



## CODE OF ETHICS

### SECURITY, RESPONSIBILITY, QUALITY

EXCALIBUR ARMY spol. s r.o. (hereinafter referred to as the “Company”) is a successful business company, conducting business in the area of national and foreign commerce of military equipment. The objective of the company is long-term and successful activity in the area of special land equipment production for security and rescue units, as well as special equipment and other military materials in the area of domestic and international commerce, including the ability of the company to introduce new products to the global market that are the result of the Company’s own research and development. During the conduct of its business, the Company puts emphasis on security, responsibility and quality of its products, reflected mainly in securing the life and health, property, environment, economic competition, fair market competition, goodwill, prestige and reputation of the Company.

EXCALIBUR ARMY spol. s r.o. is a member of the CZECHOSLOVAK GROUP and follows the same values as declared by the entire group. It respects and observes these values. The result of this responsible approach of the company is not only the implementation of these values into its own rules, but also their development, leading to the creation and formation of its own internal comprehensive system of rules, procedures and regulations, whose aim is the compliance of required behaviour of employees and any other persons, with the basic human rights, general ethical values, morality, legal order and internationally accepted standards. The Code of Ethics forms part of this system and covers all Company employees, including the members of Company bodies and external subjects, such as consultants, suppliers or intermediaries representing the Company (hereinafter referred to as the “Workers”).

**EXCALIBUR ARMY spol. s r.o. does not tolerate any actions by its Workers that could be considered in any way illegal, corrupt, unethical, unfair or immoral. The Company considers such behaviour as condemnable and unacceptable within the pre-set frame of behaviour and acting.**

### **BASIC ETHICAL AND MORAL VALUES OF THE COMPANY’S POLICY**



1. All Workers shall observe and respect the valid legal rules of the Czech Republic, intra-corporate standards of the Company, and regulations of this Code of Ethics.
2. When carrying out their duties, all Workers shall proceed with care and conscientiousness, so their actions comply with ethical rules, principles of morality, good manners and legal provisions.
3. When carrying out their duties, all Workers shall act with commercial partners, external subjects, public authorities, media, and colleagues, subordinates and superiors fairly, professionally, with honour, respect and dignity.
4. No Workers may provide untrue, incomplete or inaccurate information in their communication with third parties. Each of them shall provide only clear, complete and accurate facts, not misusing anyone's error.
5. Everyone shall treat third parties with respect and honour. In particular, any kind of discrimination or unequal treatment is strictly forbidden.
6. The Company secures training and education to support the professional development of Workers.
7. Head Workers shall always properly keep and present the regulations included in internal Company documents. Individual Workers form an example for subordinate Workers, with ethical, moral, legal, anti-corruption and polite behaviour as their main priority and prerogative. Head Workers shall be held responsible for the behaviour of their subordinate Workers, at least within the mandatory obligation to check the observance of Company regulations.

#### **CONFLICT OF INTEREST AND NON-COMPETE OBLIGATIONS, FAIR ECONOMIC COMPETITION RULES**

1. Loyalty, openness and communication with the Company are the basic principles every Worker should adopt.
2. Workers may conduct business activities while employed in the Company only under the condition that such activity does not interfere with the eligible interests of the Company and is conducted in compliance with laws.



Otherwise, the Worker may perform such profitable activity within a competitive environment only with previous approval of the statutory body of the Company.

3. Every Worker is obliged to proceed in a way to avoid situations when his personal or financial interest could come into conflict with the Company. Any potential advantage for the benefit of the Worker or for the benefit of any natural person or legal entity close to him, with whom such Worker has any personal, commercial or employment relationship, shall be considered as his personal interest.
4. During their employment relationship with the Company, no Workers may acquire or keep direct or indirect shares in any other entity (at least 15%) that the Company trades with or may trade with, or, if they are competitors, unless it is an entity within the CZECHOSLOVAK GROUP (hereinafter referred to as the "CSG"), or unless consent was provided by the statutory body of the Company.
5. Conflict of interest means also the provision or allowing the provision of any information and know-how the Workers received when carrying out their duties in the Company and which could be beneficial for competitive activities of any other persons/entities. Such acts are considered illegal and represent a serious breach of occupational duties.
6. None of the Workers may, on behalf of the Company, negotiate or conclude any contracts or commercial relationship with any entrepreneurial subjects that are managed, controlled or owned by the members of his family, or legal entities that are financially or personally connected with the relatives or partners of the Workers, without prior written consent of the statutory body.
7. The Company and its Workers shall observe the principles of economic competition, in particular they may not act in any way that may be considered unfairly competitive. They should always proceed in a fair, professional and transparent manner.

## **RELATIONS WITH THIRD PARTIES AND BRIBERY**

1. The Company and its Workers shall act in a way to avoid illegal activities, in particular to avoid acting in ways which could be considered as corruptive. A corruptive act means the acceptance or offering of any bribe, agreement of



advantages or any tangible or intangible remuneration in connection with the Company's business activities and carrying out of duties of the Worker. Corruptive action also means any offer of remuneration, benefit or profit for the public authority, which could result in alteration or publishing of a public authority decision for the benefit of the Company.

2. Any illegal action or intrigue in relation to public proceedings, public or private orders and tenders etc., in particular deception, misleading, blackmailing, the use of violence, fraudulent behaviour, etc., is prohibited.
3. The Company and its Workers shall always specify true, complete and full information, in particular, all financial transactions in relation to the Company business bookkeeping, so that correct financial statements are always provided to the respective official authorities.
4. All Workers shall administer and manipulate with the movable assets of the Company carefully, including the property assigned to them, immovable property, business secrets and intellectual property.
5. None of the Workers may require or accept any gifts, minor services, favours or benefits for himself or anyone else. Simultaneously, he may not provide any donations, payments, rewards, or services to business partners of the Company, official authority or any third party, except for such donations, which have minimal nominal value, or are promotion materials, or advertisement items, or represent any common politeness that is not in breach of the commercial rules of the Company.
6. The Company provides or may provide any purpose-bound financial or material donations for the purpose of financing science and education, research and development, culture, schools, fire protection, the support and protection of youth, the protection of animals and their health, or for any social, health, ecological, humanitarian, charity, physical education, sporting and political purpose, etc.

## **CONFIDENTIALITY**

1. The Company shall keep information secure, and protect business secrets and personal data.



2. The Company performs regular risk assessments related to data and information protection and adopts measures that avoid the misuse, acquisition and spreading of information by unauthorized persons. When working with sensitive data and information, each worker shall proceed in such a way to avoid information or data leakage or misuse.
3. Each Worker shall keep confidential all facts he became aware of in relation to carrying out of his duties and which have or may have the nature of being a business secret, is confidential information, personal data or shall be kept confidential. A business secret means in particular all the commercial, production and technical information related to the business activities of the Company, which have real or at least potential value. Inter alia, confidential information also means information not notified, related to the Company, its decision making, planning, financial transactions, inventions, development and technical diagrams, technologies, designs, clients, customers, competitors or any other information that are not public within the industry, related to the Company.
4. Each Worker, processing or handling personal data in any way when carrying out his duties, shall act pursuant to the laws and regulations of the European Union.

## **OCCUPATIONAL SAFETY AND ENVIRONMENTAL PROTECTION**

1. The Company protects the health and life of Workers as well as their property, keeps the environment in a condition not detrimental to health or safety, and strives for its permanent improvement.
2. Each Worker shall remain prudent as much as possible and pay as much care and conscientiousness to his environment as necessary for the formation of a safe and healthy workplace, and adopt all necessary measures to avert any imminent harm in case of the danger of harm of health, or damage to property or the environment. If he is unable to avert such danger, he shall immediately notify his superior or other assigned person able to avoid, or reduce, such damage.
3. Each worker shall observe all the legal rules, in particular related to occupational safety, binding internal rules, procedures and principles of the Company and follow all occupational safety principles. At the same time, each



Worker shall inform his superior of, or according to this regulation, any breach of rules related to the protection of health, property or environment, which he becomes witness to or aware thereof.

4. The Company contributes to minimize the negative effects of business activities on the surrounding area, in particular the environment. The Company puts emphasis on achieving permanent environmental sustainability and looks for innovative solutions to support environmental protection. The Company performs regular Worker trainings and sets binding intra-corporate regulation, targeting environmental protection from each level of the Company, focused on all environmental elements. Every Worker shall act in accordance with the idea of environmental protection.

**In case of any doubts related to the compliance program of the Company, its employees may and will turn to their superior and head employees.**

#### **CHECKING THE OBSERVANCE OF ETHICAL REGULATIONS AND RULES AND THE POSSIBILITY OF SUGGESTIONS SUBMITTED TO THE COMPANY**

1. The Company declares and takes care that this Code of Ethics is always precisely observed by every Worker. Each Worker shall notify his superior or the Company about any breach of the legal rules, inter-corporate standards or regulations.
2. With regard to the efforts to keep transparency as high as possible and to react flexibly to any actual and occurring situation, the Company prepares possibilities for the ways Workers or any third parties can inform the Company about such situations, should they become witness to any breach of the above mentioned regulations.

These possibilities are provided through the Company's communication channels, in particular:

- A box for suggestions (may be submitted anonymously), placed at the entry to the main building of the Company
- A special hotline: +420 585 083 444
- Company e-mail – [etika@excaliburarmy.eu](mailto:etika@excaliburarmy.eu),
- A paper through the mailbox (may be submitted anonymously)
- Through the superior



Suggestions may also be submitted through the controlling CSG holding:

- Special hotline: +420 733 678 454
- Holding e-mail - etika@czechoslovakgroup.cz

**EACH WORKER TAKES INTO ACCOUNT THAT  
THE MISUSE OF THE POSSIBILITY TO SUBMIT SUGGESTION OF  
APPLICATION OR THE SUBMISSION OF SUGGESTION THAT IS  
UNJUSTIFIED OR HARASSING  
IS CONSIDERED UNETHICAL AND IMMORAL BEHAVIOUR  
AND RESPECTIVE CONSEQUENCES WILL BE INFERED THEREOF.**

#### **FINAL PROVISIONS**

1. Each Worker takes into account that a regulatory breach of the Code of Ethics is considered a Worker deviation and will be considered a breach of his obligations, when, in reasonable cases, this could be considered as a gross violation of working obligations with consequences pursuant to the Labour Code. Each breach of regulation or rule may be the cause for an imposed sanction or the termination of the employment relationship.

**THE CODE OF ETHICS IS BINDING FOR ALL COMPANY WORKERS FROM  
THE MOMENT THEY BECAME OR SHOULD BECOME AWARE THEREOF.**

This Code of Ethics becomes effective on 02.10.2017

In Šternberk, on 02.10.2017

---

EXCALIBUR ARMY spol. s r.o.

Ing. Zdeněk Novobilský, v.r.

Managing Director