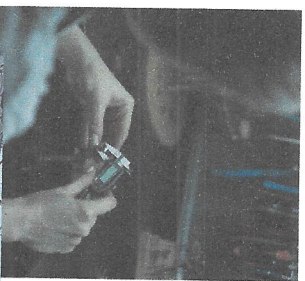


Code of Conduct

Arex.si



Arex Defense
info@arex.si

Contacting Infoline or the Compliance department, please use the relevant contact details below:

Slovenia+386 41 464 333

If your concern relates to please use the relevant contact details below:

Website: <https://www.arem.si/>

Email: info@arem.si, compliance@arem.si

Contents

Foreword	6
Arex d.o.o. Šentjernej Company policy	7
Chief Executive introduction	10
Code of Conduct	12
To whom applies	12
Non-compliance with the Code of Conduct	13
Observation of our Code of Conduct	14
Company obligations.....	14
Responsibilities of employees	15
Understanding what to do	15
Acting responsibly	16
Extra duties for the manager or supervisor	17
Being a good example	17
Being responsible	17
Different countries with distinct law	18
Speak up	19
Decision – Making model	22
Use of information and Responsibility	24
Company IT systems.....	26
Management of handling and sharing information	28
Personal data.....	30
Share transactions and inside information	32

Foreword

The company Arex d.o.o. Šentjernej is the leading force in the Slovenian Security and Defence industry, in terms of quality and precision. More than 150 employees produce and market the entire range of pistols, unique ammunition, links, military clothing and accessories from the Šentjernej location.

We owe our success to the ability to understand the wishes and requirements of our customers and to their realization, as well as to the resulting trust of our customers. A wide range of modern pistols and ammunition has been created, which is the reason for the worldwide success of our company.

Further success is guaranteed only if we manage to maintain the trust of our customers. We want and must work on this trust every day. This applies to all employees and, of course, to the same extent to management.

For all of us as part of Arex d.o.o. Šentjernej, that is why we always use these internal regulations and ethical principles as the basis of our business and coordinate our operations with them. Therefore, without exception, we will not tolerate the behaviour which not apply to the conduct of our company.

The management of Arex d.o.o. Šentjernej is therefore fully committed to fulfilling all legal requirements related to the company's operations and will encourage its employees to respect the rules from this document and all legal provisions that must be followed at all times in the company's daily operations.

Arex d.o.o. Šentjernej Company policy

Arex d.o.o. creates, produces, and sells high-quality, cutting-edge, parts, genuine accessories, tools, services within a field of Security and Defence industry. These goods are aiming to go above and beyond what clients anticipate. Our objective is to instill clients with trust and provide them a solid cause to remain brand loyal in keeping with Arex's business plan. Our success depends on all employees upholding the following values, as well as on the implementation of the strategic goals, organization, and product digitalization:

- Ensuring that all of our products are of the greatest quality and are valued by our customers.
- Always taking responsibility and acting responsibly in accordance with the Integrity, Compliance, and brand values standards. Additionally, always acting in accordance with the "Code of Conduct," complying by all binding legal, internal, and other rules, and then confirming that these requirements have been met.
- Monitoring and assessing process effectiveness, implementing risk management systems, seeking out new opportunities, and embracing initiatives to continuously enhance the quality, dependability, and competitiveness of our services and products.
- Sustainable development involves conserving natural resources and energy, utilizing eco- and energy-friendly technologies, and employing recyclable materials. It also involves taking precautions to preserve the environment and get rid of any pollution that already exists.

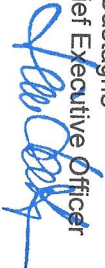
Safety, Health and Environment.....	36
Health and Environment.....	37
Use of Company property.....	38
Recording of time, costs, materials and financial information	40
Product quality and Safety.....	42
Bussiness Responsibilities.....	44
Collaboration and coherence with others	46
Enviroment	48
Human Rights.....	49
Anti-corruption and money lawdring programme	50
Corruption, bribering and money laundering.....	52
Hospitality and Gifts	54
Conflicts of Interest.....	56
Complain with The Business practises.....	58
Contract negotiation	60
Competition and Anti-trust.....	61
Sanctions, Export curbs, and Trade limitations	62

- Ensuring the security of information as well as the protection of personal data, human life, and property.
- Building relationships with the public and other interested parties that are balanced and mutually beneficial.

The Arex d.o.o. Šenjernej management commits to ensuring the availability and integrity of the information and resources needed for achieving the goals, to create the best working conditions in accordance with occupational safety principles, including the elimination of danger and risk reduction, and to support operations safety awareness, prevention of major accidents, and elimination of their impacts. Additionally, management commits to fostering employees' motivation, health, and mutual communication while also supporting their personal growth in terms of workplace fulfillment. One of the fundamental requirements for ensuring employment, competitiveness, and sustainable development, as well as boosting the value of our company, is the continuous improvement of the quality of our products, processes, and management systems. This requires the active cooperation of all employees at all levels.

Members of Arex d.o.o. Šenjernej team management;

T. Castagne
Chief Executive Officer



M. M. Novak
Chief Operating Officer



N. Doler Müller
Chief Financial Officer



Chief Executive introduction



The greatest standards of conduct are what our clients, shareholders, partners, and associates demand and deserve from us. Through the integrity and goodwill of our daily choices and deeds, we gain and keep their trust.

The standards and conduct that are expected of each of us as employees are laid out in our Code of Conduct. It guides us in making decisions and actions.

The values outlined in our Code of Conduct are constant and essential to how we conduct business. We routinely evaluate the material to make sure that the principles are applied to new trends that have an impact on our operations and methods of operation.

We all have a duty to comprehend our Code of Conduct, abide by its rules, and foster an atmosphere where we may raise issues or questions in a confident manner.



By doing this, we will continue to gain the confidence of our clients and create a business that we can all be proud of.."

Tim Castagne

Chief Executive Officer

Code of Conduct

The highest standards are what we concentrate on when conducting business.

The standards and conduct that are expected of each of us are outlined in our Code of Conduct. It directs us to conduct ourselves appropriately and morally in all that we do.

As Arex employees, it is our duty to comprehend and abide by the Code, as well as any commitments, rules, and laws that pertain to our job, as well as any applicable workplace policies and procedures.

The Code includes scenarios that might occur in your line of work as well as recommendations on where to locate knowledge and support if you ever find yourself in a bind.

To whom it applies

The directors and all employees are required to abide by our Code of Conduct. Every one of us is expected to conduct themselves in accordance with the principles set forth in the Code while interacting with coworkers, business partners, clients, customers, suppliers, contractors, rivals, and other stakeholders, regardless of where we work.

Joint ventures that Arex controls must adhere to requirements that are essentially the same as those in this Code. Joint ventures that are not under Arex's management are encouraged to establish norms that are essentially identical to this Code.

Hand in hand we require from all of our contractors, suppliers, and business associates to uphold the same or comparable standards of moral conduct for business operations.

Non-compliance with the Code of Conduct

The guidelines provided at the outset of each section of the Code provide assistance for the pertinent Company policies that are included into our Operational Framework. Failure to abide by the Code is a breach of Arex's policies, procedures, values, and conduct standards and may lead to disciplinary action, which may include immediate dismissal.

Observation of our Code of Conduct

The Code outlines the Company's obligations, our own responsibilities as employees, as well as the additional obligations of supervisors and managers.

Company obligations

In order to support employees, the company agrees to do the following:

- Provide a clear set of policies, standards, and behaviors that define expectations across all of our operating countries,
- Respect employees' human rights and privacy in the workplace,
- Provide employees with the necessary training, advice, and information,
- Foster an inclusive, positive, supportive, open work environment where employees feel free to speak up and report issues and concerns without fear of retaliation,
- Paying attention to issues and concerns and promptly responding to them,
- Not permitting discrimination or retaliation against those who have expressed concerns,
- Promoting the adoption of the same or comparable standards of ethical behavior among our contractors, suppliers, and other business partners.

Responsibilities of employees

The Company anticipates that everyone of us will be accountable for acting morally:

Understanding what to do

- be knowledgeable with this Code and understand where to obtain resources and assistance.
- comprehend the Company's policies and procedures as well as our obligations with regard to them.
- Do only actions that are morally just, legitimate, and consistent with the Code's standards and expectations.

Acting responsibly

- Be dedicated to treating people with respect and professionalism.
- Maintain open, sincere, and transparent communication with all business partners.
- Uphold the spirit and meaning of all applicable laws and regulations.
- Act upon any red flags that are raised in your own work or in the work of others.
- If you are unsure of what to do or have seen or heard something that does not feel right, ask for advice.
- Speak out whenever you have a worry or suspect a potential issue.
- Encourage your coworkers to act morally.
- Take proactive measures, such as finishing of required training.
- Never take offense at coworkers who raise an issue.

Extra duties for the manager or supervisor

Being a good example

- Behave honorably and uphold the norms of behavior required.
- Clearly demonstrate how vital you find doing the right thing.
- Establish a positive, welcoming workplace where everyone can contribute their best
- Create an environment where your team feels free to voice issues and seek guidance.

Being responsible

- Assist your team in making morally upright decisions.
- Assist your group in adhering to all relevant laws and regulations.
- Hold yourself and your team accountable if they do not follow our policies, the Code, or any applicable laws.
- Respond quickly when a team member expresses a concern.
- Take steps to shield team members from reprisals, if they speak out.
- If you are unsure of how to handle or address a problem or concern voiced, seek advice.
- Assist your staff in comprehending the need for mandatory training and finishing it on time.

Different countries with distinct law

The laws and regulations of the nations in which Arex conducts business are something we are dedicated to upholding. Our Code is consistent across all of our business operations and is backed by company and business-level policies, processes, and practices, which may change to reflect local laws and regulations.

Speak up

You are urged to ask for guidance or express your worries regarding matters pertaining to business conduct. You should always speak up if you encounter:

- Need clarification on a situation or advise.
- Would want to report something that, in your opinion, violates the law or our standards.

You believe a reported problem is not being handled effectively.

Speaking with the person in question can frequently help to address a problem.

You can also get assistance from your manager, supervisor, human resources, or legal department in determining how best to bring up or handle a concern. You can get in touch with an Compliance officer or the Infoline if you still have questions or don't feel comfortable talking to somebody close to you.

Even if you are not certain if there is a problem, it is crucial to disclose any concerns.

It is crucial to voice your concerns if you have a real problem or issue. Speaking up can have a variety of effects, such as changing governance, procedures, and training.

Local whistleblowing laws that provide legal protection for employees who disclose specific issues or the freedom to report on particular topics to authorities or the media exist in some of the countries where we do business. We acknowledge and respect each of these rights.

Your concerns will be discussed by the Compliance officer with relevant parties as needed in order to be resolved as quickly and effectively as feasible. Only those involved in addressing and investigating your issue or concern will have access to your personal information. Prior to the issue being resolved, you will be informed about your call and given feedback, albeit we may withhold certain information out of respect for your privacy.

Use the reporting options on the phone or website if you wish to keep your report private.

If you decide to go this route, please be as specific as you can. By utilizing the reference number given to you, you can use the Infoline to check on the status of your report in an anonymous manner. By checking in again, you give the investigating team the opportunity to ask for further details and to address any inquiries you might have.

Contacting the Compliance office does not require you to be a Arex employee.

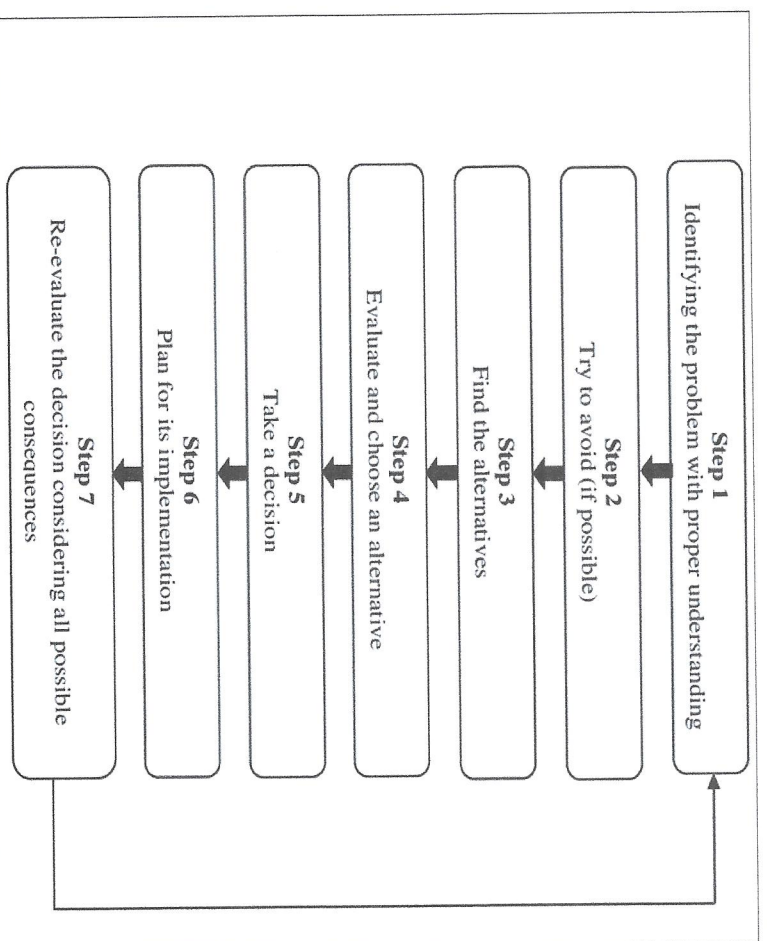
Anybody with a problem or concern with Arex is urged to voice it as soon as possible.

Decision – Making model

The Code does not apply to every circumstance that may arise. Our paradigm of responsible decision-making can assist us in navigating a circumstance.

You should raise your hand after using the decision-making model if you:

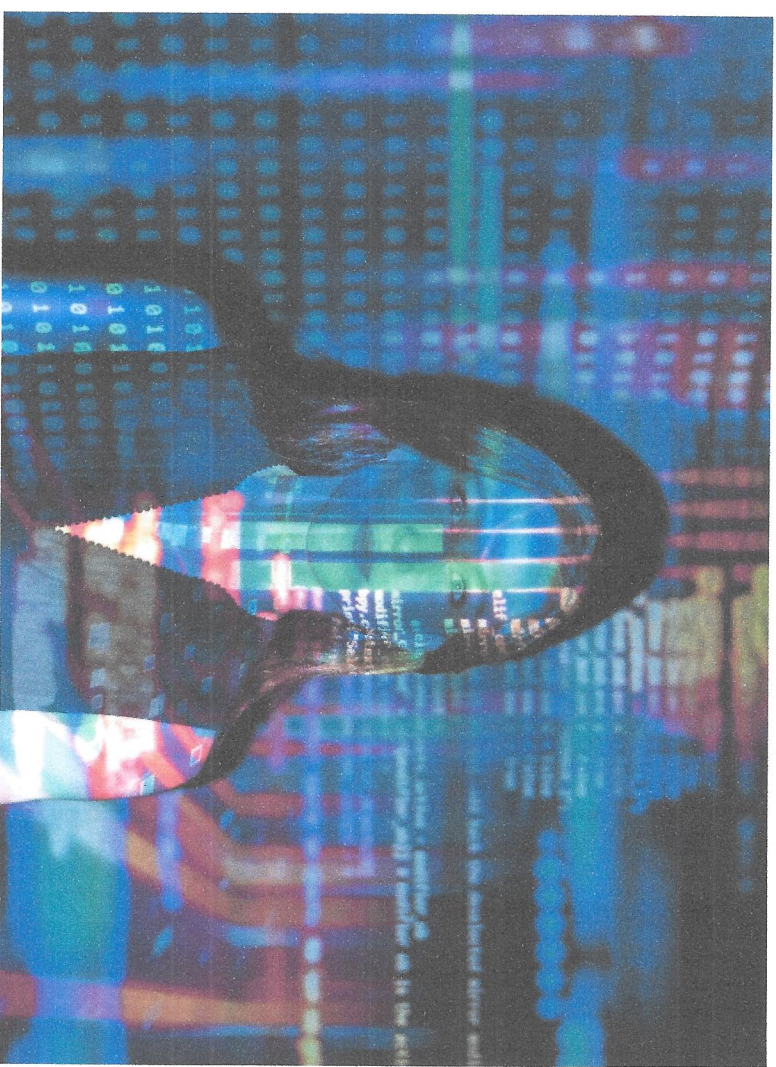
- still need guidance, have a question, or want counsel regarding an issue.
- want to share instances when you believe the law or our standards may not have been upheld.
- reported issue or concern is not being addressed adequately.



- Do I possess all the necessary details?
- Did I distinguish between assumptions and truths?
- What other information would I require, and where might I look for it?
- What laws and rules apply in this situation?
- What do our policies and the Code of Conduct state?
- What are the norms and procedures in the sector? Consider about respect, transparency, openness, accountability, and honesty.
- How might the issue be viewed and how does it effect others?
- Would I feel at ease sharing my decision with my family, friends, and coworkers?
- What would I think if I saw this in the newspaper? Would it negatively affect me, my coworkers, or the company?
- Is it providing a positive example?
- Ask yourself: Am I acting appropriately? Speak with your supervisor or manager.
- Talk to an Compliance Officer, call or email the Infoline, or submit a report.
- Consult with the Human Resources or Compliance department.

Use of Information and responsibility

It is our collective responsibility to utilize company IT systems and networks appropriately and to secure, handle, and store all company, individual, customer, and business partner information securely.



Company IT systems

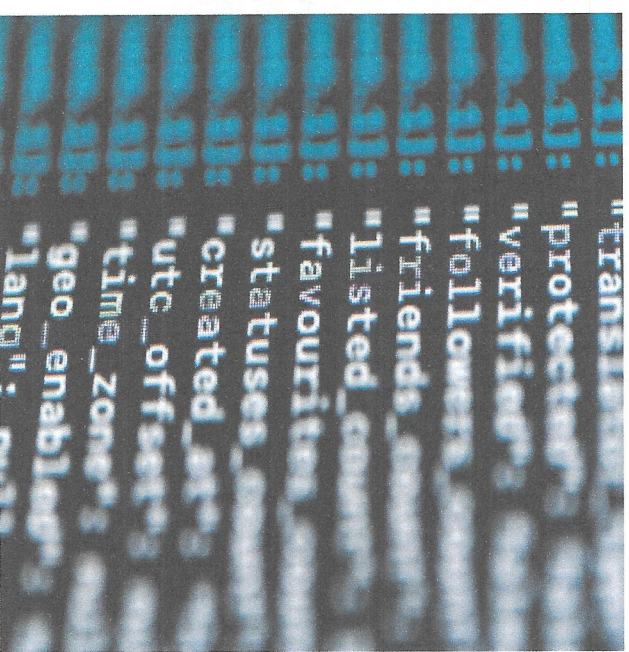
We shall each play a part in ensuring that Company IT systems, networks, and applications are protected by making sure we utilize them sensibly and responsibly.

We will _____

- Safeguard passwords and log-on information, secure IT equipment when leaving it unattended, and keep an eye out for phishing scams.
- Watch out for phishing scams.
- Report suspicious emails and exercise caution when opening attachments or links in unknown emails.
- Comply with any rules governing how we may use company IT systems, networks, and apps.
- Report any loss of company IT equipment right away.
- Restrict our usage of company Computer systems for personal use.
- Only access, work on, and transmit business information on allowed devices and on Company networks, or Company approved third party and customer networks. - Be aware that all activity on Company IT systems may be subject to legitimate monitoring, including any personal use and storage of information.
- Handle our online presence in accordance with the relevant Company policies and our expected standards of conduct in the workplace.
- Not use Company IT for messages that are inappropriate, abusive, disrespectful, embarrassing, or intimidating.
- Not use our own personal email or the personal email of another individual for Company business.

Inappropriate way of use Company IT systems:

- Using your company email address to sign up for a music or video streaming service or using your email account for personal use.
- Making lengthy personal calls on a work cell phone
- Hosting a meeting with your sports team or a social gathering using the video conferencing service provided by your employer.



Management of handling and sharing information

information

The information we generate, utilize, and share on behalf of the Company, its clients, suppliers, and other third parties must be properly managed, handled, and shared.

Every employee is obliged to maintain confidentiality of all information subject to a misuse regime, as well as internal/non-public information with which he/she comes into contact in the course of his/her work.

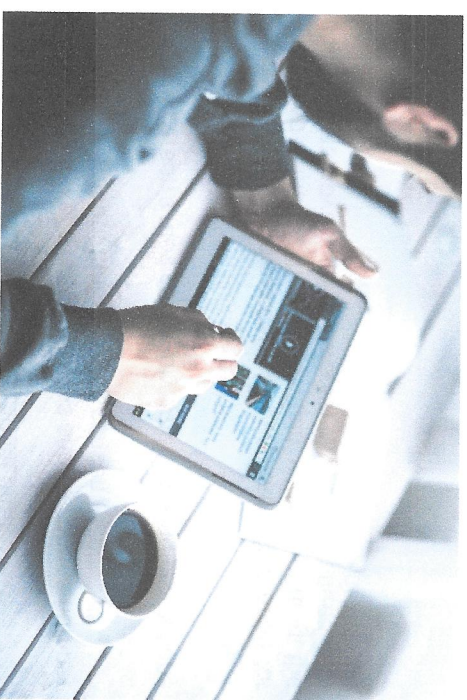
Document marking is a means to categorize and describe the value of information. Together with any markings mandated by the terms of our contracts with clients or third parties, documents may also need to have security, export control, and intellectual property markings.

Any limitations on how the information must be held, who is allowed to view or use it, and how it can be shared are denoted by these markers.

Work and business-related activities should only be carried out on authorized devices, company networks, or company-approved third party and customer networks and applications in order to protect the information we hold.

Inappropriate way of handling and sharing information:

- Using a personal device to work from home by sending work to a personal email account or putting it in a personal storage location outside the company network.
- Storing documents that should only be accessible to a select group of users at a network location without appropriately restricted access controls.
- Giving a presentation to a group of suppliers that contains export-controlled information without verifying that the attendees have the necessary authorizations in place to receive the information.



Personal data

Respecting people's privacy, securing personal information, and making sure the proper protection are in place to manage how personal information is used and accessed are all aspects of personal data protection, often known as data privacy.

The Company will be fair and honest in how and why it collects, uses, and maintains your personal information. The Company will take all reasonable precautions to preserve and secure your personal information.

We all have a obligation to protect any personal information we may have in our custody or access from theft or unauthorized use.

We will _____

- Be clear about the information's intended purpose while collecting it, don't gather or store more data than is necessary, and only do so when there is a sound business reason to.
- Take all necessary precautions to protect and secure the personal data we are entrusted with.
- Be sure that personal information is only used for the purposes for which it was obtained and is only disclosed to those who need it for those purposes.

Inappropriate way of handling personal data:

- Giving a coworker's home address and cell phone number to a stranger without that person's consent.
- Using a person's medical history when making promotions decisions.
- A worker who needs access to personal information for their job distributes that information without getting the necessary approval with a coworker who doesn't need it for that project.



Share transactions and inside information

The pricing value of the Company's equity or those of another company may be significantly impacted by the receipt of confidential information about the Company and its business partners. Inside knowledge is the term used to describe this information.

Also, we might be connected with company issues that could potentially affect company's value, meaning they could eventually turn into inside information.

We will _____

Safeguard information that might be sensitive to company price and never divulge it to anyone, including coworkers (unless permitted by the company to do so), family, friends, or professional associates, or encourage them to trade shares based on such information.

Never deal in assets or persuade others to do so when in possession of facts that could potentially alter company's value or when we have received personal advice from the firm that we should not.

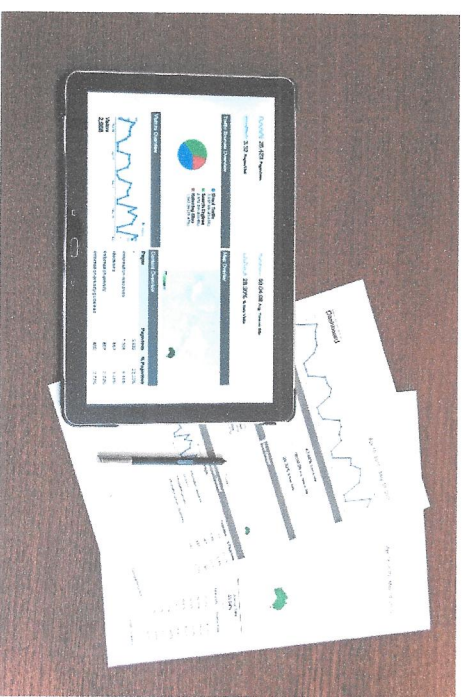
Ensure that inside information is handled appropriately so that we can fulfill the Company's legal duties, including the potential need to issue regulatory announcements.

Inappropriate way and possible criminal activity:

Making a purchase because you anticipate signing a contract for the significant bid you have been working on soon.

Speaking with a relative on a due diligence investigation of a business we are considering purchasing

Making the decision to sell some property when you notice that one of the company's big initiatives could result in a sizable loss.



Our responsibilities at work



Safety, Health and Environment

To establish and uphold a secure workplace, we all have a personal and group obligation.

- Knowing and following all local standards, related safety rules, and security procedures.
- Recognize the dangers and risks that exist in our workplace and day-to-day operations.
- Identify areas for safety improvement and concerns, and report any problems right away.
- Assume responsibility for our actions, the people we interact with, the work we do, and the environment in which we operate.
- Never engage in business, operate a vehicle, or use machinery while intoxicated or using illicit substances.
- React quickly if someone is endangering oneself or others.
- Take good care of our body and mental wellbeing.

Health and Environment

In order to perform at their best at work and at home, employees are encouraged to look after their mental and physical health. Through a range of programs, we will encourage and support health and wellbeing across all of our locations. We should use the resources at our disposal to get support when problems are harming our wellness.



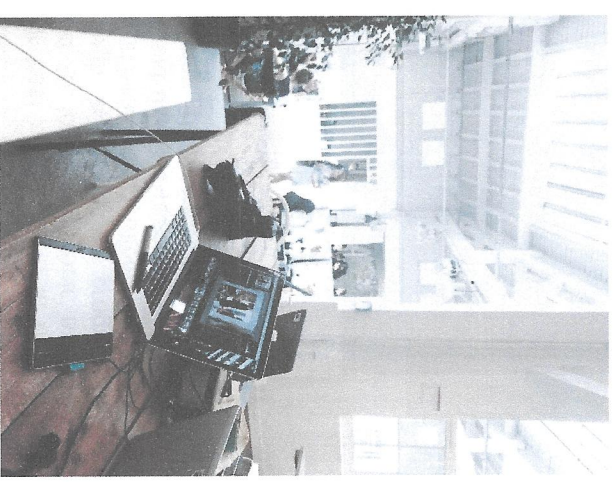
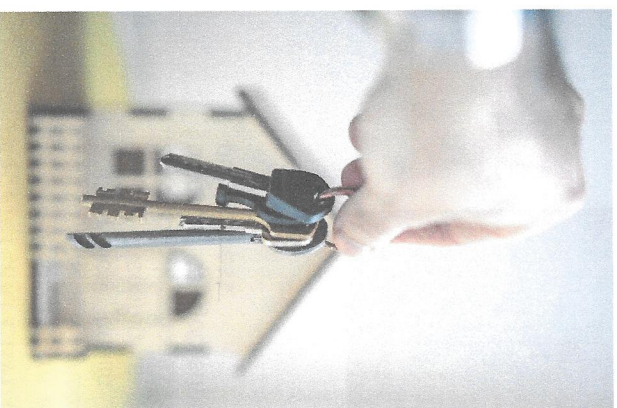
Use of Company property

We are accountable for preventing loss, damage, and improper use of all company equipment and property under our custody. This covers hardware, software, parts and pieces for IT equipment, as well as tools and supplies. We'll hold the tools and equipment in our custody that belong to clients, partners in business, and other third parties to the same standards.

- Pay attention to and abide with the security and access procedures at our locations, and report any suspicious behavior.
- Preventing any company equipment and property in our care from being compromised, lost, destroyed, abused, or improperly or needlessly disposed of.
- Do not ever lend, sell, transfer, or donate company property without permission. Included are any leftover, wasteful, or abandoned resources.
- Only use company property and equipment for authorized reasons, and keep it locked up when not in use.

Instances of misusing company property and equipment and failing to properly secure it include:

- Unauthorized personal use of company tools and equipment,
- Leaving IT equipment alone when traveling, at home, or at work,
- Making an unauthorized donation of company property to a local nonprofit,
- Using leftover company supplies without permission at home,
- Lending a guest your security badge.



Recording of time, costs, materials and financial information

We have a duty to accurately record time bookings, labor costs, materials, costs, and all other business-related information for the Company.

For the Company's governance, integrity, and reputation, it is crucial that information be recorded and reported in an honest, accurate, and objective manner, whether it be financial or non-financial.

The integrity of our customer billing, cost estimation, and financial reporting systems, as well as the ability to properly pay taxes, depend on the precise charging of labor, materials, and other costs.

Inaccurately recording financial data and labor costs could have a negative impact on the company's credibility and reputation as well as expose the employee to harsh repercussions.

We will _____

- Accurately, promptly, and in accordance with our standards on accounting, spending, and record keeping, record all transactions, expenditures, labor costs, hours worked, and all other aspects of the Company's business.

- Pay close attention to all costs incurred while representing the company; make sure they are reasonable, compliant with policies, and able to be justified as essential expenditures.

- Be sure that financial information always appropriately depicts the underlying transaction and is not intended to avoid paying taxes as they are due.

- Request consent for a gift or act of hospitality when necessary. Account for all gifts and hospitality honestly and openly, and make sure they are entered into the appropriate Gifts and Hospitality Record.

Examples of non-compliant time, expense, and material recording:

- Underestimating costs in a contract in order to bill for cost overruns after the contract has begun.

- Scheduling appointments for hours not worked.

- Accepting payment from a supplier for products or services that are not adequately reflected on the invoices' value or type.

- Invoices that charge the incorrect amount for materials.

- Making claims for personal expenses that do not adhere to company policy - Accurately or tardily recording business transactions and expenditures.

- Scheduling time according to the incorrect customer contract or requesting that others do likewise.

Product quality and Safety

We are in charge of making sure that the products we produce adhere to their design and meet the level of safety and quality that was established with the client. We accomplish this by adhering to our policies and procedures on product safety and quality.

All goods or services that Arex develops or sells, including intellectual property, are referred to as products.

This could be something tangible, like a platform or subsystem, something intangible, like software or a design license, or it could be a service, like maintenance or support.

Our policies and procedures are applicable for the duration of the product's existence and may continue beyond the project's formal completion.

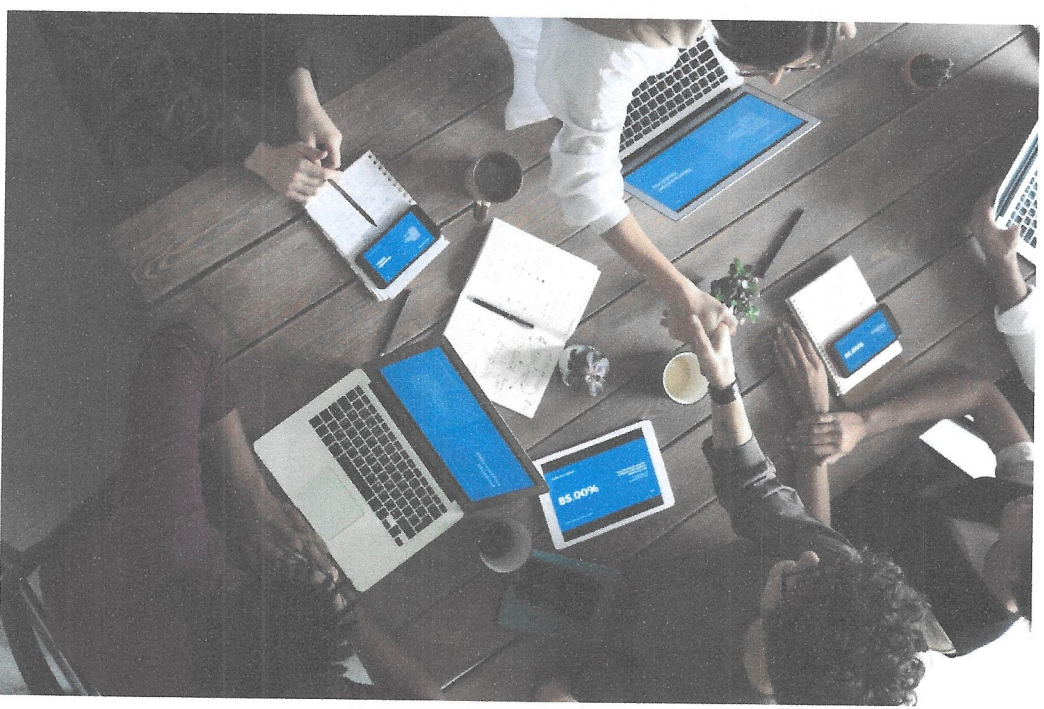
We will _____

- As agreed upon with our clients, make sure the necessary standards of quality are comprehended, communicated, and applied throughout all processes to ensure that our goods meet their operational and safety requirements.
- Comply with the task's authorized process; do not deviate from it without the necessary consent.
- Never hesitate to voice your concerns about a product's safety and quality, or the way that policies and procedures are being implemented.

Business Responsibilities

Our mutual success depends on having solid business relationships with our partners and suppliers that are built on honesty, integrity, trust, and openness.

We also uphold our larger promises to the environment and local populations.



Collaboration and coherence with others

In accordance with our Code, we shall conduct all of our business dealings with customers, partners, and suppliers in a polite and responsible manner.

We will _____

- Maintaining our ideals and treating others with respect.
- Keep our word about our Supplier Principles.
- Be open with our business partners and suppliers, and urge them to embrace the same or comparable criteria as Responsible Business.
- Verify that before to doing business with any suppliers, appropriate due diligence investigations are performed on them.
- Assure that if any of our clients, business associates, or suppliers have concerns about our conduct, they have access to our Infoline and the means to voice them.
- Inform us of any customer, business partner, or supplier behavior that is inconsistent with our standards.

Inappropriate way of working with others:

- Use of insulting or rude remarks toward a supplier.
- A business partner asking for an advance payment in violation of the agreement.
- A vendor providing fictitious invoices or invoices with erroneous charges.

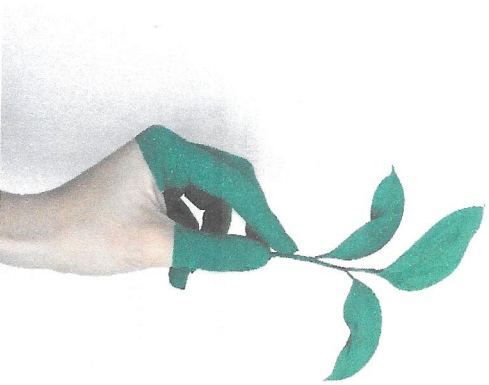


Environment

We all have a duty to minimize the environmental effects of our actions and products while utilizing resources wisely and sparingly.

We will _____

- Support the company's environmental objectives.
- Make optimal use of energy and water resources and seek for opportunities to prevent or reduce usage
- Seek out chances to reduce (or improve) the environmental effects of our actions and products, such example by cutting carbon emissions.
- Where possible, reduce the amount of garbage you create and work to recycle as much of it as you can.
- Bring up problems that could be harmful to the environment.



Human Rights

Everywhere we conduct business, we are devoted to protecting and upholding human rights in relation to all actions that fall within the complete, exclusive authority of the Company.

Each of us has a part to play in ending violations of human rights including child labor and contemporary slavery like human trafficking and forced or indentured labor.

We will _____

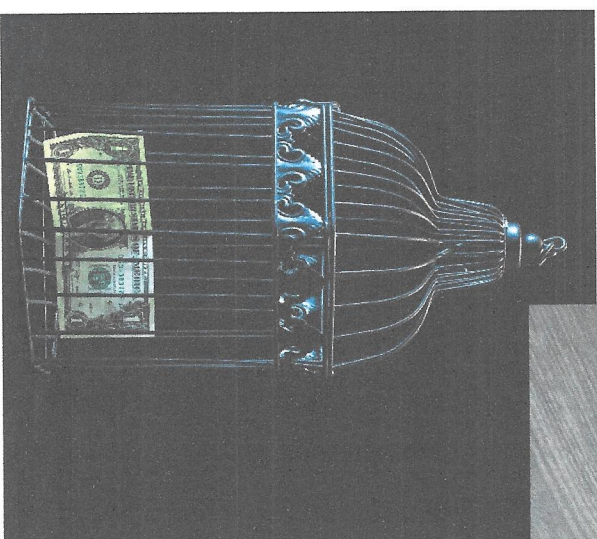
- Evaluate, monitor, and look into any possible violations of human rights in our operations.
- Examine and evaluate our business partners' and suppliers' operations in light of the standards.



Anti-corruption and money laundering programme

As a Private company, our success depends on each of us acting morally in everything we do.

To ensure that we uphold the high standards of ethical behavior that our clients, shareholders, business partners, and coworkers expect, it is up to all of us.



Corruption, bribery and money laundering

Any type of bribery or corruption is not acceptable. Bribes or other inducements will never be offered, given, requested, or accepted by us, either directly or indirectly through a third party.

Even the smallest hint of corruption could harm the company's reputation and impair our capacity to conduct business.

Any direct or indirect money, reward, or present that is offered, given, requested, or accepted with the intent to illegally influence a decision or outcome qualifies as a bribe. It's not necessary for the benefit to be really valuable. It might be something as straightforward as an invitation to lunch or a sporting event. Moreover, a payment need not have been made to qualify as a bribe.

However, under some conditions, cash, gifts, or other incentives given to or through a third person, such as an adviser, teaming partner, or a decision maker's relative or business partner, may also constitute bribery.

We will _____

- Never support or accept bribery or other corrupt practices.
- Do not allow anyone to make or accept improper payments on our behalf, or offer, give, seek, or accept any payment, benefit, or gift that is meant to be, or could be interpreted as, a bribe.
- Prohibit the offering, giving, or receiving of bribes or other corrupt payments by employees, advisers, consultants, distributors, joint venture parties, offset and industrialization partners, suppliers, or anyone else who might be acting on the Company's behalf.

Examples of corrupt practices :

- Hiring someone solely because they are related to a significant business partner,
- Inflating the cost of some bid components artificially to make room for bribe payments,
- Demanding money from a third party in return for private information about a rival,
- When an airport official asks, paying a small financial sum to skip the line at border control, where there is no formal procedure in place.



Hospitality and Gifts

Any payment, benefit, gift, or hospitality that is intended to be or could be interpreted as a bribe or that is given in exchange for business or sensitive information, or that would improperly influence a business activity, or that would enable others to act on our behalf, is never something we will offer, give, or receive.

We will _____

- Be sure all gifts and hospitality are given in good faith, only on occasion, and in accordance with all applicable laws.
- Be sure any gifts or hospitality given or received are within the company's financial restrictions and adhere to any laws or orders from authorities.
- Be aware of our customers' limitations regarding presents and hospitality.
- Request consent for a gift or hospitality as necessary.
- Ensure that all gifts and hospitality are accurately and openly accounted for and that the appropriate Gifts and Hospitality Register is filled out.
- Get advice before acting if we are unsure about giving or accepting a gift or showing hospitality.
- If we are worried about our coworkers getting or providing excessive gifts or hospitality, we should seek advice.
- Never send money, gifts, or other perks to a decision maker through a third party, such as a friend or business partner.

Inappropriate gifts:

- Taking a complimentary stay at a hotel by a third person, that is in direct business competition with the company,
- Offering a client a present without first getting their approval,
- Providing or receiving a present to affect how a business decision turns out,
- Accepting an extravagant gift or other form of hospitality from a vendor who is vying for a contract you will award,
- Accepting many presents and invitations from the same third party, each within policy boundaries.

Conflicts of Interest

Whenever there is a real or apparent conflict between our personal interests and our obligations to the Company, we will disclose it.

Conflicts of interest are circumstances where we may be less able to make impartial business decisions that are best for the company due to competing interests. Even the appearance of a conflict of interest might make people question our moral character and harm the company's reputation.

We will _____

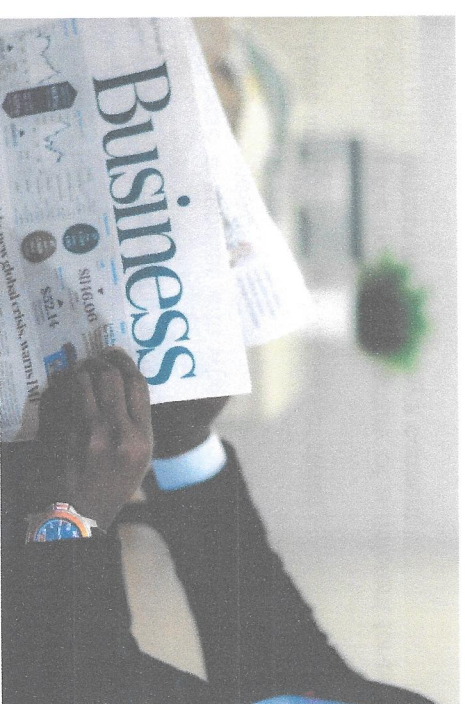
- Take care to prevent actual, potential, or apparent conflicts of interest by being aware of the behaviors and situations that can lead to them.
- Inform your management or the legal department of any conflicts, whether they are real or imagined.
- Use your best judgment, while keeping in mind that not all personal relationships, influences, or actions lead to a conflict of interest, and ask for advice if you're unsure.
- Ensure that genuine conflicts of interest are documented, and that corrective action is taken if the issue cannot be resolved.

Potential Conflicts of interest:

- Managing or choosing to employ a close friend or member of your family,
- A romantic relationship with a coworker you supervise,
- Choose a supplier with whom you have a relationship through friends or family,
- Have financial ties to suppliers or rivals,
- Sitting on the board of directors of a different for-profit enterprise without the company's consent.

Complain with The Business practises

We must make sure that all applicable laws, rules, and regulations—including those governing the import, export, and handling of commodities, technical data, and services—are followed in our business processes.



Contract negotiation

We will conduct ourselves ethically with responsibility when competing for a customer's business and when interacting with clients, client authorities, business partners, suppliers, or offset and industrialization partners.

We will _____

- Approaching business with integrity, openness, and honesty.
- Be accurate, truthful, and concise in all of our conversations and statements.
- Provide details necessary to comply with a law or rule.
- Comply with all applicable laws, rules, and regulations when engaging in procurement activities.
- Not requesting or accepting information about a competitor's bid or proposal that we are aware is confidential, is prohibited from disclosure by law or regulation, or that could lead to a real or apparent conflict of interest.
- Verify offset agreements adhere to all export control laws and regulations and are consistent with the offset policy.

Competition and Anti-trust

Antitrust and competition laws defend free enterprise and forbid actions that hinder trade or legitimate competition. They are varied and contextual.

We will _____

- Comply with antitrust and competition laws.
- Avoid sharing pricing or other commercially sensitive information with rivals to avoid breaking antitrust and competition laws.
- Not participate in any conversation, contact, agreement, or understanding with a rival or potential rival to fix prices, rig bids, distribute customers, control markets, or limit supplies in violation of antitrust or competition laws.
- Inform the Compliance department of any potentially anti-competitive action and inquiries made about such activity.
- When in doubt about whether competition or anti-trust rules apply, seek advice from the Compliance department.

Examples of unfair business practices:

- Giving another company access to a supplier's pricing information or other contractual provisions.
- Giving competitors information about our pricing or contract offers during a bid.
- Deciding with a rival not to submit a bid for a specific contract in order for them to withdraw from the following one.

Sanctions, Export curbs, and Trade limitations

Export controls, sanctions, and other trade limitations are implemented to safeguard interests in foreign policy and national security, and they regulate the manner, scope, and locations of the Company's business dealings.

We promise to abide by all applicable laws and rules, including those that govern the import, export, and general trading of goods, as well as any other business dealings with third parties.

The Business (and individuals) may be subject to fines, criminal prosecution, loss of future export rights, and reputational harm if we fail to comply with export control rules and sanctions.

We will

- Understand the Company's policies and procedures for managing export-controlled products, technology, data, software, and/or services.
- Be aware of the materials that are subject to export controls, the procedures for accessing, sending, and receiving such materials, as well as the authorized recipients.
- Take into account security constraints that may restrict who and how you can exchange material with.
- If we have any queries or concerns about whether our intended operations may be subject to export control or sanctions restrictions, we should first check with our local export control department.

Examples, when to consider export restrictions and sanctions:

- Early in the planning process for a new project or program,
- While using any type of controlled technology whether accessing, receiving, storing, or transmitting it,
- While accessing, using, exporting, or transmitting military hardware, software, or information,
- While traveling abroad for work or while using company equipment,
- Technology networks for businesses abroad,
- While utilizing company equipment at airport lounges, trains, hotels, or other non-work settings, or when transporting restricted material abroad,
- When working from remote places, whether at home or abroad (i.e., outside of the typical office),
- When interacting with or paying third parties,
- While working with advisors,
- When thinking about doing business with potential clients or in new export markets,
- When scheduling guests for a site visit,
- When you hire workers or contractors, whether they come from within the company or from outside.

© Arex d.o.o. Šenjernej 2023.

All rights reserved.

AREX d.o.o. Šenjernej

Trubarjeva cesta 7,

8310 Šenjernej - Slovenia

Registration number: 5383510000

VAT ID: 15413217

e-mail: info@arex.si

Telephone: +386 (0) 7 39 33 475

www.arex.si

