



RayService

**POWERFUL
CONNECTIONS**

CODE OF CONDUCT FOR BUSINESS PARTNERS

**of the company
Ray Service, a.s.**

RAYSERVICE.COM

Introduction

Ray Service, a.s. with its headquarters in Staré Město, Czech Republic is an international innovative manufacturer of cable harnesses, electromechanical assemblies, electronic equipment and cable components as well as a distributor and integrator of such products and systems. Our goal is to be and remain a stable, sought-after partner – specialists in comprehensive services in the field of electrical systems for the military and aerospace industries.

Ray Service is committed to continuously improve the effectiveness of our systems, processes and products. The company has set high quality requirements and demands all suppliers, partners and cooperating entities fully meet them. Our goal is to maintain our quality management in line with the respective standards and the applicable legislation and conduct all activities with regard to the lowest impact on the environment.

Our company's responsible attitude also includes the **responsible selection of business partners**. Ray Service expects that all business partners actively implement and follow the rules and principles laid down in this Code of Conduct.

The aim of the Code of Conduct is to ensure that the following aspects are observed within the whole supply chain of Ray Service:

- compliance with all basic principles, legislation and the unconditional observation of human rights and the provisions of employment law;
- ensuring fair market competition and fair market conduct;
- supporting sustainability and the protection of environment;
- **implementation of the below rules by the business partner in their business practice** as well as the implementation of an effective detection system regarding any breaches of the stipulated rules and processes which enables finding an adequate solution and rectification of the situation

1. General Principles

- The business partner undertakes to abide in all its activities by the applicable laws and regulations of the Czech Republic as well as the country of its registered office and any other countries where the business partner carries out its business.
- Within the performance of its contractual duties and obligations, the business partner undertakes not to perform any acts which would directly or indirectly violate the applicable laws and regulations and not to tolerate any criminal activity or illegal conduct.
- The business partner observes the principles of a fair and transparent business conduct.
- Through its activities, the business partner does not damage or pose a threat to the environment and strives to achieve sustainable operations.
- The business partner ensures the compliance of its activities in particular with the following international regulations:

International Labour Organization Convention No. 138 - Convention concerning Minimum Age for Admission to Employment, No. 182 - Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, No 29 - Forced Labour Convention and No. 169 - Indigenous and Tribal Peoples Convention; the Minamata Convention on Mercury; the Stockholm Convention on Persistent Organic Pollutants and Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants; Basel Convention and Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste; United Nations Declaration on the Rights of Indigenous Peoples; Universal Declaration of Human Rights; International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights; OECD Guidelines; Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 (EMAS)

2. Respecting Basic Human Rights

- The business partner respects the internationally proclaimed human rights and ensures that they are not violated within its business premises and operations.
- No form of forced labour or child labour are tolerated by the business partner.
- The business partner is not involved in any activities pertaining to human trafficking and receives no benefit from such trafficking.
- Should any goods or materials provided by the business partner contain any conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the business partner must provide Ray Service with a declaration of the manufacturer regarding the origin of the conflict minerals. The business partner must further abide by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

3. Respecting Rights of Employees

3.1 No discrimination, equal treatment

- The business partner may not discriminate against its employees in any way and must provide them with equal opportunities. The business partner undertakes to treat all employees equally.

- The business partner must respect the respective labour law provisions regarding the rights of employees and ensure their dignity and privacy.
- The business partner declares not to tolerate any forms of sexual abuse nor physical or psychological harassment of employees.

3.2 Working conditions

- The business partner must observe the applicable labour law provisions.
- The employees of the business partner may only work within a healthy and hygienically safe environment and be provided with the proper equipment for performing the work.
- The business partner must acknowledge and provide different but adequate working conditions for female workers, young people and disabled persons.
- The business partner adheres to the statutory maximum of weekly working hours and the amount of overtime work, observes the statutory time off, breaks and the annual leave entitlement of the employees.
- The business partner follows the principles of fair remuneration and pays its employees adequate wages or salary for the performed work.
- The business partner does not deny its employees their freedom to assemble and meet, the right to make collective contracts and to establish or join trade unions under the applicable legislation.
- The business partner enables its employees to raise a complaint if they feel that their rights have been violated and ensures a system for a proper inspection of such cases ('reporting system').
- The business partner looks after its employees and their personal development through training and is interested in increasing and deepening their qualifications.

3.3 Confidentiality and conflict of interests

- Information gained by the business partner's employees within their employment are deemed confidential and may not be used for personal profit or any purpose other than they were intended for; the business partner must oblige its employees and other relevant third parties to comply with the confidentiality duty.
- The employees of the business partners must avoid situations which could represent or lead to a conflict of their private interests and the interest of the company.

3.4 Illegal work

- The business partner undertakes to comply with the labour law regulations and to effectively intervene against any illegal work.

4. Business Conduct and Compliance

Being a stable partner is a priority for Ray Service, and therefore, attention is paid to its solid reputation. This also involves that its business partners follow legal and proper procedures and processes. Therefore, Ray Service requires that when carrying out their business activities, their business partners strictly adhere to all applicable laws and regulations, international treaties and other rules and principles and make sure that they are also adhered to by its employees, advisors, consultants, contractual partners and other relevant persons. Ray Service does not tolerate illegal, unethical or unfair business practices on the part of the business partners in any form.

4.1 Compliance

- The business partner must have an established system for setting up adequate processes and standards which actively prevent any illegal or unethical decisions. These processes and the respective checks also monitor the individual procedures and conduct of the company and identify risks or violations of legal provisions, intellectual property rights as well as other standards, this also by the means of ad-hoc analyses. Such a system also includes systematic measures to eliminate or prevent risks and breaches. For the sake of securing the supply chain, the business partner must inform Ray Service without undue delay of any established breaches or risks, this even in the stage of a mere suspicion, as well as the measures taken in the respective matter. The business partner must without undue delay agree with Ray Service on further joint steps aiming to eliminate the risk of a potential disruption to the supply chains.
- The business partner must have an established system for reporting and dealing with complaints of its employees, advisors, external persons or business or contractual partners regarding unlawful or unethical practices of the business partner. It must be ensured that the complaint will be dealt with in confidentiality by an independent person and that the person who made the complaint will not be penalised in any way.
- The business partner is obliged to maintain the validity of all registrations and licences which are necessary by law for the provision of the respective services, supplies of goods and for the conduct of its activities as such.
- If the business partner handles personal data as specified in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 ('GDPR'), the business partner must fully abide by its provisions and is fully liable for any breaches thereof.
- In business partners, no forms of corruption, bribery, facilitation payments or similar forms of criminal conduct will be tolerated.
- If the business partner deals in military material or dual-use goods, the business partner must abide by the respective export and import rules and regulations.

4.2 Principles of business conduct

- The business partner treats its suppliers fairly and honestly.
- The business partner is obliged to pay its own suppliers in due time and under the agreed terms and conditions.
- The business partner undertakes not to accept or offer any gifts, bribes or any other illegal benefits from governmental officers or other entities relating to its business activities or matters. The business partner only may offer and accept gifts if they are occasional, suitable and adequate and under no circumstance may be interpreted or considered to be a bribe under the applicable legislation.
- The business partner undertakes to make its decisions solely based on objective business criteria without the influence of personal interests or the prospect of personal benefit ('conflict of interests').

4.3 Fair competition principle

- The business partner respects the principles of fair competition, abides by the laws regulating the market competition and refrains from any unfair competition practices.
- In particular, the business partner may not:
 - abuse its position it has on the market or on its substantive part;
 - make any decisions or conduct any actions having the purpose of excluding, limiting or disrupting the market competition.

4.4 Transparency

- The business partner keeps proper records of all financial transactions and does not deliberately take part in any tax evasion schemes or other illegal conduct regarding finances.
- The business partner must disclose all information as required by the applicable legislation.
- The business partner acts openly and shares relevant information useful for its members and partners, including the financial standing, performance, ownership and management of the company.
- The business partner must inform Ray Service of any imminent or existing conflict of interest.
- The business partner must inform Ray Service of any criminal or administrative proceedings conducted against the business partner due to its illegal conduct carried out during the existence of the business relationship.
- Confidential information gained during the business relationship must be protected against internal and external misuse and may not be published nor provided to third parties without the consent of the providing party. The specific obligations are laid down in the Non-Disclosure Agreement.

5. Environmental protection

- The business partner must abide by all environmental protection laws and carry out its activities in an ecologically responsible manner compliant with the applicable legislation.
- The business partner is expected to fully comply with the requirements of the international regulations REACH and RoHS.
- Within all of its operations, the business partner promotes methods and processes that are safe and environmentally friendly. The business partner uses all resources effectively, uses energetically effective and eco-friendly technologies, reduces the waste it produces as well as emissions released into the air, soil and water.
- The business partner strives to reduce the impact of its operations on climate change and water shortages.

6. Whistleblowing

- The business partner, its employees or members of its supply chain must inform Ray Service of any actual or alleged breach not only of legal provisions but ethical principles as well, including environmental, social, safety or other matters.
- For the reporting of inappropriate conduct, please use the platform FaceUp which is available through a link placed on the Ray Service's website.

Ray Service declares that it will not take any retaliating measures against the whistleblower who made the complaint in good faith and to maintain the whistleblowers anonymity, to examine the complaint and to adopt measures necessary for the prevention or solution of the respective matter.

7. Compliance with the Code of Conduct

- The business partner agrees to abide by the rules and principles laid down in this Code of Conduct.
- The business partner must ensure that the provisions of the Code of Conduct are also followed by the members of its governing body, members, shareholders, directors and other persons participating in the management of the business.
- The business partner undertakes to integrate the individual provisions of the Code of Conduct into its own business relationships within its supply chains.
- The business partner undertakes to cooperate with Ray Service regarding the rectification of the situation in the event of a breach of any provision of the Code of Conduct.
- In addition to the Ray Service's claim to damages, the business partner must compensate Ray Service for any consequences resulting from the breach of the Code of Conduct for which the business partner is accountable, including the potential claims of third parties.
- Conduct of the business partner contrary to the aforementioned rules and principles entitles Ray Service to terminate the cooperation with the business partner and unilaterally terminate any effective business contract with immediate effect.
- The business partner agrees that Ray Service may carry out inspections on whether the provisions of the Code of Conduct are met by the business partner.
- The business partner agrees that the relationships established by and resulting from the Code of Conduct shall be governed by the laws of the Czech Republic.

The business partner confirms by its signature to have familiarised itself with the Code of Conduct, to follow the rules and principles laid herein and to be aware of consequences of their breach.

In _____ date _____

Stamp of the company

*First name, surname and position of the person on
authorised to sign on behalf of the company*

Signature