassing, eavesdropping, hacking, invasion of privacy, bribery, or the misrepresentation of information or facts.
- It is forbidden to accept, reveal and use information on competitors, the publication of which can be assumed to violate the confidentiality agreement between the third party and any of our competitors.

6.4. Customers, Suppliers and Consumers

The Company values partnerships with customers and suppliers and treats them in a way which the Company itself would want to be treated. Achieving the objectives of the Company depends on our ability to listen to and respect the needs of the customer in every situation.

The Company behaves towards all fairly, honestly and respectfully:

- Participation in any unfair, misleading or deceptive practices is forbidden;
- Company products must be presented honestly and openly;
- Offering or promising something to customers or suppliers, as is facilitating the acquisition of something for them in return for improper advantage for the Company is forbidden.

6.4.1. Customers

The company treats its customers fairly and in accordance with the principles of morality and honesty.

The Company is committed to meeting or exceeding the expectations of customers and regulatory compliance measures in the areas of research, development, manufacturing, packaging, testing, supply and product marketing.

- Quality of products and services

The Company sees quality as the ongoing condition of meeting the customers' requirements and expectations by delivering products and services of the highest quality and at the most appropriate time.

- Honest communication

In relation to the Company's customers, it is not only a question of the quality of products and services, but also of the quality and trustworthiness of the information provided, whether it be to customers or to the general public. The information provided on products and services, including their availability and deliveries, must be useful and accurate. Information must also be presented in a fair and honest manner through an appropriate means of communication.

6.4.2. Suppliers

The Company behaves honestly and in accordance with the principles of morality and honesty to its suppliers and subcontractors. It also respects the terms and conditions of contracts concluded with suppliers and subcontractors and values mutual business relations. The Company always strives to settle its obligations and takes care to protect confidential and company information of its suppliers.

- Selecting a supplier

When selecting a supplier, personal interests and relationships may not influence any decisions on the selection of the supplier, but this must always be guided towards the best interests of the Company. Selecting a supplier must be done in accordance with the relevant internal company rules and regulations.

The supplier selected should best contribute to the long-term well-being and the good of the Company.

6.5. Civil Society

6.5.1. Human Rights

The Company respects the dignity and human rights of every individual. It is an obligation of the Company to respect human rights in accordance with the Charter of Human Rights and Freedoms, not only in the workplace but also within the sphere of influence of the Company.

- The Company condemns the use of forced labour and the exploitation of children (child labour) and suppliers and customers are also expected to observe this principle;
- The Company respects its employees' statutory freedom of association;
- Employees are remunerated according to their performance and at the same time they are provided the opportunity to improve their skills and qualifications;
- Discrimination is forbidden for all working positions of the Company, including discrimination based on race, gender, age, religion, or any legally protected characteristic;
- The Company strives to provide a safe and healthy working environment.

6.5.2. Communication with the Public

Any communication through the media is potentially important and has a significant impact on how the Company and its business activities are perceived by the public. It is therefore essential that all communication channels be credible, and that all communication channels

be used in compliance with all the conditions laid down by law or regulatory principles. All channels must provide accurate information.

6.5.3. The Environment

Taking care of the environment is one of the main priorities of the Group. Production and business activities of the Group always and everywhere respect and obey the laws and regulatory measures to protect the environment. The basic principle applied throughout the Group is to respect and care for the physical and mental health of all people and protection of the environment in all operations and activities of the Group.

Each employee of the Company plays a vital role in achieving these obligations in relation to the environment, health and safety.

6.5.4. Compliance with Laws, Rules and Regulations

Being a good employee means complying with all applicable laws, rules and regulatory measures which define the comprehensive business activities; i.e., research, development, manufacture, marketing, sales and distribution. The Company works together with all legal authorities and conducts its activities in accordance with all regulatory measures. It is always ready to accept any changes provided for by the laws and standards related to its business activities.

6.5.5. Boycotts, Economic Sanctions and Other Export/Import Regulations

The parent company of the Group is headquartered in the Czech Republic, which is a member of the European Union. All activities of the Group, including foreign subsidiaries, must comply with applicable laws, which generally prohibit the refusal to trade with other countries, companies or individuals.

The Company will not export to or import from countries which have been embargoed, including embargos declared by the European Union. This prohibition also applies to countries, organisations or individuals against whom a ban has been declared by any Czech government agency, or the European Union.

6.5.6. Political Activity

Personal political activities in accordance with all laws and Group regulations are acceptable.

6.5.6.1. Political Activity of Individuals

- The Group will not compensate an employee in connection with any personal political activity.
- The performance of work for the Company may not be affected by any personal political views or political affiliation.
- The reputation or assets of the Company, including working hours, may not be used for personal political activities and interests.
- If an employee plans to take public office, his/her supervisor must be informed.

7. BEHAVING IN ACCORDANCE WITH THE PRINCIPLES OF MORALITY AND HONESTY IN HUMAN RESOURCE MANAGEMENT (COMPANY BEHAVIOUR TOWARDS EMPLOYEES)

7.1. Work Environment

7.1.1. Employee Privacy

The Company respects the privacy of its employees. Their personal information is managed responsibly and in accordance with the law. This does not apply only to the period of their employment, but also for the period after its termination and includes also personal information regarding former employees.

The privacy policy concerning employee communications, including e-mail and intranet/Internet, is governed not only by local legislation, but also the appropriate business and operational needs of the Company. This is primarily an issue of the responsibility of the Company to monitor the use of the communication systems which are in its possession. The Company is required to investigate any possible abuse of these systems, especially if it would be contrary to local legislation.

7.1.2. Fairness

This section of the Code of Ethics addresses in particular the issue of fairness of the Company towards its employees and:

- Prohibits any preference in the recruitment, evaluation, compensation, training, promotion, etc. of an employee based on personal relationships or other criteria unrelated to the performance and capabilities of an individual,
- Affects the failure to maintain confidentiality of information,
- Prohibits sexual harassment and discrimination in terms of pay and promotions.

The Company:

- Will avoid differences in the requirements for compliance with business rules imposed on the “ordinary” and managerial employees and
- Undertakes to provide full information during the recruitment of new employees, etc.

Fairness to employees also means that the Company respects everyone's right to express constructive disagreement or other feedback. The Company creates a space for the free expression of opinion for each employee without risk of intimidation or penalty. Open communication, including a willingness to accept both concurring and dissenting opinions, is essential for both a positive working environment and the achievement of maximum success in all activities.

7.1.3. Health and Safety

The Company operates with regard to the safety and health of the general public and with regard to the environment.

The Company is committed to ensuring the safety and health of all employees, not only within the Company premises, but also on business trips.

Employees are required to observe all safety rules and take care not to endanger themselves, co-workers, or other persons or to cause any damage.

Any accidents or work-related injuries must be reported. As well, it all possible measures must be taken to prevent the risk of accidents with a view to continuously improving job performance.

7.1.4. Drugs and Alcohol

All employees are prohibited from drug and alcohol abuse.

Also, the possession, sale or use of illegal drugs is strictly forbidden on Company premises or at events sponsored by the Company. This also applies to alcohol. Any violation of this prohibition must be immediately reported to the supervisor.

7.1.5. Harassment in the Workplace

The Company strives to maintain a decent working environment where all employees are respected and where there are no signs of harassment or abuse towards each other. Harassment in the workplace is a form of discrimination which is generally defined as verbal or physical behaviour directed against another person because of certain personal characteristics of that person such as his/her race, gender, age or religious belief (faith). Harassment in the workplace thus means any activity which unreasonably or disproportionately creates an environment of intimidation, hostility or insult (attack) against an individual or group of people.

The Company will not tolerate any physical, psychological or sexual harassment. The Company does not allow any form of abuse, humiliation, harassment, discrimination or any degradation of human dignity.

Every employee is expected to create an atmosphere of mutual respect, trust, loyalty and solidarity, without which there can be no cooperation and achievement of long-term positive results.

The following are prohibited:

- Workplace violence

Any threats of violence, intimidation, malicious behaviour or any acts of violence will be perceived as a gross violation of the Code and if any violent behaviour is discovered, it will be punished directly.

- Sexual Harassment

This refers to repeated suggestions of a sexual nature which are not welcome by the other person. Such behaviour seriously threatens human dignity and affects both women and men. This includes, but is not limited to, sexual demands in exchange for job benefits or extorting sexual favours under the threat of various penalties or measures leading to the victim's disadvantage.

If any person has the feeling that he or she is being harassed, he/she should tell the "perpetrator" that it makes him/her uncomfortable. However, if this method of direct response seems unsuitable or has no effect, it may be necessary to resolve the matter with the supervisor or the head of Human Resources.

8. APPENDICES

8.1. Implementing the Code of Ethics

8.1.1. MONITORING COMPLIANCE WITH THE CODE OF ETHICS

All Company employees should be aware that any breach of the ethical standards of the Code will be considered a breach of obligations under the Labour Code.

Employees may report violations of the Code to their supervisor or any member of management or the Company Bodies or to the Company's Ethics & Compliance Committee.

A statement may be made at any time, orally, in writing, by e-mail (**e-mail address**) or by telephone.

Supervisors, members of management or the Company's Ethics & Compliance Committee, who has received notice of a breach of the Code is required to deal with this and accept the solution.

The Company declares that no penalty will be imposed against an employee who reports a suspected violation of the Code, and will not in any way be disadvantaged because of it.

The Company recognises the sensitivity of these issues and will ensure absolute confidentiality of the identity of any persons making reports of suspected violations of the Code of Ethics.

8.1.2. FINAL PROVISIONS

Changes and additions to this Code of Ethics may be adopted upon the decision of the Board of Directors and must be made in writing, otherwise they are invalid. This Code of Ethics shall take effect on **xxxxxxx**.

8.1.3. Responsibility

Checking the compliance with the Code will be the responsibility of the Company's Ethics & Compliance Committee under the supervision of senior management of the Company (the highest and second level of management) and the Company IA. The Ethics & Compliance Committee ("EC Committee") is composed of members of middle management of the Company (third level of management), namely the head of management systems, head of risk management, head of occupational health and safety, the head of HR, and one of the SB members elected by employees of KORADO. In addition to the competencies directly attributed to the Code of Ethics or related documents, the EC Committee may, at its own discretion or at the initiative of the management or individual members of the Supervisory Board, perform other activities of a similar nature, including reviewing risk events or persons. The EC Committee meets at least once every six months, assesses the past period, and discusses options for improvement in the absence of external incentives. The head of IA shall always inform the Chair of the EC Committee of the outcome of the inspections of the notification boxes before each meeting. As a representative of the management, CEO also participate in the meetings of the EC Committee. The Chair of the EC Committee shall inform the members of the management of the progress and outcome of the negotiations.

8.1.4. Investigation of Potential Violations of the Code

The Company takes all reports relating to possible breaches of the Code seriously and is committed to investigating all allegations reliably while meeting the highest level of confidentiality. Investigations may be lead by members of IA and the EC Committee. All employees involved with the investigation of a possible violation of the Code have the right to be heard before a final decision is taken.

8.1.5. Decision

The EC Committee decides on all possible breaches of the Code and discipline, but certain decisions may also be delegated to members of all levels of Company management. If a breach of the Code is proven, it will be necessary to determine the seriousness of the violation and take disciplinary action.

8.1.6. Disciplinary Action/Proceedings

The Company must seek redress according to the manner and circumstances under which the Code was violated. A serious breach of the Code may lead to removal from a current

position/function, loss or reduction of benefits and bonuses received, or even the termination of employment.

If an employee seriously violates the Code, information on the remedial action and the written reprimand is saved in the employee's file and becomes a permanent part of his/her record.

8.1.7. Information on the Investigation of Violations of the Code and the Measures Taken

The EC Committee regularly informs the Senior Company Management and Board of Directors in writing of the pending cases of breaches of the Code and the decisions and measures taken. The EC Committee also posts "anonymous examples" of Code violations on bulletin boards and on the Company's intranet as a preventive measure against future violations of the Code.

8.1.8. Signature and Familiarisation

All employees, including those newly hired, must sign that they have been familiarised with the Code and that they agree to abide by it. This "recognition" of the Code will be repeated periodically. Ignorance of the Code is no excuse.

8.1.9. Exemption

Exemption of any part of the Code must be approved by the Board of Directors; however, the force of the law is not affected.

9. INDEX

This defines certain terms used in the Code. If there are any lingering uncertainties, they should be discussed with your supervisor, the EC Committee.

Company Assets

This includes, among other things, Company money, goods, employee working time, computer systems and software, telephones, wireless communication equipment, photocopiers, company vehicles, proprietary information, etc.

Anything of Value/Worth

This includes anything that may have some value, including cash, gifts, meals, entertainment, business opportunities, company product, job offers, and more. No financial value is determined on bribe; a bribe may be interpreted to be of any amount.

Supplier

Any entity supplying goods or services to the Company, including consultants, contractors and agents. This also applies to entities which the Company considers only as potential suppliers.

Ethics & Compliance Intranet

The Company maintains an Ethics & Compliance Intranet, where other additional information relating to the Code and its compliance, upgrades and other related issues can be found. The Ethics & Compliance intranet is accessible to all employees of the Company or the Group. If anyone does not have access to the Ethics & Compliance Intranet, the information will be conveyed to them by their superiors.

Internal Regulations

The Company is also governed by internal rules and regulations, which are available on the Company Intranet and employees are continuously familiarised with them.

Competition

For the purposes of the CoE and information collecting activities, competition means any entity outside the KORADO Group which manufactures or conducts business in the same or similar field of business as a member of the KORADO Group, including those considering business or production in these fields.

Private Information

Any information that is not or has not been included in the Company's annual report and is not commonly available.

Relative

Husband, wife, partner (registered or otherwise), parent, grandparent, sibling, child, grandchild, or In-law. Also, anyone living with the employee in the same household, or who is financially dependent on the employee, or vice versa.

Company Policy

Order of the GD - PR18-6 , which sets policy for KORADO, a.s.

Government Official

A government employee anywhere in the world, including those occupying lower government positions, as well as employees of entities which are controlled or managed by a government in any way. It also includes political parties and their members, or candidates for political positions and employees of public international organisations such as the United Nations.

Bribe

Bribe refers to the act of giving or offering anything of value/worth in order to influence an action or decision. The definition of a bribe may be broader depending on local laws.

EC Committee

It is composed of members of middle management of the Company (third level of management), namely the head of management systems, head of risk management, head of occupational health and safety, the head of HR and one of the SB members elected by employees of KORADO.

Customer

Any entity to whom services or products are provided from any member of the KORADO Group. Also, an entity to whom the supply of goods or services is being considered.

10. SOURCES

10.1.1. Methodology for Introducing Compliance Programs - Appendix 1

10.1.2. Act No. 418/2011 Coll., on the criminal liability of legal persons and proceedings against them

10.1.3. Commentary on the legal amendments to the criminal liability of legal persons

10.1.4. Overview of risk behaviour

