



CODE OF CONDUCT OF THE AGROFERT GROUP

Principles of Ethical Behaviour in the AGROFERT Group

1. BASIC REQUIREMENTS FOR ETHICAL BEHAVIOUR, PRINCIPLES OF CORPORATE CULTURE

This Code of Conduct applies in full to the members of the statutory bodies and all employees of the AGROFERT Group companies (including agency staff). *(To save space, the text below refers to the "employee", who shall nevertheless be understood as all of the persons referred to above).*

The Code of Conduct also contains the term "integrity" which shall, in general, be understood as the level of ethics and credibility of the company. It characterises the level of the company's relationship with all of its employees, business partners, shareholders and the public and it furthermore shapes the attitude, conduct and behaviour of its employees in daily work.

1.1 Law-compliant conduct

Compliance with legal regulations is one of the main principles of the AGROFERT Group. All Group employees are obliged to act in accordance with the laws and care shall be taken that these laws are not violated. The law-compliant conduct of the employees includes compliance with:

- generally binding legal regulations,
- internal regulations of AGROFERT, a.s. that are binding for the Group,
- internal regulations of the AGROFERT Group and the relevant companies concerning the employees' work responsibilities, fire prevention, occupational safety, handling of chemicals, prevention of serious accidents, reporting of extraordinary incidents, guidelines for the work with computer technology and data, which were drawn up in accordance with the laws,
- the rules of ethical behaviour (the Code of Conduct).

All employees must not only comply with the legal regulations and avoid any violation of law, particularly in fields of possible criminal sanctions, but they must also consider the disciplinary consequences that would arise from the violation of their obligations under the employment contract.

1.2 Responsibility for the company image of the AGROFERT Group

In accordance with the Code of Conduct, the AGROFERT Group companies promote respect for integrity (i.e. ethics and credibility) in the actions taken. The Compliance Management team, together with the management of the Group companies, is actively involved in the dissemination of the Code of Conduct and shall take care that it is applied in practice.

- Every employee and other persons engaged in a legal relationship with the Group companies must respect that there are designated persons – in particular the corporate spokesperson or the authorized employees of the Communications Division or, in special cases, other departments – for the purpose of crisis communication or giving statements for the media or social media in order to avoid misrepresentation of the information provided or violation of the company's legitimate interest.
- An employee should refrain from making any statements (including the private statements) damaging the company's legitimate interest. An employee must be prudent when using social networks and means of communication, including private activities, prevent disclosure of confidential information and information, that could be understood as insulting, damaging, denigrating or defamatory, as the case may be, against individuals or the company. An employee must also respect data protection regulations when publishing photos of individuals or groups public.
- The AGROFERT Group companies strive to fulfil ethical, environmental, social and other commitments towards the public, based on meeting the day-to-day obligations of their employees in order to prevent inadequate behaviour that could damage the Group companies or the AGROFERT Group as a whole in public in relation to public institutions and business partners.

- The above described system of responsibility of the AGROFERT Group in relation to the public is supported by a set of binding internal regulations, which are to be followed by the employees, including labour-law issues.
- Examination of the Compliance system is conducted in line of the Compliance management and internal audits; solutions are put in place with the support of human resources and legal departments of the AGROFERT Group companies.
- The reports and risks of the Compliance system are discussed by the Board of Directors of AGROFERT, a.s.
- The quality management departments of the AGROFERT Group companies ensure the ethical commitments towards the public in the fields of quality, health safety of production, environmental protection and safety in general in accordance with the voluntarily adopted international standards. The implementation of these standards is audited by specialized certification bodies.

1.3 Mutual respect, honesty and integrity

The AGROFERT Group employees are aware of their duties and responsibilities arising from internal and legal regulations, in particular the Labour Code, Work Rules, Code of Conduct applicable to the employees of the AGROFERT Group companies in internal cooperation as well as towards external partners. The AGROFERT Group companies, *see Code 04 Work rules of AGROFERT, a.s.* shall:

- ensure equal conditions for all employees without any discrimination on the basis of age, race, nationality, religion, sex or disability,
- not tolerate any violence, threats, intimidation, any aggression or other inappropriate behaviour at work,
- respect human dignity, privacy and individual rights of every person,
- promote, in addition to equal access and non-discrimination, team cooperation and willingness to share information and knowledge,
- pursue the same approach to both in-house employees and agency staff,
- be in favour of promoting innovation, new proposals and solutions, beneficial changes, ability to accept new solutions in practice, willingness to help a colleague in an appropriate manner.

1.4 Leadership, responsibility and supervision by managers

The culture of ethical behaviour and Compliance starts by the company's top management. All members of corporate bodies, managers and executives lead by example and create a Compliance environment and culture within the company, have a thorough knowledge of the rules and ensure their implementation and enforcement in practice, communicate the Compliance Programme and provide training to the employees, pro-actively identify Compliance-related issues and risks and take relevant preventive actions to minimize risks. They create an environment in which employees are not afraid to report a violation of the rules. Where a violation of the rules is detected, they take relevant measures unconditionally and immediately.

A manager shall be responsible for the employees reporting to him in terms of the Organizational Rules and the Work Rules and shall ensure that they receive a proper training. A manager shall be obliged to:

- Organize and supervise the fulfilment of the assigned tasks with respect to the principles of the Code of Conduct, bearing in mind that legal and internal regulations need to be respected and any violation thereof needs to be prevented,
- Have professionally reviewed the tasks of technical and operational nature as regards the technical underlying materials corresponding to the matter, fire prevention, health and environmental aspects including submission of the relevant documentation, certificates and licences, test results and attests,
- not tolerate any violation of legal regulations and internal rules and, in case of an attempted violation thereof, draw labour-law consequences strictly and without compromise. A manager shall be aware of the fact that a violation of occupational safety or fire prevention rules, neglect of preventive measures and maintenance can have not only ethical consequences for the company and the employees affected, but also cause material and financial damage which significantly exceeds the costs of the preventive activities or even to criminal accusation against the company in terms of criminal liability of legal entities,
- address any ambiguities in employment or legal issues in cooperation with human resource managers and lawyers in order to ensure that the solution to the problem in question is in compliance with the Labour Code, criminal liability of legal entities and other legal regulations.

2. RELATIONSHIP TO BUSINESS PARTNERS AND THIRD PARTIES

2.1 Respecting the right of competition and compliance with binding competition law

Every employee of the Group companies is obliged to comply with the competition law, see Code 01 Programme of compatibility with competition rules, in which the basic rules are defined.

The designated employees of the AGROFERT Group companies are obliged to participate in training and sign a declaration of compliance with the competition law rules. If they come across a case requiring legal advice or assessment, they shall turn to a specialist in competition law matters in the Legal Division without delay.

2.2 Business conduct

- The company offers and sells its products and services based on their quality and price.
- All business operations must be approved in accordance with Code 03 Signature Rules.
- Business relations must be in consistence with generally binding legal regulations and shall be documented by the relevant documents.
- In business activities, the employees shall bear in mind legal regulations regarding anti-money laundering and terrorism financing, as well as the internal regulation of the Legal Division (Code 10), which provides a brief explanation of the employees' obligations arising from those regulations.

2.3 Business courtesy, anti-corruption behaviour

- The employees must respect anti-corruption regulations. It shall be prohibited to engage in activities that could be perceived as corruption and exercising influence over a partner in order to obtain improper advantages for the company or the Group.
- The employees respect the rules and regulations regarding public grants, public procurement and other tenders of state and public institutions. It shall be prohibited to influence the representatives of those institutions in any form whatsoever in order to obtain an improper advantage.
- The Group employees may not provide or receive any gifts or favours that could be perceived as a bribe or an improper advantage. The only exceptions permitted are corporate gifts of small value bearing the company logo. Other gifts must be tactfully refused.
- The Group employees may not, directly or indirectly, offer, give, demand or accept a bribe in order to win or maintain business relations.

2.4 Rules governing procurement and business negotiations

- All potential suppliers who wish to win a contract from the company always expect an honest and unbiased evaluation of their offer or bid. This rule must be respected by the company employees whose job description includes procurement; the same shall apply to entering into business and sales agreements with customers of the AGROFERT Group companies.
- The employees shall be obliged to **report to their superior any personal interest that could affect the assignment and completion of their work tasks** (i.e. to demonstrate their independence regarding the work tasks, the risks of conflict of interest and possible failure to remain objective include personal or professional ties between the employee or persons close to them and the staff/beneficiaries of the business partner, the employee's or the close person's benefits from the business partner's revenue, private business relations of individual nature¹).

The superior shall always assess the risk of conflict of interest and decide on additional measures as regards the control and approval of the business relation; for instance, whether the responsibility for the relations with the partner in question should be transferred to another employee. The superior shall be obliged to **send** an e-mail report to the competent Compliance Officer of the company, providing information about the conflict of interest and its solution.

- Suppliers in a procurement procedure may not be favoured or disadvantaged in any dishonest manner; the same shall apply, by analogy, to customers.
- The employees may not place any personal orders or enter into business deals with business partners with which they are in professional contact, where this could give rise to certain advantages for the employees – in particular where the employee has or could have a direct or indirect influence on contracts being awarded to this business partner. Entering into such a business deal by a person close to the employee, giving rise to an individual benefit, shall also be considered a conflict of interest.

¹ Individual nature shall be understood as individually agreed business conditions or discounts in a private business relation with that partner, e.g. in the construction industry, where the different supplies constitute individual agreements (i.e. if an employee affecting the contract of the supplier in question for the employer uses the supplies by the same supplier for private purposes as well). *Such conflict of interest is not expected for services with no option of individual discounts, which are governed by the standard terms and price lists – for instance, it shall not be considered as a conflict of interest to have a standard tariff provided by the mobile operator of the company or a current account under the standard commercial terms and conditions with a bank that provides financial services to the employer.*

- An employee may accept only an adequate and reasonable invitation of the business partners to discuss matters related to the work tasks, or if a rejection of such invitation would be contrary to the principles of good manners in the relevant environment.

2.5 Donations provided by the company

AGROFERT, a.s. and the AGROFERT Group companies may provide assigned monetary and in-kind donations to finance science and training, research and development purposes, culture, education, fire prevention, youth support and protection, animal protection and animal health, as well as social, health care, environmental, charity, physical education, sports and political purposes.

Every company within the AGROFERT Group shall follow the following rules as regards providing donations:

- they shall not, in principle, grant requests for contributions in favour of natural persons, provide payments, even of small amounts, to private accounts – an exception from that rule shall be laid down in the internal regulation of the Group companies or may be granted by the Executive Director of AGROFERT, a.s., taking into account social or other aspects of the request;
- they shall not provide any contributions to persons who could damage the reputation of the AGROFERT Group companies;
- the beneficiary of the donation, the specific use of the donation by the beneficiary and the reasons for the contribution must be known;
- the use of the donation must be documented by receipts at any time;
- the contribution must be tax deductible – exceptions from this rules shall be subject to approval by the Executive Director of AGROFERT, a.s.;
- Quasi-donations (to be understood as contributions seemingly provided as remuneration for certain work or service, but the amount of the contribution significantly exceeds the value of that service) shall be prohibited

3. PREVENTING A CONFLICT OF INTEREST

Conflict of interest

When performing their working activities, the employees shall take care that they avoid any conflict between their private interest and the interest of the AGROFERT Group and shall consistently prevent all situations that could give rise to a conflict of interest.

Secondary activities

All employees shall be obliged to carry out their work tasks with full commitment and use their best knowledge and skills to fulfil their responsibilities. Any secondary activity having a negative impact on the fulfilment of those responsibilities shall not be permitted.

Every employee shall be obliged to comply with all legal regulations applicable to the work carried out by them and respect the ethical principles and practice pursued both in the employer's business and within the AGROFERT Group.

Any other secondary activity, which is identical to the object of the company activity (NACE), may be carried out only with the prior written consent of the employer.

Every person carrying out work for the company based on a commercial-law relationship shall be bound to comply with the legal rules on conflict of interest and on ban on competition, including cases of conflict of interest or conflict with the object of business of other Group companies. In any case of their conflict of interest or violation of the non-competition obligations or a threat thereof, the person concerned shall be obliged to notify the company accordingly.

Every employee and every person in a commercial-law relationship with the company who is a stakeholder in corporations that are in a business relationship with the AGROFERT Group companies shall be obliged to notify, in their own interest, the competent corporate Compliance Officer in writing.

4. HANDLING INFORMATION

Efficient cooperation requires accurate and truthful information provided in the company in relation to investors, customers, business partners, the general public and state institutions.

4.1 FINANCIAL STATEMENTS AND AUDITS

All reports, statements, data reports or drawings, as the case may be, for internal and external use must be accurate and honestly reflect the reality.

In accordance with the valid accounting standards, the data must be complete, accurate, and correspond in time and in the economic administration software, which applies also to accounting of sponsorship donations. The defined processes, approval mechanisms and audits ensure that all operations are executed according to defined management's authorization rules and that any unapproved or unauthorized transactions are identified.

4.2 PROTECTION AND HANDLING OF PERSONAL DATA

This matter shall be governed by Code 07 Personal Data Protection (currently in preparation); the company complies with the obligations related to handling of personal data and other obligations in this context as imposed by the Act on Protection of Personal Data.

4.3 BUSINESS SECRET AND CONFIDENTIALITY OF INFORMATION

No employee may disclose confidential and proprietary information they come across in connection with the performance of their duties, in particular as regards the company's business secrets, the relations between the company and members of the Group, business methods and procedures, pricing policy, business development plans and marketing strategy, structure of business partners and the commercial terms and conditions of their contracts, economic and volume-related indicators for the traded products, goods and services, the financial situation and approach to financing, financial statements prior to their mandatory publication, working and wage conditions of the company employees, any personal data, etc. Any violation of this obligation would significantly undermine the company's legitimate interest in the protection of such data and cause harm to the company.