

CODE OF CONDUCT

A message from CEO AUFEER TOOLS

Dear colleagues,

All activities of the company AUFEER TOOLS are based on basic values - quality, transparency and honesty. We believe in an approach that is focused on every individual person, as well as on building relationships based on mutual trust given by the quality of our services.

Respecting the strictest international standards in our areas of activities ensures good reputation and recognition of the company AUFEER TOOLS.

The reputation of the company AUFEER TOOLS, as well as its preservation, depends on the work of all of us. We must ensure that the basic values of the company AUFEER TOOLS are, as far as possible, part of our daily activities and they are also reflected in our relationships with colleagues, customers and suppliers.

The Code of Conduct is a guide to achieving this goal.

Therefore, I ask you to read the Code thoroughly, to comply with it, and to continually refresh the principles and rules of conduct contained in it. The Code of Conduct should be your daily helper and guide in situations where you are not sure how to act in a particular situation.

I am convinced that, thanks to the highly professional work of each of you, the company AUFEER TOOLS will continue to deliver great results based on fair action. Like you, I undertake to fulfil this vision and thank you all for your cooperation and assistance in achieving this goal.

Best regards

Ing. Martin Vaca, MBA, CEO

Contents

A message from the Company Manager	1
Contents	2
Common provisions	3
Validity	3
Rules for the Group	3
Obligation to comply with the rules	3
Communicating concerns and misconduct	3
Violation	3
Rules of conduct	3
Principles of fair trade	3
Corporate social responsibility	3
Work environment, diversity and inclusion	4
Workspace	4
Property and business data protection	4
Conflict of interests	5
Prohibition of bribes and corruption	5
Customer relations	5
Selection of suppliers	6
Financial information	6
Prohibition of money laundering, terrorist financing and international sanctions	6
Final provisions	7
Acceptance and distribution	7
Training	7
Contacts	7

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Account No.: 115-3790670247/0100 CZK, 115-4075450207/0100 EUR, IBAN: CZ6501000001154075450207, Bank code: KB Mlada Boleslav, SWIFT code: KOMBCZPPXXX

Registered in the Commercial Register administered by the Prague Municipal Court, Section C, Record 75521

Common provisions

Validity

This Code of Conduct (hereinafter referred to as the “Code”) defines the basic rules for employees regardless of their position, function or level of employment (hereinafter jointly referred to as the “employees”) in the company AUFEER TOOLS.

The Code of Conduct, as well as the Code of Ethics and Environmental Policy, apply to the company AUFEER TOOLS.

Obligation to comply with the rules

All employees must be acquainted with and know the Code, but must also comply with them, as well as with other internal regulations relating to the specific tasks and activities performed by them. The employees are required to take part in an initial acquaintance with the Code and subsequent regular training programs in this area.

Communicating concerns and misconduct

The Group asks the employees to report concerns about procedures or measures that could potentially lead to the violation of legislation, of the Code or of other internal regulations.

Any information about the above-mentioned conduct, which may be provided personally or anonymously, in writing or orally, shall be handled as strictly confidential by law. No sanctions or measures will be tolerated against those employees who, in good faith, have reported about the conduct that is or could be a violation of law and the Code.

Violation

The violation of the Code by employees will be considered to be a violation of obligations arising from employment relations, with all possible consequences. The violations may also result in paying the damages or prosecution.

Rules of conduct

Principles of fair trade

The company AUFEER DESIGN runs a business in accordance with the applicable law, the internal regulations and the principles of professional ethics.

The employees are required to conduct themselves with integrity and honesty, and to comply with the applicable law, the internal regulations, and the provisions of this Code and the sustainability commitment of the Group. The senior employees must take the lead on promoting a culture of ethics and ensuring compliance of any activities pursued *with* legal and international regulations.

Corporate social responsibility

The aim of AUFEER DESIGN is to contribute to quality economic and social development based on respect for fundamental human and labour rights and respect for environmental protection. AUFEER TOOLS promotes a culture of sustainability in all areas of its influence, in particular regarding its employees, customers and suppliers.

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For this reason, the employees are obliged:

- to make the most of the help of their colleagues, to support the development and recognition of the contribution of individuals to the success of the entire company;
- to improve the conditions of social life wherever AUFEER TOOLS operates, to play the role of a member of civil society supporting institutions, organizations and associations;
- to provide services to those who are most vulnerable, using the skills and resources of our company, to promote the integration of the poorest and most disadvantaged individuals;
- to take into account the environmental regulations;
- to contribute to the protection of the environment, to encourage the reduction of the direct and indirect impact of activities on the environment.

The employees are required to act in accordance with these commitments of AUFEER TOOLS in order to successfully implement these initiatives.

Work environment, diversity and inclusion

AUFEER TOOLS provides a stimulating work environment, without any discrimination or harassment. We support the diversity and inclusion of employees, since we believe that cooperation among people from different cultures, with different skills, opinions and experiences, is a prerequisite for seeking talented individuals and it enables growth and implementation of innovations in activities pursued.

The employees are obliged to treat their colleagues with respect and refrain from conduct that could offend their dignity. The senior employees are obliged to create and promote a friendly and understanding environment where moral integrity, respect, cooperation, diversity and inclusion are effectively promoted. The decisions related to the employees, including recruitment, education and career growth, are based solely on the skills and experience of each individual and cannot be influenced, for example, by race, ethnic origin, sexual orientation, marital status or political opinions. The communication with employees must be open and honest. The Group promotes the development of the abilities and skills of individuals by providing appropriate professional training in the context of wider staff development. The Group recognizes the freedom of association and collective discussions on the part of its employees. Any form of illegal work or exploitation as well as any kind of forced or compulsory labour and child labour is strictly prohibited.

The Group combats any kind of harassment, discrimination or bullying.

Workspace

AUFEER TOOLS guarantees its employees fair working conditions ensuring a safe and healthy environment. The employees are obliged to refrain from conduct that may endanger the health or safety of any person. The employees support the effort of the Group to protect the environment and to minimize the impact of their work on the environment.

Property and business data protection

The tangible assets of AUFEER TOOLS, including the immovable assets, equipment and supplies, must be protected against damage and misuse and must only be used for work purposes, unless their use for other purposes is permitted. The business-related information, including any information obtained in the performance of tasks on behalf of the Group, shall be handled as confidential. The employees are bound by the obligation of secrecy and may disclose this information to authorized persons only to the extent necessary or if they have a special authorization. The same rules apply to all documents containing confidential information.

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The intellectual property of the Group (i.e. the ideas, products, methodologies, strategies, etc.) must be protected, according to circumstances, also using patents, trademarks and copyrights.

The obligation to protect the intellectual property of the Group remains after the employment of an employee is terminated.

Conflict of interests

The employees are required to act so to defend the interests of the Group. A conflict of interest occurs when the personal activities or relationships of an employee may conflict with the ability of this employee to act in the best interests of AUFEER TOOLS. In general, the conflicts of interest should be avoided and, if the conflict of interest is inevitable; it should be managed so that the company does not suffer any harm. The employees are expected to be able to recognize a potential conflict of interest that could arise in the performance of their daily activities. They are obliged to report such a conflict of interest to their senior employee or to the authority for compliance with applicable laws and regulations (Compliance). If they have any doubts about the existence of a conflict of interests, they are obliged to contact their senior employee and to ask for help and explanation or the authority for compliance with applicable laws and regulations (Compliance).

Prohibition of bribes and corruption

AUFEER TOOLS reproaches and combats all forms of bribery and corruption.

The employees are obliged to perform all activities in an honest and ethical manner. Any form of corruption, including bribery and extortion, will not be tolerated. Therefore, employees must refrain from offering or receiving unauthorized payments, presents, hospitality or other benefits. In all circumstances, it is forbidden to promise, give or receive presents in the form of cash or similar payment methods, gift vouchers, etc. Presents, hospitality or other benefits may only be offered or received in connection with the pursuit of activities and if deemed to be standard and appropriate to the circumstances (i.e. if they are reasonable and in accordance with local regulations) and should not exceed the amount of GBP 40.

The business activity of the Group requires interaction with its customers. In such circumstances, the employee is obliged to refrain from offering or receiving, directly or indirectly, any presents or other benefits, unless these are ordinary business activities and in accordance with the law and established local practice. All presents and invitations to social events for government employees must be approved by the authority for compliance with applicable laws and regulations (Compliance).

The employees are required to inform their immediate senior employee and the Compliance of any attempt to give or receive an improper present, hospitality or other benefit that may give the impression that it is improperly influencing the business decisions.

Customer relations

Regarding the customers, the employees are required to behave in a decent, honest, open and professional manner, and to refrain from applying fraudulent and misleading practices. The employees are always obliged to take into account the best interests of the customers and to offer them solutions that meet their needs. A conflict of interests should be avoided and, if inevitable, it must be managed in a way that protects the interests of the customers. When offering products and services, the employees may only make statements that are factual, truthful and accurate. Customer satisfaction needs to be constantly monitored. New products and services need to be developed in accordance with developing customer needs and identified areas for improvement.

Fair competition and prohibition of cartels

The competition must be based on quality products and services and on fair business practices. The employees are prohibited from discrediting competitors or their products or services, or manipulating, concealing or presenting a distorted view of reality to have unlawful benefits. The customs and practices that seek to restrict free and fair competition are prohibited. The employees must comply with the applicable competition laws and antitrust laws when dealing with competitors to prevent unfair conduct.

For these purposes, the legal authority (Legal) and the authority for compliance with applicable laws and regulations (Compliance) should be consulted.

Selection of suppliers

AUFEER TOOLS ensures fair access, transparency and honesty in relationships with suppliers.

In relationships with suppliers, the employees are obliged to behave fairly, transparently and honestly and to avoid situations that show conflict of interests. The selection of suppliers must be based solely on the principles of fair competition and on the quality of the products and services offered. The quality of products and services must be assessed in accordance with the international ethical criteria in the field of labour and human rights. The environmental impact must also be taken into account.

Financial information

The financial statements must be true, fair and complete and in strict accordance with the accounting standards of the Group and local accounting standards. The employees are required to handle financial information fairly and accurately, keeping detailed and undistorted financial information in a format that allows their enforceability during their retention period. The fraudulent modifications and falsification of records or documents are prohibited and can never be justified. The senior employees are required to promote a culture of internal control of financial statements. The financial statements and other information intended for regulatory authorities and the public shall be comprehensible and publicly available in accordance with the applicable local legislation.

Prohibition of money laundering, terrorist financing and international sanctions

AUFEER TOOLS undertakes to support the international fight against money laundering and terrorist financing, defining itself against conduct that could be perceived as support of these crimes.

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Whenever an employee suspects that a counter party is attempting to use the products or services of the Group for illegal purposes, such as money laundering or terrorist financing, he/she is required to immediately report the situation to a responsible senior employee.

The relevant employees are obliged to have complete and updated knowledge of the relevant restrictive measures given by the local legislation and international organizations against certain countries, persons, property or services.

Final provisions

Acceptance and distribution

The Code has been approved by the owners of the company AUFEER TOOLS.

The Managers of the company AUFEER TOOLS are responsible for supervising their implementation in accordance with the relevant legislation. All internal policies must comply with the provisions of the Code.

If there is a conflict between the Code and the applicable legislation, the conflict must be reported immediately to the authority for compliance with applicable laws and regulations (Compliance) in order to ensure a successful resolution of the problem.

The authority for compliance with applicable laws and regulations (Compliance) is responsible for submitting the reviews of the Code to the senior management in order to keep its content up to date.

To ensure easy accessibility and availability for the public, the Code is translated into English and is published at the company website - www.aufeertools.cz

Training

To guarantee that the Code has been properly understood and effectively implemented, initial and refresher training programs on compliance with the applicable law and regulations must be organized.

The managers promote employee awareness of the Code and ensure that all employees take part in the training programs on compliance with all the applicable law and regulations.

At the same time, they ensure that each employee receives a copy of the Code.