



CHROPYNSKA

Business Conduct Policy

The management of Chropyňská strojírna, a.s. issues this policy as a basis for basic obligations in the area of business negotiations with its suppliers.

Suppliers shall perform their activities in a responsible manner for Chropyňská strojírna, i.e., the supplier shall be of previous good character and comply with applicable laws and regulations. This includes, in particular, the following principles, which must be observed by each supplier of Chropyňská strojírna, a.s.: bribery and corruption, money laundering, fair payments, fair representation, conflicts of interest and product safety.

Main principles of the Business Conduct Policy:

- **Bribery & corruption:**
Suppliers are strictly prohibited from offering any bribes (whether in financial form, or in kind). This is not permissible regardless of the value of the bribe offered, regardless of the local customs and tolerance of the local authorities to such offers.
- **Prevention of money laundering**
Suppliers shall not participate in any money laundering activities. In addition, they shall not provide assistance to any person or organisation seeking to benefit from the proceeds from a criminal offence or from any illegal activity.
- **Competition**
The selection of suppliers is done honestly without any partiality. All potential suppliers have the same information, none of the suppliers is preferred. Selection is made in the form of a competition where criteria are compared (price, quality, etc.).
- **Fair payments**
It is stated that the payment terms shall be negotiated in advance and signed by both parties, shall be observed and must not be changed.
- **Fair representation**
Suppliers are expected to fairly represent the benefits of their goods, products and services in ways that are fair, clear and demonstrable. Suppliers must not influence the customer in the form of manipulation, concealment, misrepresentation of essential facts or any other false business practice.
- **Conflict of interest**
Suppliers should avoid any actual or apparent conflict of interest. Suppliers are obligated to disclose their potential conflicts of interest with the counterparty of Chropyňská strojírna, a.s.
- **Product safety**
Suppliers are expected to provide goods and services that meet the agreed or legally required consumer standards. The supplier is also obligated to provide rules for the use of the supplied products in the field of OHS.

The top management of Chropyňská strojírna a.s. undertakes to adhere to the above-mentioned Business Conduct Policy towards its suppliers.

Ing. František Kudela
Chairman of the Board of Directors

Ing. Robert Kudela
Company Director