

CODE OF CONDUCT

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Version 1



Contents

- 01 Our Commitment to Integrity
- 02 Conflict of Interest
- 03 Gifts, Hospitality & Entertainment
- 04 Trade Controls
- 05 Fraud & Financial Compliance
- 06 Anti-bribery and Anti-corruption
- 07 Fair Competition
- 08 Health & Safety, Human & Labour Rights and Diversity
- 09 Information Security & Data Privacy
- 10 Product Compliance & Quality
- 11 Business Partners
- 12 Consequences for violation of this Code of Conduct
- 13 Speak-Up



01 Our Commitment to integrity

Integrity and honesty make up the foundation of trust and ensures our long-term success as we strive to be the leading provider of optical security features and documents, banknotes and valuables solutions.

This Code of Conduct is one of the ways we put our values into practice. It provides clear expectations for how we conduct business. It serves as a guide for ethical decision-making and expresses our commitment to promoting a baseline of behaviour and accountability. This applies to every one of us, no matter what we do and where we work in the organisation.

Bear in mind that every situation you face may not be addressed in this Code of Conduct, but always follow this Code of Conduct, and if you are still unsure how our standards or values apply in a given situation, always seek further guidance from your manager or security or HR department.

Speaking up is a vital part of our culture and we strongly encourage everyone inside IQ Structures who has a concern or suspects any misconduct to promptly report it to their immediate manager or Security Manager.

In IQ Structure we honour the best intentions of people to get our company ahead of the industry and no employee will suffer retaliation for raising a concern or reporting misconduct in good faith.

We commit to deliver added value to each of our stakeholders.

We respect and comply with applicable laws and regulations and require our employees and business partners to do likewise. We value the power of collaboration and expect business partners that we work with to follow this Code of Conduct in connection with their work. And we expect all employees collaborating with business partners to take relevant measures to ensure that this Code of Conduct is being adhered to.

Each of us are responsible for flowing the highest ethical standards of business conduct and strict security measures that we adapt. Please join us in making this Code of Conduct in integral part of our daily work.



Petr Franc, CEO

Robert Dvořák, Business Development Director





IQ Structures company values

- Enthusiastic, reliable and still fun to work with.
- EASY and SIMPLE to talk to.
- 100 % employee loyalty, 0 % fluctuation - the same faces you deal with forever.
- Open minds but consistency of know-how and system thinking.
- Develop and share intelligent and economical solutions.

Technology:

- True nano engineering – we master the technology and enhance the nature of the material.
- Own long-term research, original art design and exceptional mastering.
- Hi-tech in-house manufacturing.

Company Business:

- Technologically ahead of the industry
- Highly demanded product.
- Top quality.



02 Conflict of Interest

Why

All our decisions as part of our daily work must be based on what is best for IQS and our stakeholders, rather than being influenced by any improper personal interest or advantage. We must avoid any potential, actual or perceived conflict of interest as this can put our reputation and business at risk.

What

Conflicts of interest may arise when an employee has a private interest that deviates from the interests of IQS. It can lead to a particular form of corruption where an employee grants himself/herself or a person close to him/her an improper advantage or benefit by exercising his/her decision-making power in IQS. This can include situations where an employee:

- Holds a position to influence the choice of a vendor in which he/she has shares or other interests, e.g. purchasing goods or services on behalf of IQS from a supplier owned by a relative
- Hires a relative or close friend
- Receives gifts, entertainment or hospitality from business partners which may influence his/her decision-making

How

- Avoid any conflicts of interest as these may compromise our integrity
- Immediately disclose any potential conflict of interest to your manager and take no further part in the business decision. Remember to document how the conflict of interest was disclosed and resolved



03 Gifts, Hospitality & Entertainment

Why

When we give or accept gifts, hospitality and entertainment in interactions with customers and business partners, this could lead to a conflict of interest or even be perceived as a bribe or improper advantage.

What

A gift is characterised by not requiring anything in return. Hospitality and entertainment may be dinners, tickets to sport events or music concerts, a paid stay at a luxury hotel or similar. We do not give or accept any items or favours that could raise concerns about our integrity.

How

- Only give or accept gifts, entertainment and hospitality which are modest and of reasonable value, infrequent, related to

a legitimate business purpose, customary for that business relation and cultural practice and in line with any local requirements

- Always comply with internal guidelines for gifts, entertainment and hospitality



04 Trade Controls

Why

Market opportunities around the world expose us to international and national trade controls, including economic sanctions and export controls. As a global company, we are fully committed to complying with these regulations as non-compliance can have a critical impact on our license to operate, including exclusion from public tenders, incurring fines and suffering reputational damage.

What

Economic sanctions regulate who we may engage and restrict us from doing business with certain countries, organisations, companies or individuals. Export controls restrict the transfer of goods, technology, know-how and other items between countries. There are several national and international trade controls which apply to our operations, including from the EU, UK and US.

How

- Know the identity of your customer or business partner and pay special attention when dealing with countries or parties that are sanctioned or considered high-risk
- Screen potential business partners to confirm that they are not subject to sanctions or other restrictions, and immediately stop the business transaction if that is the case
- Know whether any export control restrictions apply to the sale of our products or the transfer of technology or know-how to certain countries
- Immediately report any red flags or suspicious circumstances to your manager or Security Manager



05 Fraud & Financial Compliance

Why

We ensure the integrity of our business transactions by keeping documents and records organised, accurate, and complete. We do not tolerate any kind of fraud against IQS.

What

Fraud generally means deliberately deceiving another person to unjustly obtain an unauthorised benefit, such as money, property or services. Examples:

- Theft of funds, inventory or any other asset of IQS
- Manipulation of accounting information or financial statements
- Forgery of any document (incl. expense reports)
- Employees' private expenses being paid by IQS funds

How

- Keep accurate and complete books and records for all transactions and expenses
- Always ensure transparency and record entries are entered with the true nature, purpose, participants of the expenditure and that discounts or commissions are clearly specified



06 Anti-bribery and Anti-corruption

We conduct our business in a fair and legal way. We do not take part in and work against bribery and corruption in any form.

Why

Bribery and corruption are against the law and contrary to our values. It creates unfair competition, damage innovation and undermine our integrity. Furthermore, any violation can have severe financial and reputational consequences for our company and the employees involved.

What

Corruption includes bribery, kick-backs, facilitation payments, protection money, fraud and money laundering. It can occur both when dealing with commercial business partners or government officials. Bribes can be cash payments or illegal rebates. But corruption may also include non-monetary items such as improper gifts, entertainment and hospitality, free or heavily discounted products, or other items or services that ultimately mean the transfer of value in return for some special consideration. It does not matter whether you use your own private money or IQS funds to pay a bribe or gain an improper advantage or do so via a third party. All types of corruption are illegal and contrary to this Code of Conduct.

How

- Never directly or indirectly offer, give or take money or anything else of value in connection with business dealings to obtain an improper advantage
- Refuse to pay any form of facilitation payment, i.e. an explicit payment to secure or speed up the performance of a routine action by a government official such as procuring permits, licenses or custom clearings
- Never engage in any fraudulent, kick-back or money laundering activities
- Never engage in political activities and never contribute to or support political parties, candidates or committees in the name of IQS



07 Fair Competition

We are committed to free and fair competition on all markets where we operate.

Why

We conduct our business in a fair and legal manner to ensure the long-term sustainability and integrity of our business, the markets in which we operate and the industry as

a whole. Through this commitment, we ensure more innovation, better products and more competitive prices for our customers and, ultimately, consumers.

What

Competition and anti-trust laws promote and protect free and fair competition on the market to the benefit of consumers. To achieve this, competition and anti-trust laws regulate how we can operate and engage with our competitors, our customers and suppliers and independently on the market. This includes restricting illegal agreements between competitors (i.e. cartels) and illegal terms and business practices towards our customers and suppliers.

How

- Never share or discuss any confidential business information with our competitors, including intellectual property, production figures, sales figures, bids, profits, profit margins, costs, research strategies or methods of development or any other parameter that determines or influences our competitive behaviour
- Never enter into anti-competitive agreements or understandings with competitors, such as agreements not to compete, limiting production, coordinating tenders or sharing markets or customers
- Always ensure that agreements with our customers and suppliers comply with competition and anti-trust law, including that we do not attempt to influence the re-sale price of our customers or make them restrict parallel trade of our goods
- Always act independently when competing for business, setting our prices or planning our strategy



08 Health & Safety, Human & Labour Rights and Diversity

We promote a safe and healthy workplace for everyone. We respect and support internationally recognised human rights principles and labour standards. We respect and promote our employee's rights at work. We are committed to advance diversity and inclusion in the workplace and work to eliminate any form of discrimination or harassment.

Why

The safety of our employees is at the heart of our culture. A healthy, safe, secure and diverse work environment is also fundamental to achieve success as a company.

We firmly believe that a diverse organisation will provide the best performance. We strive to provide equal opportunity to our employees and will not tolerate any discrimination or harassment based on race, colour, gender, language, privacy, religion, ethnicity, political or other opinions, caste, national or social origin, property, birthplace, union affiliation, sexual orientation, health status, age, disability or other distinguishing characteristics.

What

We work dedicated to ensuring a safe and healthy work environment. We promote a culture that supports and manages physical and psychological well-being by ensuring engagement, consultation, and participation of our employees. We continuously identify and mitigate risks to prevent work-related injuries and occupational diseases and mitigate the potential hazard of external threats. W

We have implemented certified health and safety management systems to improve our processes and keep developing our culture of safe behaviours.

We respect and comply with all applicable laws, regulations and international human rights principles and international labour standards as defined by the UN Universal Declaration of Human Rights and by the International Labour Organisation's Declaration on Fundamental Principles and Rights of Work. We respect the integrity of the individual employee and are committed to promote diversity and equality.

How

- Never tolerate any form of discrimination or harassment
- Never accept the hiring of child labour or forced labour
- Always respect and support employees' rights to freedom of association and recognise their right to form, join or not join a labour union
- Ensure fair practices and transparency with regard to recruitment, performance management, compensation and rewards, and training and development
- Identify and eliminate hazards
- Report any unsafe condition or behaviour



09 Information Security & Data Privacy

Information is a critical asset for our company, which we strive to protect and safeguard. We respect the personal data that we collect or receive from our employees and other stakeholders and we comply with all applicable laws related to data privacy.

Why

Building on our history of constant innovation, we are at the forefront of our industry. We invest in our people, processes, and facilities to ensure a powerful business tomorrow, securing our position as a technology leading, turn-key partner. Information is a valuable asset and critical for our continued ability to deliver on this.

Our employees and other stakeholders trust us with their personal data and confidential business information. Failure to protect and safeguard this information may have serious consequences for the individual or our customers and suppliers. We acknowledge this responsibility, and we aim to take all possible and reasonable measures to safeguard our IT systems and data.

What

Confidential information and intellectual property are the result of significant company investment and years of hard work. It is information which is not made publicly available and which is critical to our business, including trade secrets, patents, copyrights, trademarks, know-how, business plans, engineering ideas, databases, customer lists, and intellectual property rights belonging to our company.

Information also includes our employees' personal data that we collect and process as part of the employment and any personal data from external business partners with whom we engage and collaborate. We ensure that all personal data is handled in accordance with their privacy expectations and in compliance with applicable data privacy laws and regulation, including the General Data Protection Regulation (GDPR).

Information security means that information is neither corrupted, copied, stolen, disclosed, misused nor accessible to anyone without proper authorisation and approval. It also means that equipment and infrastructure are safeguarded in ways that minimise the risk of theft, destruction or tampering. We require all employees to help keep our information safe and secure at all times.

How

- Know, understand and comply with all necessary security policies, processes and initiatives
- Integrate security considerations into your daily work
- Ensure that information is handled and applied in accordance with its correct information classification



- Ensure the confidentiality, integrity and availability of information, including protection of personal data and data retention periods
- Be alert to attempts by hackers and others to gain unauthorised access to information
- Never use or disclose information in an improper way
- Only share information when there is a legitimate reason for doing so
- Personal data may only be collected, processed, or used when it is necessary for pre-determined, clear, and legitimate purposes

10 Product Compliance & Quality

We are committed to the quality and safety of our products, services and solutions. We must at all times deliver on these objectives and live up to the requirements and needs of our customers and the markets.

Why

When we deliver reliable products that meet all quality and safety standards and processes, it enables us to maintain the trust in our company and expand our position as a leading provider of power cable solutions.

What

We develop, produce and market products, services and solutions in compliance with applicable laws and regulations. We ensure the delivery of uniform high-quality products and demonstrate and commit to the agreed quality standards and processes. We are committed to quality throughout the value chain and acknowledge that we are ultimately responsible for ensuring that the quality objectives are met. We hold our suppliers to the same standards to ensure the quality of the components and raw materials being supplied to us.

How

- Ensure our products are developed according to applicable quality standards and procedures
- Know, understand and comply with the customer specific requirements on quality and performance of our products, services and solutions
- Immediately report any potential breach of quality or safety standards for our products
- Observe and report any counterfeit or suspected counterfeit products



11 Business Partners

We only engage reputable, honest and competent business partners that respect and comply with applicable laws and regulations.

IQS and our business partners, including customers and suppliers, play an important role in establishing the infrastructure for the continued transition towards renewable energy sources. Together, we connect to create powerful and long-lasting collaborations.

We hold ourselves to high ethical standards. We expect and require our business partners to meet the same standards of performance and integrity we set for ourselves and also expect them to do the same of their business partners.

We require our business partners to operate in full compliance with all applicable laws, regulations, international requirements and to implement the principles described in this Code of Conduct in their own businesses or have equivalent standards adopted and conduct their business in accordance therewith.

This Code of Conduct is an integral part of our relationships and part of all contracts with business partners and we require that our business partners at any time are able to demonstrate and document compliance.

We reserve our rights to conduct announced audits at the business partners' site in order to verify compliance with this Code of Conduct. Any audit may be performed either by IQS employees or by a third-party auditor chosen by IQS.

IQS can terminate any potential or existing business partner, if there is reluctance, unwillingness or failure to comply with this Code of Conduct.

Our Code of Conduct may be changed from time to time and in such an event, IQS business partners are expected to accept reasonable changes.

As a business partner to IQS, you agree to respect and comply with this Code of Conduct, including the following:

Legal compliance

- To comply with all applicable laws, regulations, and international standards

Prohibition of corruption and bribery

- To neither tolerate nor engage in any form of corruption or bribery
- To use reasonable efforts to promote compliance with this Code of Conduct among your suppliers
- To maintain adequate procedures for preventing any of your employees, suppliers, agents or other business partners from undertaking any conduct that in any way would give rise to an offense under applicable anti-corruption laws, rules and regulations



Fair Competition

- To comply with all applicable competition and anti-trust laws and regulations
- To always bid for tenders independently from competitors and never discuss or enter into agreements with competitors related to bidding practices
- To not enter into agreements that could restrict competition
- To not share sensitive information with competitors such as price related information that could affect prices in the market

Human & Labour Rights, Diversity and Health & Safety

- To ensure compliance with human and labour rights
- To promote equal opportunities for and treatment of your employees irrespective of skin colour, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age
- To refuse to make anyone work against that person's will
- To prohibit the use of child labour
- Not to tolerate any harassment or discrimination
- To provide fair remuneration and to guarantee the applicable national statutory minimum wage
- To comply with the maximum number of working hours laid down in the applicable laws
- To recognise, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organisations or trade unions
- To provide a safe and healthy working environment
- To control hazards and take the reasonable precautionary measures against accidents and occupational diseases
- To set up or use a reasonable health & safety management system

Environment

- Carry out operations with care for the environment, comply with all relevant local and national environmental regulations and maintain all applicable licenses, registrations or permits
- To minimize environmental pollution and make continuous improvements in environmental protection



- To set up or use a reasonable environmental management system

Supply chain

- To use reasonable efforts to promote compliance with this Code of Conduct among your suppliers
- To comply with the principles of non-discrimination with regard to supplier selection and treatment

Information Security

- To ensure the confidentiality of any information provided by IQS, only disclose such information in accordance with applicable law, regulations, and relevant agreements
- To have in place adequate and appropriate security measures to ensure that information provided by IQS is not corrupted, copied, stolen, disclosed, misused or accessible to anyone without proper authorisation and approval
- To respect the intellectual property rights of IQS Data Privacy
- To comply with all applicable laws and regulation on the processing of personal data when obtaining or processing personal data received from or on behalf of IQS
- To ensure that any personal data received from or processed on behalf of IQS is adequately and securely protected both physically and electronically at all times
- To immediately report any potential privacy or security breaches/vulnerabilities to IQS

Trade Controls

- To comply with all applicable international and national trade controls, economic sanctions and export controls, including the trade control laws and regulations put in place by the EU and the Czech Republic.
- To immediately notify IQS of any potential violation or issue related to applicable international and national trade controls involving IQS products or activities

Product Compliance and Quality

- Ensure all products are developed according to applicable quality standards and procedures
- Observe and report any counterfeit or suspected counterfeit products

Management System

- Implement relevant and applicable management system to demonstrate compliance to the agreed quality standards and processes



12 Consequences for violation of this Code of Conduct

Compliance with this Code of Conduct is mandatory for all employees, managers, officers and directors and violations hereof will not be tolerated.

Why

We aim to ensure that our values and integrity are not undermined and that the trust of our stakeholders is maintained. Violations of this Code of Conduct are not tolerated as they can have serious consequences for us as a company and for you as an individual, including fines, exclusion from tenders as well as lawsuits and imprisonment of individual employees. By complying with the standards in this Code of Conduct, we will avoid these risks.

What

This Code of Conduct and its requirements are part of your employment terms with IQS. Compliance with this Code of Conduct is mandatory for all employees, managers, officers and directors. Violations of this Code of Conduct may result in re-training or disciplinary actions such as a formal warning or dismissal. Violations of law may also result in criminal and/or civil fines and other penalties.

How

To ensure that you comply with this Code of Conduct and keep up to date on internal requirements and guidelines, you are required to:

- Complete relevant security training
- Support the identification, prevention, mitigation and potential adverse impact of our actions
- Raise dilemmas within your team
- Use common sense
- Only provide relevant and honest information
- Only communicate on behalf of IQS if you are authorised to do so – and in a professional tone
- Consider our integrity when making decisions
- Be accountable
- Report any misconduct – no employee will suffer retaliation for raising a concern or reporting misconduct in good faith
- Seek advice if in doubt



13 Speak-Up

We are committed to a culture of being open and honest, where we expect you to speak up if you have any concerns during your daily work or in your collaboration with IQS.

Why

We take responsibility for our actions. In order for us to be able to remedy violations of this **Code of Conduct and continuously improve, we need to be made aware of any such concerns.**

What

Anyone who becomes aware of an actual or potential violation of this Code of Conduct must speak up. Only by being committed to a culture of being open and honest can we create an environment where you as an employee or business partner feel comfortable speaking up with any concerns you may have. IQS has a strict non-retaliation policy, and no employee will suffer retaliation for raising a concern or reporting misconduct in good faith.

How

- If you are unsure of how to apply this Code of Conduct in a given situation, please seek further guidance from your immediate manager, the responsible department within the scope of your question, or from Security Manager.
- If you have any concerns or become aware of an actual or potential violation of this Code of Conduct, we encourage you to raise these directly within your entity or if you are external via your IQS contact person in the first place. Usually, an open conversation about your concerns may remedy these. If you do not feel comfortable, or appropriate action is not being taken to address an issue, please contact Security Manager.