



CODE OF ETHICS

CONTENT

1.	Scope of the Code of Ethics	2
2.	Actions in Compliance with Moral Principles and Principles of Honour	2
2.1.	Employees	2
2.2.	Management	2
3.	Increased Attention and Highlighting an Issue	2
3.1.	Trust, Reliability and Discretion	3
3.2.	Investigation and Discretion	3
3.3.	Immunity of Notifiers	3
3.4.	False Accusation and Indictment	3
4.	Actions in Compliance with Moral Principles and Principles of Honour within the Company	3
4.1.	Business and Financial Accounting	3
4.2.	Protection of the Company's Assets	3
4.3.	The Employee's Appearance	4
4.4.	Use of Information and Information Confidentiality	4
4.5.	Rules for the Use of Internal Information During the Course of Business	4
5.	Conflict of Interests	5
5.1.	External Investments	5
5.2.	Subsidiary Work Activities, Behaviour, Presentation	5
5.3.	Close Persons, Friends and Acquaintances	5
5.4.	Gifts and Hospitality	5
6.	Actions in Compliance with Moral Principles and Principles of Honour within the Scope of External Relations	5
6.1.	Government Organisations	6
6.2.	Corruption, Bribery	6
6.3.	Competition	6
6.4.	Act on Protection of Economic Competition	6
6.5.	Intelligence Activities	6
6.6.	Customers, Suppliers and Consumers	6
6.7.	Counterfeits	7
6.8.	Civil Society	7
7.	Actions in Compliance with Moral Principles and Principles of Honour in the Field of HR Management	8
7.1.	Work Environment	8
8.	Implementation of the Code of Ethics	9
8.1.	Checks on Adherence to the Code of Ethics	9
8.2.	Publication of the Code of Ethics	10
8.3.	Final Provisions	10

INTRODUCTION

Adherence to the laws, acting in compliance with moral principles and the principles of honour and always being responsible for one's behaviour are of crucial importance for the PPO GROUP and its employees.

The Code of Ethics is a guide to observing good morals and ethics. It "helps" maintain correct behaviour both externally (towards society, customers, suppliers and the competition) and internally (towards employees and vice versa).

1. Scope of the Code of Ethics

The Code of Ethics is one of the PPO GROUP Company's key documents and is its voluntary pledge to adhere to the defined rules. It is binding for all its employees.

Every employee and also every individual acting on behalf of the company, or the PPO GROUP, has been acquainted with this Code of Ethics by the relevant employee who is organisationally and functionally responsible for the specific area, before starting to represent the PPO GROUP.

All employees must act and behave in compliance with the Code of Ethics and with all the applicable laws, rules and principles. If the Code of Ethics is in conflict with the applicable legislation, the applicable legislation must be followed.

2. Actions in Compliance with Moral Principles and Principles of Honour

2.1. Employees

Every employee behaves and acts in compliance with the Code of Ethics and with the right to prevent even a hint of inappropriate behaviour anytime and anywhere.

If anyone has doubts regarding their behaviour, it is a good idea to ask the following questions:

- is this legal?
- does this comply with the Code of Ethics?
- is it ethical?
- will this behaviour lead to a positive assessment of myself or a positive assessment of the company?
- would I like to read about this in the newspapers?

If the answer to any of the above questions is no, then the employee should avoid such behaviour.

2.2. Management

The manager should always answer questions appropriately, or possibly respond to increased interest in acting in compliance with the Code of Ethics on the part of his subordinates.

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

- ensure that all subordinates understand their duties arising from the Code of Ethics and the Company Policy;
- discuss ethics and the Code of Ethics and increase awareness of these rules and adherence to them;
- create an environment free of fear of potential reprisal;
- never support or direct his subordinates to achieve business or work results in conflict with ethics, the Code of Ethics or the law;
- act in a manner that avoids breaching either the Code of Ethics or the law.

3. Increased Attention and Highlighting an Issue

It is everyone's duty to adhere to the ethical standards of the PPO GROUP. Any violation or indication that behaviour in conflict with the Code of Ethics could occur should lead to increased attention and caution on the part of each of us and draw attention to this matter.

This is the only way that the company can react in a timely manner and take action against any such behaviour, ideally before there is any risk to health, safety or the company's reputation or a violation of the law.

There are several ways to draw attention to problematic behaviour or actions. The company's management can be contacted regarding such matters.



3.1. Trust, Reliability and Discretion

If anyone decides to report a potential issue, this person may remain anonymous. If a person decides to make an anonymous report, the company will take all available precautions to keep that person's identity a secret. It must also be assumed, for example, that it will not be possible to provide information about the results of an investigation.

3.2. Investigation and Discretion

The company takes all reports of potentially inappropriate behaviour seriously and carries out a discreet investigation with the goal of finding out whether the Code of Ethics has been violated, and implements remedial measures where necessary. Anyone questioned in relation to an investigation should cooperate fully and honourably and truthfully answer any questions.

3.3. Immunity of Notifiers

The company appreciates the help of employees who identify any situation that requires the company's attention. Any reprisal or retaliation against an employee who honourably reports a potential issue is a violation of the Code of Ethics. If anyone believes that he is the victim of the aforementioned hostile behaviour, he should report it to his superior or the manager of the HR Department (VPO).

3.4. False Accusation and Indictment

The company will protect any employee who honourably reports a problematic situation. Intentionally false and dishonest reports, lying during an investigation, or interference in or refusal to cooperate during an investigation, are also considered violations of the Code of Ethics. An honest report does not mean that the information is fully or partially confirmed by an investigation, but every report must be made in the good faith that the provided information is accurate and true.

4. Actions in Compliance with Moral Principles and Principles of Honour within the Company

4.1. Business and Financial Accounting

All the company's business and accounting records must be accurate and complete, must honestly portray all transactions and must be carried out in a timely manner and in compliance with the applicable accounting rules and regulations.

4.2. Protection of the Company's Assets

The company's assets must be protected and used to the company's benefit.

Examples of the company's assets:

- money
- material, goods and products
- employees' working time
- computer systems and software
- telephones
- wireless communication equipment
- copy machines
- company cars
- patented information



- trademarks
- manufacturing and technical equipment

The company's assets should be used in compliance with the Company Policy, i.e. only for company use and in compliance with the company's internal regulations, although "common sense" should prevail in such cases. For instance, an occasional personal phone call or personal e-mail during working hours is acceptable.

Protection of assets also means:

- do not engage in personal activities during working hours, particularly those that prevent the performance of one's duties
- use company computers and company equipment only for the company's purposes; use of any company assets for illegal or unethical activities, e.g. gambling, pornography or other indecent activities, is also forbidden
- refrain from using financial advantages gained through a position held in the company

4.3. The Employee's Appearance

Clothing, neatness and elegance are important factors in how the employee and the company as such are perceived by both the client and business partners, and also by colleagues at the workplace.

Besides looking neat and tidy, employees are expected to be reasonably well dressed and stylish, clean and with good personal hygiene, to give the impression of trustworthiness. All this adds to the employee's refined and professional appearance.

4.4. Use of Information and Information Confidentiality

Illegal use of the company's confidential and strategic information by the employee is considered a serious breach of duties and may result in the termination of employment. Employees are required to protect private company information, including outside the workplace and outside working hours, and also after the termination of their employment with the company.

4.5. Rules for the Use of Internal Information During the Course of Business

Employees are forbidden to provide internal information to other entities, who could use this information to their benefit. Such actions are also illegal and could lead to prosecution, including personal damage liability claims.

Employees can obtain private/internal information either as a result of their position and related competence, or randomly.

This includes private/internal information about:

- financial results
- financial plans or budgets
- changes to dividends
- important mergers or acquisitions
- sale of assets
- especially important contracts or strategic plans;
- substantial progress in judicial disputes
- technical development or product development
- important changes to the company's management, joint ventures and important business agreements
- business relations

5. Conflict of Interests

A conflict of interests occurs when either personal interests or relations are in conflict with or could be in conflict with the ability to act in the best interests of the PPO GROUP. If there is any suspicion of a potential conflict of interests, the following questions must be asked:

- a) Could my personal interests be in conflict with the company's interests?
- b) Does this look like a conflict of interests, either from outside or from within the company?

If there is any uncertainty on how to behave, it is a good idea to consult your superior or the company's management.

Summary of rules concerning some normal conflicts of interest:

5.1. External Investments

Investments that could influence decisions made on behalf of the company are absolutely unacceptable.

5.2. Subsidiary Work Activities, Behaviour, Presentation

Employees may have secondary employment outside the PPO GROUP, but only under the condition that such employment does not prevent the performance of their professional activities in any way. Potential secondary professional activities must also comply with the Company Policy and with the internal rules and regulations and must certainly not be in conflict with the no-competition clause stipulated in the executive agreement.

Employment, or the provision of services for payment to customers, suppliers or the competition, is not permitted.

5.3. Close Persons, Friends and Acquaintances

If an employee of the PPO GROUP has a close person, friend or acquaintance who is employed by a subject with whom the PPO GROUP cooperates, this does not constitute a conflict of interest on condition that:

- the employee has no authority to negotiate with these companies on behalf of the PPO GROUP

or

- the employee's close person does not negotiate with the PPO GROUP on behalf of the company that employs him. If the close person is employed by the competition, this must be reported to the employee's immediate superior; this information must be placed in the employee's personal file and updated on an annual basis.

5.4. Gifts and Hospitality

Gifts, invitations to meals or hospitality must not be accepted from customers or suppliers if this could influence decisions or the results of business transactions or the performance of one's professional activities.

6. Actions in Compliance with Moral Principles and Principles of Honour within the Scope of External Relations

The company's external relations are crucial for achieving success. It is essential to treat everyone outside the company honourably and in compliance with the law.

6.1. Government Organisations

The global nature of business activities also means negotiations with representatives of various government organisations on a worldwide scale. Government transactions are usually subject to special rules, which differ from business and dealings with private entities. During such dealings you must always be aware whether these rules are observed and request advice or assistance if in any doubt.

Government officials are:

- government employees or employees of a company managed by the government
- political parties and representatives of these parties
- candidates for political office
- employees of international public organisations

6.2. Corruption, Bribery

Corruption is considered to mean giving or offering anything of value with the goal of influencing someone's behaviour or decisions. Corruption and bribery are strictly forbidden and any violation of the law will result in prosecution.

6.3. Competition

It is necessary to be especially cautious when dealing with the competition and also when compiling information about the competition. Relations with the competition are seen as especially sensitive and are protected by various laws as a result.

6.4. Act on Protection of Economic Competition

The company competes honestly and fairly and in compliance with all the applicable laws. Employees should always understand and comprehend the specific laws and measures that apply to them. They may consult their superiors or the company's management for this purpose.

6.5. Intelligence Activities

Company employees are encouraged to compile, share and use information about the company's competition. However, this must be in compliance with the law and ethical standards. The company values and protects its non-public information and respects and adheres to this in relation to other companies.

6.6. Customers, Suppliers and Consumers

The company values its partnerships with customers and suppliers and treats them in the same manner it would like to be treated.

6.6.1. Customers

The company treats its customers honestly and in compliance with moral principles and the principles of honour. The company undertakes to fulfil or exceed the expectations of its customers and adhere to regulative measures in the research, development, manufacture, packaging, testing, deliveries and marketing of the company's products.

6.6.2. Suppliers

The company treats its suppliers honestly and in compliance with moral principles and the principles of honour. It also respects the terms and conditions of contracts concluded with suppliers and subcontractors and also values mutual business relations. It always endeavours to pay its obligations on time and meticulously protects its suppliers' confidential and company information.

6.7 Counterfeits

PPO GROUP strives to minimize the risk of our counterfeit materials or components are integrated into our products. Should counterfeits be identified, they will be stored securely and will be the trading partner and the relevant law enforcement authority will be informed. As part of our ongoing efforts to work together to secure the supply chain from the dangers of counterfeiting, illegal diversion of trade and theft of our products, suppliers must immediately inform PPO GROUP if they are offered the opportunity to purchase counterfeit, illegally diverted or stolen products or if they become aware of such products.

6.8. Civil Society

6.8.1. Human Rights

- The company respects the dignity and human rights of every individual. It is the company's duty to observe human rights in compliance with the Charter on Human Rights and Freedoms, not only at the workplace, but also within the company's sphere of influence.
- The company condemns the use of forced labour and exploitation of children (child labour) and it also expects its suppliers and customers to adhere to these principles
- The company respects the legally stipulated freedom of association in regard to its employees
- Employees are rewarded in the manner corresponding to their performance and are also provided with the opportunity to improve their skills and qualifications.
- Discrimination on the level of any position within the company is prohibited. This means discrimination on the basis of race, gender, age, religion or any other legally protected attribute
- The company provides a safe and healthy working environment.

6.8.2. Communication with the Public

Any communication through the media is potentially important and has a crucial impact on how the company and its activities are perceived by the public. This is why it is essential that all communication channels be:

- a) trustworthy
- b) comply with all the terms and conditions stipulated by the law or the regulative principles.

6.8.3. Environment

One of the PPO GROUP's main priorities is environmental protection. The PPO GROUP's business activities respect and adhere to the laws and regulative measures relating to environmental protection. Every company employee has the basic task of fulfilling the aforementioned obligations in relation to the environment, health and safety.

6.8.4. Adherence to the Laws, Rules and Regulations

Being a good employee means adhering to all the applicable laws and rules that define complex business activities, i.e. research, development, manufacture, marketing, business and distribution. The company is always prepared to accept changes stipulated by the law and standards related to its business activities.

6.8.5. Boycott, Economic Sanctions and other Export/Import Regulations

The PPO GROUP has its registered office in the Czech Republic, which is a member of the European Union. All the company's activities, including the activities of its foreign subsidiaries, must comply with the relevant laws, which generally prohibit refusal to conduct business with other countries, companies or persons. However, the company must not export to or import from countries subject to an embargo, including embargoes declared by the EU. This prohibition also applies to countries, organisations or individuals against whom prohibition of contact has been declared by any Czech government agency or the European Union.

6.8.6. Political Activity

The PPO GROUP accepts personal political activity that complies with all the laws and guidelines.

Individual political activity:

- the company will not reimburse an employee's costs related to personal political activity
- the performance of work for the company must not be affected by one's own political opinions or political affiliation
- it is forbidden to use the company's reputation or assets, including working hours, for personal political activities and interests
- if an employee plans to accept a public office, he must inform his superior of this

7. Actions in Compliance with Moral Principles and Principles of Honour in the Field of HR Management

7.1. Work Environment

7.1.1. Employee Privacy

The company respects the privacy of its employees. It handles their personal information responsibly and in compliance with the law. Protection of privacy concerning communication with employees, including electronic mail and the intranet/internet, is governed by the local legislation and also the company's relevant business and operating requirements. The company is required to investigate any potential abuse of such technologies, particularly if such abuse conflicts with the local legislation.

7.1.2. Fair Treatment

The company respects everyone's right to express constructive disagreement or any other opinion.

The company:

- forbids the favouring of employees during employment, assessment, remuneration, education or promotion based on personal relationships and other criteria not related to an individual's performance or abilities;
- penalises failure to keep information confidential;
- prohibits sexual harassment and discrimination during remuneration and promotion.
- avoids making any difference in the requirements for adherence to company rules placed on employees, depending on their position;
- undertakes to provide full disclosure when employing new staff,

7.1.3. Health and Safety

- The company acts with regard to public health and safety and with regard to the environment (according to OHS and fire prevention rules). The company makes sure to ensure the health and safety of its employees, not only on its premises, but also during business trips.
- Employees are required to respect all safety regulations and ensure that they do not endanger themselves, their co-workers or other persons or cause material damages.
- Employees are required to refrain from consuming alcoholic beverages or abusing other addictive substances at the employer's workplace and also outside the employer's workplace during working hours, and also to refrain from entering the employer's workplace while under the influence of such substances - Section 106(4)(e) of the Labour Code

7.1.4. Harassment at the Workplace

- The company strives to maintain a dignified work environment, where all employees are respected with no hint of mutual harassment. Harassment at the workplace is a form of discrimination, which is generally defined as verbal or physical behaviour for reasons of certain personal attributes such as race, gender, age or religious conviction (faith). Harassment at the workplace means any activity that inappropriately or unreasonably creates an environment of intimidation, enmity or insult (attack) against an individual or group or individuals. No physical, mental or sexual harassment is tolerated within the company. No form of abuse, humiliation, bullying or abuse of human dignity or discrimination is acceptable within the company.
- If anyone feels that he is being harassed, he should inform the "offender" that he finds such behaviour unpleasant. However, if anyone feels that this form of direct reaction is inappropriate, or has no effect, the entire matter must be resolved with a superior or the VPO.

8. Implementation of the Code of Ethics

8.1. Checks on Adherence to the Code of Ethics

All company employees must be aware that any violation of the ethical standards set out in the Code of Ethics will be considered a breach of duties as defined by the Labour Code. Company employees may report violations of the Code of Ethics to their superior or the company's management. A report can be filed at any time orally, in writing, by email or by telephone. The superior or member of the company's management to whom such a violation of the Code of Ethics was reported is required to discuss this matter and accept a solution. The company declares that no sanctions will be brought against an employee who reports a suspected violation of the Code of Ethics, nor will such an employee be disadvantaged in any way. The company is aware of the sensitivity of these issues and guarantees that data about the identity of persons reporting a suspected violation of the Code of Ethics will be kept strictly confidential.

8.1.2. Investigation of Potential Violations of the Code of Ethics

The company treats all reports concerning potential violations of the Code of Ethics seriously and undertakes to reliably investigate any accusations while maintaining the highest level of confidentiality. Investigations may be directed by members of the company's management. Employees subject to an investigation of a potential violation of the Code of Ethics have a right to be heard before the final decision is made.

8.1.3. Decisions

The company's management decides on all potential violations of the Code of Ethics and on any discipline, but may also delegate certain decisions to all levels of the company's management. If a violation of the Code of Ethics is proven, the gravity of that violation must be determined and disciplinary measures must be taken.

8.1.4. Disciplinary Measures/Proceedings

The company must strive to implement a remedy depending on the circumstances under which the Code of Ethics was violated. A serious violation of the Code of Ethics may lead to the employee's dismissal from their current position or the loss or reduction of advantages and bonuses acquired, or possibly the termination of employment. If an employee seriously violates the Code of Ethics, information about remedial measures and a written reprimand is filed in the employee's personal file and becomes a permanent part of that file.

8.1.5. Information on Investigations of Violations of the Code of Ethics and on Measures Adopted

The company's management also posts "anonymous examples" of violations of the Code of Ethics on the notice board and the company's intranet as a means of preventing any future violation of the Code of Ethics.

8.1.6. Distribution and Acquaintance

All employees, including new employees, are demonstrably acquainted with the Code of Ethics and confirm in writing that they have been acquainted with it and will adhere to it. This acknowledgement of the Code of Ethics will be regularly repeated when it is updated. Lack of knowledge of the Code of the Ethics is not an excuse.

8.1.7. Exemption

Exemptions from any part of the Code of Ethics may only be permitted by the company's management; however, this does not affect the application of the law.

8.2. Publication of the Code of Ethics

The Code of Ethics is available on the company's website.

8.3 Final provisions

Amendments and supplements to this Code of Ethics may only be accepted on the basis of a decision by the company's directors and must be made in writing, otherwise they are invalid.

This Code of Ethics comes into force on the date it is published.

Znojmo, 21.2.2022.