

1. MERO ČR, a.s. Code of Ethics

2 Purpose

The purpose of this document is to establish systemic measures in the corporate system to prevent and reduce the threat of unlawful and unethical conduct. The document also regulates the detection of such threats and the course of any subsequent resolution of the threat of unlawful and/or unethical conduct (the so-called compliance program).

MERO ČR, a.s. is fully aware of its social responsibility as well as its accountability to its shareholders. Therefore, it considers it essential to establish and implement a code of ethics within the Company that reflects the basic values of its operation.

MERO ČR, a.s. is also aware that, pursuant to Act 418/2011 Coll., on the criminal liability of legal persons and proceedings against them, as amended, it is possible in certain cases to prosecute a legal person for an unlawful act committed in its name or in its interest or in the framework of its activities, in the event that this responsible person¹ or employee commits such an unlawful act during the performance of their work tasks.

A legal person may be held responsible for the unlawful conduct of a responsible person or employee, in the event that the employee of the legal person acts:

- a) on the basis of a decision, approval or instruction of bodies of a legal person or a responsible person, or
- b) because the bodies of a legal person or responsible person have not implemented measures that they should have implemented pursuant to other legislation, or which from them may be reasonably required, in particular they have not implemented a mandatory or necessary control of the activities of employees or other persons who are their senior or they have not implemented necessary measures to prevent or avert the consequences of a committed offense.

On the basis of similar rules, the conduct of a statutory body or its members, another body of a legal person or its members, an employee or a person in a similar position and physical persons carrying out the duties of a legal or natural person used by a legal person for their business/a natural person who acted on behalf of a legal person if the legal person used the result of such conduct, may also be attributed to a legal person pursuant to Act No. 250/2016 Coll. on the liability for offences and offence proceedings.

MERO ČR, a.s. has adopted this Code of Ethics with regard to the above-mentioned principles of imputability of a crime/misdemeanor committed by a legal person.

This Code of Ethics defines the basic values of the business and social conduct of the Company, its employees, as well as third parties in the cases specified in more detail, above and beyond the relevant legislation. The purpose of the Code of Ethics is to regulate and support the application of the principles of ethical behavior within MERO ČR, a.s. and to avoid unlawful conduct or to prevent the risk of criminal liability of the Company arising from Act 418/2011 Coll., on criminal liability of legal persons and proceedings against them, as amended, and to avoid liability for an offense pursuant to Act No. 250/2016 Coll. on the liability for offences and offence proceedings.

Along with the Articles of Association of MERO ČR, a.s., this Code of Ethics also represents one of the cornerstones of responsible management of the Company. The Code of Ethics

¹ Pursuant to Act 418/2011 Coll., on the criminal liability of legal entities and proceedings against them, as amended, a responsible person shall mean (i) the statutory body or a member of the statutory body; acting on behalf of or for a legal entity, (iii) a person exercising control or supervisory activities with that legal person, and (iv), under certain conditions, a person who exercises decisive authority over the control of that legal person.

aims to establish an ethical and legal framework for the everyday activities of the Company and ensure mechanisms of effective prevention and detection of violations of laws.

MERO ČR, a.s. shall not tolerate and strictly rejects any crime/misdemeanor committed by members of the Board of Directors, members of the Supervisory Board, members of the Audit Committee or employees. For this purpose, the Code of Ethics also establishes mechanisms for reporting any suspicion of a crime/misdemeanor or other unethical conduct in connection with the activities of MERO ČR, a.s., whereby persons who report a crime/misdemeanor or other unethical conduct are guaranteed maximum confidentiality, in the event that the report is made in good faith.

The mechanisms for reporting unethical or unlawful conduct are specified in detail in Articles 9 of this Code of Ethics.

3 Scope of application

The Code of Ethics is an internal regulation of MERO ČR, a.s., which is binding for employees, members of the Board of Directors, members of the Supervisory Board and members of the Audit Committee and also to an appropriate extent for its business partners and customers. Should any provisions of the Code of Ethics conflict with the applicable laws, then the applicable laws and regulations shall prevail over the provisions of this Code of Ethics.

Violation of the Code of Ethics by an employee or a member of the bodies of the Company may result in disciplinary action or sanctions in accordance with applicable labor law, including termination of employment, as well as other legal recourse.

The basic principles of conduct in this Code of Ethics also apply to third parties representing MERO ČR, a.s. externally, as well as in cases where MERO ČR, a.s. may be bound or assume any liability for the conduct of a third party.

The Board of Directors, together with the other members of the Management, are responsible for managing and implementing the rules set out in the Code of Ethics into practice and their compliance by employees and members of the bodies of the Company.

In the event of doubt about the interpretation of the Code of Ethics or its application, any person covered by the Code of Ethics shall be obliged to contact their direct supervisor or the lawyer and request an explanation of the relevant provisions of the Code of Ethics.

MERO ČR, a.s. is committed to ensuring that other companies in which the Company is a stakeholder adopt their own Code of Ethics, the principles of which shall be based on the same principles as this Code of Ethics. This obligation applies in particular to MERO Germany GmbH.

4 List of terms and abbreviations

Code of Ethics – this code of ethics

Ethics Line – institutionalized telephone line and e-mail address, established by MERO ČR, a.s., through which it is possible to submit a complaint

Confidential information – all information concerning the activities of MERO ČR, a.s., its employees, management, customers and business partners, which is not publicly known or accessible

Internal auditor – a member of the Management of MERO ČR, a.s., authorized by the Board of Directors to investigate complaints and other activities pursuant to the Code of Ethics

Management – the Managing Director, Director of Sales and Company Administration, Operations and Technical Director, Head of the Personnel and Security Section, Head of the Technical Development Section, Head of the Planning and Strategic Projects Section, Internal Auditor, Head of the Accounting and Tax Section, and the Lawyer

MERO ČR, a.s. – the Company

Business partner - suppliers, contractors, agents and other partners with which MERO ČR, a.s. has a contractual relationship

Whistleblower - member of the Board of Directors, member of the Supervisory Board, member of the Audit Committee, employee of MERO ČR, a.s. or an external entity reporting a suspicion of possible unlawful or unethical conduct, which could have a negative impact on the activities, business dealings or economic results of MERO ČR, a.s., employment and/or labor relations within the Company or could be perceived as discriminatory conduct within the sense of Act No. 262/2006 Coll., the Labor Code in conjunction with the provisions of Act No. 198/2009 Coll., on equal treatment and on the legal means of protection against discrimination and on amendment to some laws (the Anti-Discrimination Act)

Complaint - notification of a whistleblower's suspicion that a potential unlawful or unethical conduct occurred or may have occurred during the performance of the Company's activities

Unlawful conduct - conduct, which is contrary to the law

Unethical conduct – conduct, which is contrary to the internal company standards of the Company, in particular the rules set out in the Code of Ethics

Direct superior - a member of the Board of Directors, whose function is linked to the performance of directors of sections, heads of sections or heads of departments

Bribe - an undue advantage consisting in direct asset (financial or material) enrichment or other benefits that are received or may be received by the bribed party or another person with their consent, to which the bribed party or another person is not entitled

Contract – any and all paid for goods, services and construction work that MERO ČR, a.s. requests from third parties in the framework of its activities

Lawyer – the Company's lawyer

Customer - an entity which takes services from MERO ČR, a.s.

5 Basic values respected at MERO ČR, a.s.

In the performance of its business activities, MERO ČR, a.s. shall be governed by the following values, which are specified in detail in this Code of Ethics:

- **Compliance with laws and internal regulations** – the basic cornerstone of MERO ČR, a.s. is consistent compliance with laws and internal standards and the promotion of ethical behavior
- **Transparency** – during the course of conducting business MERO ČR, a.s. shall act fairly and transparently and shall pay attention to rules intended to protect free and open competition
- **Respect for human rights** - MERO ČR, a.s. shall support the protection and promotion of fundamental human rights and freedoms, and shall not participate in commercial activities that infringe, restrict or otherwise inhibit those rights
- **Economic success** - the Company's activities are focused on making a profit. For this purpose, the principles of sound corporate governance and the economical and efficient use of its financial assets and property are promoted within the Company
- **Professionalism and quality** - MERO ČR, a.s. has a professional approach to all of its activities, both towards its customers and business partners, and continually strives for greater efficiency and quality of its services
- **Loyalty** – employees, members of the Board of Directors, Supervisory Board and Audit Committee shall always be loyal to the Company and enhance its reputation

- **Environmental protection** - MERO ČR, a.s. strives to ensure that the Company's activities have the least possible negative impact on the environment and promote a policy of sustainable development and the prudent use of natural resources

6 Familiarization with the Code of Ethics

Each new employee or member of the Board of Directors, Supervisory Board or Audit Committee of MERO ČR, a.s. must be acquainted with this Code of Ethics immediately after starting work or taking office.

The Code of Ethics is available to employees and members of the Board of Directors in the controlled documentation system of the integrated management system (IMS). At least once per year, all employees and members of the Board of Directors are required to attend training on the importance of applying the Code of Ethics and training on the risks of occurrence, prevention and elimination of corporate liability. The training shall be completed by a test of knowledge on the issue of criminal liability of legal persons and ethical conduct.

This Code of Ethics is available for Members of the Supervisory Board and the Audit Committee of MERO ČR, a.s. as well as business partners of MERO ČR, a.s. at www.mero.cz.

An integral part of the contracts that the Company enters into with its customers and business partners is a commitment to comply with the Code of Ethics of MERO ČR, a.s. and the obligation to familiarize employees who come into contact with representatives of MERO ČR, a.s. with the Code of Ethics of MERO ČR, a.s., including information on the possibility to report any unethical or unlawful conduct of representatives of MERO ČR, a.s.

7 Basic principles of conduct inside and outside of MERO ČR, a.s.

7.1 Compliance with legislation and internal standards

- In countries, municipalities and environments in which MERO ČR, a.s. operates or will operate its business, it shall always act in accordance with the law, even in cases where the legal provisions go beyond the basic principles of conduct described in this Code of Ethics. On the contrary, the basic principles of conduct stated in this Code of Ethics shall be respected by the Company, even where these basic principles of conduct go above and beyond the legal requirements. The latter, however, shall only apply in the event that the principles of conduct stated in the Code of Ethics of MERO ČR, a.s. are not in conflict with legislation.
- MERO ČR, a.s. also behaves in such a way to prevent action conducive of committing a crime/misdemeanor, and that the potential consequences of such action, if any, are minimized, promptly eliminated and remedied.
- MERO ČR, a.s. informs its employees and member of the bodies of the Company of the relevant legislation concerning their activities. They in turn shall be obliged to familiarize themselves with these laws. In the event of doubt about the interpretation or application of legislation which affects the activities of MERO ČR, a.s., each employee or member of the bodies of the Company shall be obliged to consult the lawyer, who shall provide professional legal advice, or the Ethics Line. Any violation of legislation or internal regulations may lead to civil or criminal liability or liability for the misdemeanor, as well as disciplinary measures or sanctions in accordance with the applicable labor laws and internal regulations.

7.2 Conduct of the Board of Directors in relation to the Code of Ethics

- Members of the Board of Directors are responsible for developing and maintaining a culture of ethical conduct within the Company and adhering to the Code of Ethics. In this context, the Board of Directors is required to:
 - lead employees by example through their own ethical conduct,
 - ensure that all employees are familiarized with the Code of Ethics and understand the requirements set out within it,
 - monitor whether employees behave in accordance with ethical principles.

7.3 Good reputation

- Maintaining and strengthening the Company's good reputation is a priority for all employees, members of the Board of Directors, Supervisory Board and Audit Committee of the Company.
- Each employee and member of the Board of Directors, Supervisory Board and Audit Committee of the Company is committed to not damaging the good reputation of MERO ČR, a.s. while performing their duties and in their appearance in public. In particular, they shall express their views acceptably on social networks if their actions could affect the image of the Company.
- The members of the Board of Directors, Supervisory Board and Audit Committee and employees representing the Company externally shall always act seriously and courteously to third parties.
- Only authorized persons shall provide information regarding MERO ČR, a.s. and its activities to the media according to the relevant internal regulations of the Company. The ban on providing information of the Company's activities shall also apply to expressing views on social networks.
- In the event of any doubt about the violation of these rules, employees, members of the Board of Directors, Supervisory Board or Audit Committee shall be obliged to inform their direct superior, the lawyer or contact the Ethics Line.

7.4 Relations with employees

- MERO ČR, a.s. appreciates its employees and promotes a fair approach to all employees. The Company is committed to complying with all labor laws. All employees and members of the Board of Directors, Supervisory Board and Audit Committee support and enforce compliance with labor laws and the maintenance of a dignified working environment, including respect for each other.
- The Company provides employees with a fair evaluation for their work. The Company does not allow harassment, bullying or undue interference with privacy at the workplace.
- In the event of doubt about compliance with and application of labor laws or in the event of improper conduct in the workplace, employees, members of the Board of Directors, Supervisory Board and Audit Committee shall be obliged to inform their direct superior, the lawyer or contact the Ethics Line.

7.5 Non-discrimination

- MERO ČR, a.s. unequivocally promotes the principle of non-discrimination. To this end, the Company shall ensure that equal opportunities and equal treatment are respected, irrespective of ethnic origin, nationality, gender, sexual orientation, age, marital status, religion, disability, trade union membership or political opinion, as long as they are consistent with the democratic principles of the rule of law.

- MERO ČR, a.s. it does not tolerate acts or attitudes in which any person may feel discriminated against, restrained, humiliated or harassed and honors the principle that any action of a discriminatory nature against others, whether directly or indirectly, is subject to disciplinary action.
- Everyone is entitled to report any discriminatory conduct to their direct superior, the lawyer, or via the Ethics Line.

7.6 Occupational health and safety

- MERO ČR, a.s. actively encourages the creation of conditions for such a level of occupational safety and health protection so as to minimize the threat to life and health of employees, members of the Board of Directors, the Supervisory Board or the Audit Committee of the Company. To this end, the Company regularly provides training in the field of occupational injury prevention, and occupational health and safety.
- Each employee, member of the Board of Directors, Supervisory Board and the Audit Committee of the Company must take care to protect their health and the health of other employees at work and comply with the applicable laws and internal regulations concerning occupational health and safety.
- It is absolutely forbidden to drink alcohol or use other addictive substances in the workplace and during working hours and outside the workplace, or to enter the workplace under the influence of these substances. It is also forbidden to use addictive substances outside working hours, if it could affect the performance of the duties of the of employees, members of the Board of Directors, the Supervisory Board or the Audit Committee of the Company or impair occupational health and safety in the workplace.

7.7 Economic competition

- MERO ČR, a.s. strictly rejects any conduct that may be in conflict with the law on the protection of economic competition.
- In the event of doubt about compliance and application of the rules of economic competition, employees, members of the Board of Directors, the Supervisory Board and Audit Committee of the Company are required to contact their direct supervisor, the lawyer or the Ethics Line.

7.8 Selection of business partners

- Business and public contracts are always awarded in accordance with the valid legislation, and in the case of a statutory obligation also based on a transparent tender procedure of the respective type.
- MERO ČR, a.s. selects business partners on the basis of objective and clear criteria, with the utmost respect for the economic benefits of the agreed contractual obligations, and in accordance with the internal regulations of the Company.
- Before the conclusion of the relevant contractual obligations, employees and members of the Board of Directors are assigned to adequately examine publicly available information about future business partners and verify whether these business partners are trustworthy and whether there are reasonable doubts about the legality of their business. Potential business partners are always assessed in accordance with legislation and basic ethical standards so as to not infringe the privacy and personal integrity of the third party.
- Candidates for the Company's contracts may not be in any way favored or vice versa disfavored in the competition for contracts. Selection of a business partner

is based on objective criteria according to their actual qualities, commercial aspects and potential benefit to the Company.

- Any employee or member of the Board of Directors of the Company involved in the selection of business partners, whose personal interest or relationship with the counterparty may affect the selection procedure, is obliged to notify their direct superior and refrain from any action that might affect the selection.

7.9 Relations with customers and business partners

- Relations between MERO ČR, a.s. and its customers and business partners are based on lawful, unbiased and honest conduct. Any unfair trade practices are automatically banned, and the Company ensures compliance with legislation and internal company regulations, in particular the Code of Ethics, in relation to customers and business partners.
- MERO ČR, a.s. communicates complete, accurate and understandable information to their customers and business partners. In the same way, the Company responds to all inquiries from customers and business partners.
- MERO ČR, a.s. also expects its customers and business partners to abide by and respect the laws as well as proportionately the rules and basic values established by this Code of Ethics. To this end, all contracts include a commitment of the business partner to adhere to the principles of ethical conduct contained in this Code of Ethics and an obligation to familiarize employees who come into contact with representatives of MERO ČR, a.s., with the Code of Ethics of MERO ČR, a.s., including information on the possibility to report any unethical or unlawful conduct of representatives of MERO ČR, a.s..
- When entering into contractual commitments and awarding contracts, the Company act in accordance with the applicable legislation and internal rules of the Company. Procedures for preparing and signing contracts with customers and contractors are further defined in internal regulations of the Company, the Company may under no circumstances provide customers with products, services, or other forms of cooperation that would be in conflict with the legislation and internal regulations of MERO ČR, a.s.
- MERO ČR, a.s. seeks to ensure to the maximum extent possible that business partners of the Company are provided performance in the contractually agreed and expected quantity and quality, and refuse to enter into any contractual obligations that the Company could not meet.

7.10 Dealings with public authorities

- When contacting and communicating with the public authorities, MERO ČR, a.s. proceeds in full accordance with the law and the basic ethical principles contained in this Code of Ethics, and in particular in accordance with Article 5. Offering any form of bribe to officials or employees of public authorities to influence the administrative process or to obtain any other undue advantage is expressly prohibited.
- MERO ČR, a.s. is committed to fully cooperate with the public authorities during any control or audit activity or any other form of verification or investigation. To that end, the Company provides the information requested by the public authorities in accordance with the relevant legislation. Nevertheless, the Company and all of its employees shall take into account the rules on the protection of confidential information pursuant to Article 7.18 of the Code of Ethics when providing information.

7.11 Measures against money laundering and the financing of terrorism

- MERO ČR, a.s. strictly adheres to the legislation on measures against money laundering and financing of terrorism.
- In order to combat crimes related to money laundering and financing of terrorism MERO ČR, a.s. processes and handles data about its customers and business partners and properly evaluates them to a proportional extent.
- In the event of suspicion that a customer or business partner of MERO ČR, a.s. has attempted to use a contractual relationship with the Company for unfair or unlawful purposes, such as money laundering or financing terrorism, each employee or member of the Board of Directors, the Supervisory Board or the Audit Committee of the Company shall be obliged to immediately inform their direct superior, the lawyer, contact the Ethics Line.
- The Company undertakes to providing the relevant competent public authorities in the given area all the necessary cooperation that could be fairly required of them.

7.12 Accounting and financial management

- Company accounting and management is performed in accordance with the laws and accounting standards without exception.
- The Company ensures that all transactions are transparent, duly authorized, verifiable and accurately accounted for. Financial statements are always processed in accordance with generally accepted accounting rules and in all respects present a true picture of the financial standing and operating results of MERO ČR, a.s.
- The Company also undertakes to comply with the relevant legislation by submitting duly kept records for tax purposes, and prepares and submits tax returns for all of its tax obligations in the manner and within the time limits set by law.
- Company accounts are strictly controlled by external and internal auditing. Any alterations or fraudulent falsification of financial records or documents are forbidden.

7.13 Protection of intellectual property

- Objects or works that are subject to protection under the applicable intellectual property rights legislation, which have been created or purchased by the Company, become its property and cannot be considered private or personal. All employees, members of the Board of Directors, Supervisory Board and Audit Committee are obliged to protect the Company's intellectual property.
- MERO ČR, a.s. it always respects third-party intellectual property rights, as well as trade secrets and copyright, which relate in particular to computer programs and trademarks.
- In particular, employees, members of the Board of Directors, Supervisory Board and Audit Committee of the Company are not permitted to upload any computer programs to the Company's computer without the appropriate license, use copyrighted works or third party trademarks, and copy or download documents or materials without the consent of the person who owns the rights in accordance with laws governing intellectual property.

7.14 Environmental protection

- MERO ČR, a.s. respects and protects the environment. To this end, the Company strictly adheres to all legislation in the field of environmental protection. Therefore, the Company seeks to reduce the environmental impact of its own activities, the activities of its customers and business partners as much as possible, and also reduce industrial, health and environmental hazards in its workplaces. The Company encourages a policy of sustainable development and efficient use of natural resources. The Company is committed to strictly complying with all applicable environmental legislation.
- Every employee, member of the Board of Directors, Supervisory Board and Audit Committee of the Company is obliged to respect environmental protection by complying with applicable environmental legislation. Compliance with environmental legislation is monitored and adequately required from its business partners.

7.15 Anti-corruption rules

- MERO ČR, a.s. rejects any form of corruption or conduct disrupting free enterprise.
- Members of the Board of Directors, Supervisory Board and Audit Committee of the Company and its employees must not use business contacts for their own benefit or for the benefit of others or to the detriment of the Company. This means in particular that in the context of combating corruption, none of the employees or members of the Board of Directors, Supervisory Board and Audit Committee of the Company shall provide or accept unlawful private benefits or gifts in business relations (e.g. any cash payments, including in kind payments, services) for the purpose of obtaining or retaining contractual obligations or influencing the official actions of public authorities, if such conduct constitutes a breach of the law or could affect the due performance of work duties within the framework of the Company.
- The illicit provision of donations or benefits shall not include sponsoring public cultural or artistic activities or charitable purposes. More detailed rules for the provision of financial or other donations are closely regulated by the relevant internal regulations.

7.16 Donations

- Unless stated otherwise, members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. shall not accept financial donations or other similar services (services or benefits in any form) in connection with their activities, which could in any way affect the impartiality of business decisions and the proper performance of work tasks or function in bodies of the Company.
- The acceptance of promotional items or occasional invitations, whose acceptance could be considered as business courtesy in the context of the applicable standards, shall be permitted. It shall also be permitted to accept small donations to the value of 1000 CZK, which are not likely to affect the performance of work tasks or business decisions.
- In the event of doubt about the admissibility of accepting donations, members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. shall refer their questions to their direct superior, the lawyer or the Ethics Line.

7.17 Conflicts of interest

- All members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. are obliged to act loyally to the Company, not harm its reputation and act in accordance with its legitimate interests. The obligation resulting from special legislation for the members of the bodies of the Company to act loyally and with due diligence shall remain unaffected.
- All members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. are required to avoid possible conflicts of interest between their personal or financial interests and their activities for MERO ČR, a.s.
- In addition to the employment performed within their employment relationship, employees may only perform other gainful employment in the same line of business as the Company, with the prior written consent of the Company.
- In addition to their function, members of the Board of Directors may only perform other gainful employment in the same line of business as the Company or would have a competitive nature against it, with the prior written consent of the Company.
- Members of the Supervisory Board and the Audit Committee of the Company shall be obliged to adhere to the prohibition of competition specified for members of the Supervisory Board in Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), as amended (hereinafter referred to as the “**BCA**”)
- Gainful employment shall be considered to be any activity certificated by law performed for profit or pecuniary benefit. Gainful employment is therefore understood to be conducting business or performance of the position of a member of a body of a business or other corporation.
- In the event that the Company withdraws its consent given to an employee or member of a body of the Company, the withdrawal must be in writing and must specify the reasons for the withdrawal. After the withdrawal of consent, the employee or member of a body of the Company shall terminate the gainful employment without undue delay in the manner for its termination pursuant to the relevant legislation.
- Limitation of gainful employment consistent with the business activity of the Company shall not apply to the performance of scientific, educational, journalistic, literary or artistic activities.
- In the event of doubt about a possible or impending conflict of interest between your person, or another employee or member of one of the bodies of the Company and the interests of the Company, any employee or member of the bodies of the Company shall be obliged to ask the lawyer for an assessment of the existence of a possible or impending conflict of interest.
- Members of the bodies of the Company or employees of MERO ČR, a.s. shall not, without the prior written consent, provide benefit or service to a third party with which they have a relationship of a financial, business, family or social nature, in the case that the provision of such a benefit or service would be in conflict with the internal regulations of the Company or would otherwise damage the interests and status of MERO ČR, a.s.
- Conflicts of interest may also arise in the event of a contract concluded between the Company and an employee or a member of one of the bodies of the Company or a family member. An employee or member of a body of the Company who wishes to enter into a contract with MERO ČR, a.s. or who knows

that a family member intendeds to conclude a contract with the Company shall always inform their direct superior, the lawyer or contact the Ethics Line in advance.

- Members of the Board of Directors and the Supervisory Board of the Company shall also undertake to comply with the obligations pursuant to the BAC, in particular:
 - If a member of the Board of Directors or Supervisory Board of the Company becomes aware of a conflict that may arise between its interest and the interest of the Company during the exercise of its office, it shall inform, without undue delay, other members of the body of which it is a member. The same shall apply mutatis mutandis to potential conflicts of interest of persons who are closely related to the member of the body, and persons influenced or controlled by that member,
 - Where a member of the Board of Directors or Supervisory Board of the Company intends to sign a contract with the Company, it shall inform, without undue delay, the body of which it is a member. At the same time, the member shall indicate under which conditions the contract is to be concluded. The same shall apply mutatis mutandis to contracts between the Company and any person who is closely related to the member of the body, and persons influenced or controlled by that member.

7.18 Protection of confidential information and confidentiality

- It is prohibited to disclose or provide access to confidential information or information about business partners, customers, employees or bodies of MERO ČR, a.s. during the course of employment and even after its termination in order to gain personal benefit or the benefit of third parties or to the detriment of the Company.
- It is explicitly forbidden to provide the Company's competitors with business information and the know-how of MERO ČR, a.s.
- All members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. are required to actively protect confidential internal data and non-public information, regardless of their content or form. The obligation of confidentiality does not apply to information that is suspected to be gained from unlawful conduct.
- Members of the Board of Directors, Supervisory Board and Audit Committee and employees of MERO ČR, a.s. may also not disclose confidential information about corporate customers or business partners to unauthorized persons, except where they have explicitly consented to the disclosure or where the disclosure of confidential information is specified by law and the person concerned has been invited to do so by a competent authority.
- Rules relating to restrictions on the provision of information do not apply in cases where the provision of confidential information should contribute to averting a criminal offense, or imminent harm to health or property.
- In the event of doubt about what information may be disclosed to third parties, the member of the body of the Company or employee concerned must first ask their direct superior or the lawyer how to proceed in the given matter.

7.19 Personal data protection

- MERO ČR, a.s. ensures the protection of personal data and handles the personal data of employees and members of the bodies of the Company and other entities

in accordance with the applicable laws. All employees and members of the bodies of the Company are required to comply with these laws.

- Obligations related to processing of personal data include in particular:
 - Personal data shall be processed in such a way so as to prevent unauthorized or accidental access, alteration, destruction or loss, unauthorized transmission, other unauthorized processing, and other misuse of the personal data;
 - Documents and digital recording media that contain personal data must be secured in a lockable area of the Company, or in other places where they can be protected. The access of persons authorized to handle personal data shall be recorded, including what data were made available and the reasons for it at least;
 - Information containing personal data stored on the Company's servers or persons authorized to handle personal data based on a personal data processing agreement with the Company must be protected from unauthorized access, change, destruction, loss, unauthorized processing, and other misuse of personal data, in particular by using individual user passwords, encryption, backups, etc.;
 - Employees, members of the bodies of the Company or persons authorized to handle personal data based on a personal data processing agreement with the Company shall not be authorized to record personal data on any portable computer or any portable data media that may be removed from the Company's premises or by any other person(s) authorized to handle personal data based on a personal data processing agreement with the Company, unless such personal data is encrypted;
 - Personal data shall only be processed to the extent necessary by authorized and trained employees or persons authorized to handle personal data based on a personal data processing agreement with the Company;
 - Persons authorized to handle personal data are required to maintain confidentiality of the personal data and on security measures taken to protect the personal data. These authorized persons shall be obliged to handle personal data only for the purpose of carrying out their duties and in accordance with the obligations laid down in the relevant legislation, this directive and the Company's instructions;
 - In the event of a breach or suspicion of a breach of personal data protection, a person or company authorized to handle personal data shall be obliged to take the appropriate steps, in particular to report this breach of personal data protection to the supervisory authority or the data subject;
 - Records of personal data shall be maintained in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). The company or the person authorized to handle personal data shall ensure supervision over the entering and processing of personal data and the keeping of records of personal data to the following extent: what personal data has been entered into the system, when and by whom and to whom the personal data has been transmitted. At the same time, the Company shall maintain records of persons authorized to process personal data,

including the form, extent and reason the personal data is processed by such persons;

- The method of processing of personal data and its compliance with legal regulations shall be regularly monitored.
- In the event of doubt as to how to handle personal data or in the case of non-compliance with data protection rules, a member of the company body or employee is obliged to contact their direct supervisor, the lawyer or the Ethics Line.

7.20 Protection of assets

- The assets of MERO ČR, a.s., its employees and members of the bodies of the Company in the workplace and the assets of other entities used by the Company must be protected from misuse, loss, damage or theft. The Company has implemented control mechanisms and measures to prevent and detect such occurrences.
- Members of the Board of Directors, Supervisory Board, Audit Committee and all employees of the Company are obliged to use Company assets properly and carefully, to protect them from misuse, loss, damage or theft and to prevent damage. Any use of Company assets to commit a crime is expressly prohibited. In the event that assets are found to be endangered or damaged, they shall be obliged to notify their direct superior, the lawyer, or contact the Ethics Line.
- Violation of obligations relating to the protection of property may lead to disciplinary action or sanctions in accordance with the applicable laws and internal regulations, in particular Directive Ř-GŘ-05 Conditions of Employment, including the termination of employment pursuant to the provisions of Section 52(g) of Act No. 262/2006 Coll., the Labor Code, as amended. In addition, in the case of property crime, the Company may inform the competent authorities.

7.21 Economic use of assets

- The acquisition and use of Company assets are based on an economic analysis performed in accordance with the laws and internal regulations. A similar process is used for the depreciation or sale of redundant Company assets.
- All members of the bodies and employees of the Company are required to use the assets of the Company economically during the course of their work or office so that the business and other objectives of the Company are effectively met. Members of the Board of Directors, Supervisory Board, Audit Committee and all employees of the Company may use the Company's assets solely for specified (work) purposes, unless the Company's internal regulations or specific agreements between the Company and the employees or members of bodies of the Company also permit the personal use of the Company's assets.
- Specific obligations of individual persons in the handling of the Company's finances are specified in internal regulations or specific agreements between the Company and employees or members of the bodies of the Company.
- Violation of the obligations relating to the use of the assets of the Company may lead to disciplinary action or sanctions in accordance with the applicable laws and internal regulations, in particular Directive Ř-GŘ-05 Conditions of Employment, including termination of employment pursuant to the provisions of Article 52(g) of Act No. 262/2006 Coll., the Labor Code, as amended.

8 Prevention of crimes/misdemeanors and compliance with legislation and internal standards

- The prevention of crimes/misdemeanors and the compliance with laws and internal regulations, especially the Code of Ethics, are moral obligations of MERO ČR, a.s. Therefore, the Company regularly conducts internal controls, based on which actions are taken to correct any undesirable situation.
- During these controls, employees and members of the bodies of the Company are required to provide full co-operation to the Company's control bodies, as well as to the relevant public authorities, to provide the most effective prevention of crimes/misdemeanors as possible, or at least their consequences, which could be attributed to MERO ČR, a.s.
- Members of the bodies and employees of the Company are regularly trained in order to meet the foregoing objectives.

9 Notification of unethical or unlawful conduct by external entities

- Situations may arise where external entities, such as employees of business partners, are witnesses to unethical or unlawful conduct on the part of representatives of MERO ČR, a.s. In this case, external entities shall be obliged to report suspected unethical or unlawful conduct on the part of representatives of MERO ČR, a.s. to employees or the Ethics Line of MERO ČR, a.s.
- The contractual partners of the Company are informed about the possibility to report any unethical or unlawful conduct when negotiating a contractual relationship.
- Such complaints will be investigated with the same due care as complains from members of bodies of MERO ČR, a.s. or employees of the Company, i.e. under the same conditions, including anonymity. However, as a rule, external entities will not be informed of how their complaint is being handled.

10 Investigation of unethical or unlawful conduct

10.1 General principles and the Ethics Line

MERO ČR, a.s. strictly ensures that unlawful or unethical conduct does not occur in relation to its activities. In the event that unlawful or unethical conduct occurs, MERO ČR, a.s. is committed to identifying the unlawful or unethical conduct without delay in order to effectively prevent its continuation, and, given the circumstances of the case, to take the necessary measures to prevent or avert its consequences. The Company investigates all of the circumstances and grounds for the unlawful or unethical conduct in a consistent manner.

In the event unlawful or unethical conduct is detected, all members of the bodies of the Company and employees of MERO ČR, a.s. are required to make every effort, given the particular circumstances of the case, to require this unlawful or unethical conduct to be stopped and avert its negative consequences.

In this regard, employees and members of the bodies of the Company are obliged to report any suspicion of unlawful or unethical conduct that may have a negative impact on MERO ČR, a.s.

In the event that a whistleblower reports in good faith their suspicion that unlawful or unethical conduct has occurred in relation to the activities of the Company, MERO ČR, a.s.

shall guarantee the whistleblower that this would not lead to any punitive measures by the Company, which would possibly result from internal regulations (e.g. labor law sanctions, etc.). Conversely, employees and members of the bodies of the Company may be subject to sanctions in the event that they fail to report unlawful or unethical conduct in accordance with the internal regulations of the Company, or in the event they deliberately provide false information at the time notifying the relevant persons.

Suspected violations of laws and internal regulations can be reported:

- to a superior or the lawyer, or
- via the Ethical Line, which is managed by the internal auditor.

In addition to contacting the internal auditor in person, a complaint may be reported to the Ethics Line in the following manner:

E-mail:

etickalinka@mero.cz

Telephone:

+420 702 017 302

Cases of unlawful or unethical conduct may be reported anonymously or by including the contact details of the whistleblower.

In the event that a complaint is reported to a superior or an employee of the Company, they shall be obliged to forward the complaint to the internal auditor, including a contact to the whistleblower (if available) without undue delay.

In the event that the whistleblower feels unable to report a complaint to their direct superior or the lawyer or via the Ethics Line e.g. due to a conflict of interest, then they can appeal to the Supervisory Board, which will transmit the complaint to the appropriate member of the Board of Directors.

In the event that a crime is suspected, and the whistleblower feels it cannot contact its direct supervisor, the Supervisory Board of the Company, the lawyer or the internal auditor (e.g. due to doubts about their impartiality, etc.), it shall be entitled to contact the law enforcement authorities directly.

Employees and members of the bodies of the Company are obliged to provide assistance to the relevant internal and external bodies during the investigation into whether any unlawful or unethical conduct occurred.

The internal auditor shall be entitled to commence an investigation into whether any unlawful or unethical conduct occurred in relation to the activities of MERO ČR, a.s., even on their own initiative.

Persons involved in the investigation and solution to the unlawful or unethical conduct shall maintain the ultimate confidentiality of the information on the findings.

10.2 Investigation of unlawful or unethical conduct

After receiving a complaint or on its own initiative, the internal auditor shall immediately initiate an investigation into whether any unlawful or unethical conduct occurred in relation to the activities of the Company.

During the internal inquiry the internal auditor shall decide whether any unlawful or unethical conduct actually occurred based on the obtained evidence, and shall subsequently determine the circumstances, severity, extent and degree of participation of the people that contributed to the unlawful or unethical conduct. In the event that contacting the affected persons shall not threaten the investigation of the complaint or unlawful conduct, the internal auditor shall be entitled to contact the persons concerned and request an explanation from

them. During the investigation into the unlawful or unethical conduct, the internal auditor shall cooperate in particular with the company lawyer and the Head of the Personnel and Security Section. The company lawyer is obliged to provide the internal auditor with assistance in particular in evaluating the reported unlawful or unethical conduct in terms of the applicable laws or internal regulations of the Company. The internal auditor shall prepare a report on the findings based on the collected evidence.

In the event that a complaint is not upheld, the internal auditor shall decide to postpone it and archive it together with the report on the discovered facts in the records of received complaints.

If, during the investigation of unlawful or unethical conduct, the internal auditor concludes that the circumstances of the case suggest that the unlawful or unethical conduct actually occurred, then it shall be obliged to adopt urgent and consistent measures to ensure that the unlawful or unethical conduct is stopped, and to avert any harmful consequences. Furthermore, the internal auditor shall elaborate a proposal for a possible solution to the unlawful or unethical conduct.

In the event that the internal auditor has the whistleblower's contact details, it shall be obliged to inform them of the handling of the complaint within 14 days of receipt thereof. The internal auditor is also entitled to request additional information regarding the complaint made by the whistleblower.

10.3 Solution to unlawful or unethical conduct

The internal auditor shall prepare a written report for the Board of Directors of the Company based on the investigation, which shall include:

- a report on the findings and all the supporting documents and the relevant evidence, a list of measures taken to ensure that the unlawful or unethical conduct is stopped and its harmful consequences are averted,
- other proposed solutions to the unlawful or unethical conduct,
- proposals for the adoption of any further internal measures, if applicable.

Based on the report submitted by the internal auditor, the Board of Directors shall be authorized to make binding decisions on sanctions for unlawful or unethical conduct in accordance with the laws and internal regulations and, where appropriate, the next steps in a specific matter, e.g. filing of criminal charges, initiation of cooperation with law enforcement authorities in criminal proceedings or other public authorities.

11 Evaluation and amendments to the Code of Ethics

On the basis of collected information, the internal auditor shall perform an overall evaluation of compliance with the legislation and the effectiveness of the Company's Code of Ethics and its practical application at the end of each calendar year. The basis for such an evaluation is the report of the managers of the individual sections/departments. The results of the evaluation are submitted to the Board of Directors of the Company within a written report prepared by the internal auditor.

The Company's Code of Ethics may only be changed or amended based on a decision of the Board of Directors of MERO ČR, a.s.

Changes or amendments to the Code of Ethics may be made in particular in connection with changes in relevant legal regulations or after the evaluation of experience with its application in practice.