

Code of Ethics

CZG – Česká zbrojovka Group SE



CZG – Česká zbrojovka Group SE (“CZG”) is one of the leading European manufacturers of small arms and tactical equipment for the armed forces, personal defence, hunting, sport shooting and other civilian applications sold under the brands Česká zbrojovka, CZ-USA, Dan Wesson, Zbrojovka Brno and 4M Systems (“CZG Group”). In order to bring into effect and achieve its visions, perform high-quality and safe work, establish positive business relationships with its partners and customers, make honest business transactions, perform all its activities in compliance with the law and prevent crime, CZG commits to complying with this Code of Ethics as a symbol of its appreciation of and respect to generally recognised ethical principles, rules and legislation.

1. INTRODUCTORY PROVISIONS

This Code of Ethics applies to the entire CZG. The Code of Ethics is, to its full extent, binding on CZG, its individual employees and persons with a similar status, the Board of Directors and its members, the Supervisory Board and its members, the Audit Committee and its members, CZG officers authorised to act for or on behalf of CZG, and CZG officers in charge of management or audit tasks (“Affected Persons”). Provisions of the Code of Ethics are address to the Affected Persons in CZG as well as all other entities including but not limited to CZG Group companies, i.e. commercial companies directly or indirectly controlled by CZG and commercial companies managed by CZG who are hereby asked by CZG to make a similar commitment and implement a comprehensive compliance program aimed at preventing, detecting and responding to behaviour which is in conflict with the rules stipulated in this Code of Ethics and their own codes of ethics, internal regulations and legislation.

2. PURPOSE OF THE CODE OF ETHICS

This Code of Ethics is an integral part of a compliance program which defines rules for company management through activities and procedures aimed at preventing, detecting and responding to behaviour which is in conflict with internal regulations and legislation and could subject the legal entity to criminal liability. The compliance program is a strategic part of the CZG corporate culture.

The Code of Ethics defines the corporate and ethical values of conduct in CZG. By implementing this Code of Ethics, CZG commits to respecting the defined values and principles that form the basic framework for its business and social actions, conduct and behaviour.

The Code of Ethics aims to establish shared principles and values for all employees as well as other Affected Persons. The above principles and values provide basic guidance for the conduct of all the Affected Persons when confronted with a situation where they are not absolutely certain which specific rules to follow. The purpose of the Code of Ethics is to provide the Affected Persons with procedures and directions to ensure that specific ethically borderline or complex situations are resolved correctly and to prevent conduct that is in conflict with the principles and objectives forming the foundation of CZG and being pursued by CZG as such.

3. BASIC ETHICAL VALUES IN CZG

The Code of Ethics is a declaration of principles and values which form the foundation of CZG and aim to build and protect. These principles and values must be followed and adopted by all Affected Persons alike when performing their work duties. The Code of Ethics provides the simplest outline of the principles which are reflected in more detail in other internal rules of the company, including but not limited to those which are part of the compliance program.

Employees and other Affected Persons must attach the utmost importance to these principles and values as that is a prerequisite for meeting the objective of CZG and the CZG Group of being responsible, trustworthy and profitable companies for their shareholders as well as investors and business partners and, not insignificantly and all the more importantly, to be a sought-after employer.

The basic ethical values in CZG can be summarised as follows:

1. We respect the law
2. We have zero tolerance for corruption
3. We prevent conflict of interests
4. We respect human rights and freedoms of our employees
5. We build good internal relationships
6. We ensure occupational safety and health and protect the environment
7. We promote quality and encourage innovation
8. We respect the rules of competition
9. We protect the reputation and property of CZG
10. We respect the interests of the CZG Group
11. We use “common sense” and follow general principles of moral conduct and good manners

3.1. We respect the law

We perform our work duties in compliance with applicable laws and regulations putting emphasis on compliance with legislation applicable to our business. Compliance with the laws of the Czech Republic, the EU and other countries, in which we operate, is the top value for CZG and a cornerstone for all the other principles and values.

3.2. We have zero tolerance for corruption

We do not tolerate any form of corruption. We establish open and honest relationships with our partners and comply with principles of transparency when selecting suppliers. We never accept, give or solicit gifts, favours or other benefits of any value. We only accept and give gifts, favours and other benefits in good faith and in compliance with the anti-corruption principles of CZG. We always act in the best interest of the CZG and the CZG Group.

3. 3. We prevent conflict of interests

We avoid any situations with a potential for a conflict of personal or business interests. We act in the best interest of CZG and the CZG Group and do not use the property, information and/or our own position in the company for personal gain. We ensure with due care that our private interests and personal relationships are not used as a criterion for personnel related decisions.

3. 4. We respect human rights and freedoms of our employees

Equal opportunities, equal treatment, non-discrimination, respect for personal dignity, privacy and rights of every employee are essential to us. We do not tolerate unacceptable treatment of employees and create conditions for respectful interpersonal relationships.

3. 5. We build good internal relationships

CZG strives to build strong and solid relationships with all its employees and all employees across the CZG Group and across all levels regardless of job positions. We create a work environment where all employees are treated with respect and dignity. We work to ensure personal development of employees, share knowledge and experience, and promote the use of new technologies.

3. 6. We ensure occupational safety and health and protect the environment

We are responsible for ensuring occupational safety and health of our employees, identity safety risks and take preventive measures to avoid injuries and occupational diseases. We respect and comply with environmental principles.

3. 7. We promote quality and encourage innovation

We understand that the quality of our products and the level of our services is the greatest value we can offer to our customers. We comply with social ethical principles in research and development in order to achieve maximum effectiveness and quality.

3. 8. We respect the rules of competition

We do not enter into pricing, market sharing or any other agreements with our competitors that might violate applicable competition laws.

3. 9. We protect the reputation and property of CZG

We promote the reputation of CZG and the CZG Group. We do not get involved in activities or business relationships that could damage the reputation of CZG or our partners. We always treat the company property as if it were our own. We do not misuse trade secrets and/or confidential information for our own benefit or for the benefit of third parties.

3. 10. We respect the interests of the CZG Group

We are aware that CZG Group companies must be loyal to each other to the same extent as to their customers, suppliers and external partners while exercising the same degree of caution. We take all measures that may prevent disputes in the interest of the CZG Group. If a dispute is inevitable, we strive to reach a fair resolution with each party acting amicably, transparently and in good faith. The general rule is that every Affected Person should act in the interest of the CZG Group, keeping in mind that this primarily means that everyone has the shared responsibility to ensure high quality and good internal relationships in all areas: contracts made in regular business activities, business and financial relationships, including but not limited to human relationships.

3. 11. We use “common sense” and follow general principles of moral conduct and good manners

We assume that every Affected Person is of an average intellect and capable of using it with ordinary care and caution and that we can also reasonably expect this from the Affected Persons in legal relationships as well as when performing their duties for CZG.

That is why CZG encourages all Affected Persons to always perform their duties for CZG and the CZG Group in accordance with the above assumption and comply with moral principles generally recognised by the majority society. Accordingly, the Affected Persons and other persons with customer or supplier relationships or partnerships with CZG are encouraged to apply the rules of whistleblowing and report in a timely manner any concerns regarding the question whether their conduct is in compliance with the law and/or moral and ethical rules.

