





PCO S.A.

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Code of Ethics

INTRODUCTION

Ladies and Gentlemen,

It is my pleasure to present the Code of Ethics of PCO S.A.

PCO S.A., belonging to Polska Grupa Zbrojeniowa, is a company with long traditions, the leading Polish producer of optoelectronic devices. It greatly contributes to building a potential of the Polish defence industry.

PCO S.A. participates in technical modernization programs of the Polish Armed Forces. In its activity Company cooperates with scientific institutes and technical universities. It results with creation of the devices using most modern technical solutions and enables continuous improvement of efficiency of optoelectronic devices and as an effect improving safety during actions of Polish soldiers.

Products of the Company are used by the military and other uniform services for a long time and they are highly valued by their users. PCO is a company listening to its clients and adapting assortment to their needs. Thanks to possessing research and development infrastructure the Company constantly improves produced devices. Currently it is widening its offer by proposing



products for civilian clients and entering area of the space technologies.

In the Code of Ethics the most important values that are a guideline for all of the employees were mentioned. The code is an addition to the Code of Ethics of the PGZ. Employees of the PCO are obliged to follow principles stated in both these documents.

The aim of the Code of Ethics is to shape culture of work in the company and outside it. The Code shows that we are fulfilling rigid standards that surpasses obligations resulting from the legal issues. It builds mutual trust among employees, supports transparency of the activities, and is a clear message for our employees, business partners and clients. The Code is especially important in the dynamically changing environment.

Krzysztof Kluza Ph.D.
President of the Board of PCO S.A.



PCO S.A. is engaged in the manufacture and sale of optoelectronic products as well as observation and aiming devices using laser, night vision and thermovision technologies to meet the needs of the army and other uniform services. The company is also engaged in wideranging R&D and implementation work.

PCO S.A. was founded in 1976 under the name of Przemysłowe Centrum Optyki w budowie. In 1994, it was transformed into a company wholly owned by the State Treasury under the name of Przemysłowe Centrum Optyki Spółka Akcyjna.

Since 21st October 2014, PCO S.A. has formed part of the Polska Grupa Zbrojeniowa.

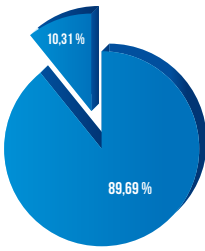
Working for the most demanding customers, PCO S.A. offers cutting-edge solutions, substantive support as well as reliable and timely performance of agreements concluded.

The Board of Directors PCO S.A. implements the adopted strategy in a consistent manner, making it possible to continuously develop the Company and increase its quality.

SHAREHOLDER STRUCTURE:

On 30th of June 2018 Polska Grupa Zbrojeniowa held 89,69% of the shares, while entitled employees, their heirs and people who purchased shares – 10,31%.

The management of the Company is coposed of: Shareholders Assembly, Supervisory Board and Board.





CERTIFICATES

Over the past forty years, the Company has obtained a strong position on the market. The strategic objective of the Company is to maintain the highest quality of products. The certificates obtained provide an incentive for the Company to further increase the level of technology, services and product quality. Thus, PCO S.A. provides the best solutions on the market to its customers.

➤ Licence of the Ministry of Internal Affairs and Administration

Licence to manufacture and trade in military or police equipment.

➤ NATO Commercial and Government Entity Code

Certificate issued by the Military Centre for Standardization, Quality and Codification confirming assignment of NATO Commercial and Government Entity Code 2550H.

➤ Certificate of Management System

Certificate for trade in goods of strategic importance, in particular military and police goods, technologies and services in Poland and abroad in compliance with the criteria of the Internal System of Control.





➤ **ISO 9001:2015 and AQAP 2110:2016
Quality Management System Certificates**

The quality of our products and services is the key to the success of our Company on the market. Success depends on the ability to continuously supply products that meet customers' requirements and expectations better than competitive products. To this end, we have implemented the Quality Management System. By applying and continuously improving a system compliant with ISO 9001:2015 and AQAP 2110:2016, we strive to increase the level of customer satisfaction, identifying and meeting their requirements and expectations regarding products offered.



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MISSION, VISION AND MOTTO OF PCO S.A.



MISSION OF PCO S.A.

'To fulfill needs and expectations of the customers by supplying on time, modern, reliable and safe optoelectronic devices providing security.'

VISION OF PCO S.A.

'To be the leading supplier of optoelectronic solutions for the Polish Armed Forces and significant on foreign markets.'

MOTTO

'Innovations for the safety of the population.'



Our brand and the values attached to it distinguish PCO S.A. from its competitors. We pursue these values on a day-to-day basis and we are proud of them. Our values constitute a solid foundation on which the future of our Company can be based. We are governed by the following values:





CLIENT ORIENTATION

- We build constant relations with clients;
- We listen to our clients and gain needed information from them;
- We shape our offer according to adequate segment of the market;
- We concentrate on the value which is the most important for certain client;
- We meet needs of our clients.

DEVELOPMENT AND INNOVATION

- We implement modern technologies and solutions;
- We seek inspiration from our entourage;
- We support creative people;
- We enable development of our employees.

PROFESSIONALISM

- We have high professional qualifications and experience;
- We combine most modern achievements in optics, electronics and mechatronics with most modern trends in the military technology;
- We possess our own research and development infrastructure;
- We strive for the highest quality;
- We develop our competence;
- We respect our clients;
- We cooperate with scientists from various research institutes.

RESPONSIBILITY

- We act in a professional and responsible way;
- We value work safety and protection of the environment;
- We train our personnel in safety and work hygiene standards;
- We keep our promises;
- We take responsibility for our actions and personnel we manage;
- We finish tasks we undertake;
- We fulfil our tasks in an active way and make decisions on time;
- We care for the property of the company;
- We properly protect confidential information.



COOPERATION AND EXCHANGE OF KNOWLEDGE

- We employ qualified specialists;
- Mutual trust and respect is a base of our activity;
- We share gained experience with the new generation of employees;
- We work as a team to find the best solution for our clients;
- We communicate among ourselves in a clear way;
- We respect other people's point of view;
- We ask questions when we have doubts.

COMMITMENT

- We have strong ties with the Company;
- We support creativity and initiative of employees;
- We train and extend knowledge of our employees;
- We fulfil our tasks with passion;
- We work to achieve our goals.

HONESTY, RELIABILITY AND LOYALTY

- We are honest to ourselves and our clients;
- Our work is reliable;
- Our promise is a responsibility;
- We are honest;
- We are driven by ethics, we adhere to principle of zero tolerance for corruption;
- We respect property of the Company;
- We express our opinions openly;
- We are loyal to the Company and to ourselves;
- We are loyal to our clients;
- We build values and reputation of the company together;
- Interests of the company have highest priority for us;
- We reliably realize our tasks;
- We strive to achieve our goals.



PCO S.A. as a socially responsible Company giving priority to building partnership with clients, suppliers, partners, employees and local community. We actively support development of science and entrepreneurship, cooperating with universities, scientific institutes and support numerous social and charity initiatives.

We implement values of the socially responsible business by:

➤ **Cultivating friendly relations with clients and the environment**

According to our mission and vision we try to fulfill expectations and requirements of clients by supplying on time modern and reliable optoelectronic devices increasing safety. Also in contacts with suppliers and business partners we respect values of partnership and honesty.

➤ **Respecting principles of the human rights**

PCO S.A. both in its internal and external activities is driven by the principle of respecting human rights.

➤ **Creating a friendly workplace**

Employees are the biggest value for the company and base of its success. That is why we care for our employees and support their further development and training.

➤ **Promoting family values**

PCO S.A. regards family life as the highest value and supports family initiatives based on harmony and balance between the family, private life and work. We organise yearly family picnics for employees of the Company.

➤ **Cooperating with research and development circles**

During research and development activities company actively cooperates with technical universities and research-development centres, including Institute of Optoelectronics of the Military University of Technology, Air Force Institute of Technology, Military Institute of



Armament Technology and Military Institute of Armour and Vehicles Technology.

➤ **Being a student friendly Company**

PCO S.A. cooperates with technical universities and high schools what includes student visits in the company, lectures, practices and probations, opinions on educational level and education programmes and participation in trade fairs organized by universities. We cooperate with ia. Military Technical Academy, Warsaw University of Technology, War Studies University and Polish Air Force Academy in Dęblin.

➤ **Participating in patriotic initiatives**

We highly value propagating of the patriotic values and traditions, we support events commemorating important anniversaries. In the past we had supported ia. organisation of the Rock of Independence concert and conference „Poland in a cycle of revolutions - VIRUS of technology changes Polish future”.

➤ **Care for the environment**

In our activities we adhere to great degree of responsibility for the environment and responsible use of resources.

➤ **Supporting balanced development and innovations**

Initiatives of the company fit into EU policy towards the most modern areas of the European economy. We organise yearly Optoelectronic Conference gathering experts, representatives of the defence industry, scientific institutes, technical universities and clients.

➤ **Supporting charity organisations**

PCO S.A. willingly supports various social and charity projects. The aim of these projects is to aid poor families and provide the sick and the disabled with chances to improve their health and future. Additionally we give help to hospitals and hospices. We try to help the suffering as fast as possible especially in cases when lives are being threatened (during natural disasters).

➤ **Supporting soldiers participating in military missions**

Safety of Polish soldiers on the battlefield is our priority. We support soldiers who suffered during missions and war veterans.

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PCO S.A. AS A BUSINESS ORGANISATION



As an undertaking that builds the capacity of the Polish defence industry, PCO S.A. takes into consideration the good of the Republic of Poland and the Polish Armed Forces. As part of its activities, PCO S.A. undertakes to adhere to ethical standards and act in accordance with the following provisions:

Relations with representatives of the Polish Armed Forces, the Ministry of National Defence and other state institutions and customers

- PCO S.A. offers high-quality products and services that meet the contracting authority's needs;
- PCO S.A. ensures to customers maintenance services, technical documentation and manuals necessary in order to use products correctly;
- PCO S.A. takes into account the opinions and suggestions of users and experts when modifying the existing products and creating new products;
- PCO S.A. does not give false information about products it offers;
- Representatives of PCO S.A. do not follow bad practices aimed at increasing sales or obtaining contracts in a manner contrary to Polish and EU law;
- PCO S.A. ensures that contacts with authorities are based on trust and guided by Poland's interest;
- Relations between PCO S.A. and representatives of the Polish defence industry and public administration bodies are based on mutual trust and respect;
- Criteria for selecting persons invited to business meetings held at the Company's registered office are transparent and based on substantive grounds;
- All meetings and talks with representatives of the Polish Armed Forces and employees of the Ministry of National Defence and other institutions are aimed at pursuing the common good and strengthening the defence potential of the Republic of Poland;



- PCO S.A. does not give financial resources or gifts that could be regarded as financial benefits to representatives of the Polish Armed Forces and other state institutions;
- All information obtained from the contractor is kept confidential.
- PCO S.A. does not finance the political activity of specific politicians;
- Representatives of PCO S.A. undertake that all relations with politicians and authorities will be based on trust and guided by Poland's interest.

Relations with competitors

- PCO S.A. competes fairly with its competitors and does not undermine their reputation;
- PCO S.A. does not take unethical measures that damage competitors' reputation;
- When dealing with competitors, employees avoid situations in which confidential information about the company could be provided;
- PCO S.A. does not try to obtain information about competitors by illegal means. These include: industrial espionage, employing competitors' employees in order to obtain confidential information, persuading competitors' staff or customers to divulge information and other measures not listed above;
- PCO S.A. does not use unlawful restrictive commercial practices.

Public procurement

- PCO S.A. adheres to the Public Procurement Act;
- PCO S.A. does not influence persons who decide about public contracts with gifts or financial bonuses;
- PCO S.A. provides in its offer only substantive conditions that it will actually be able to fulfil;
- PCO S.A. presents achievements and experience in its offer in a reliable way.

Relations with politicians

- When dealing with politicians, representatives of PCO S.A. always act in compliance with laws applicable in the Republic of Poland as well as international agreements and commitments to which the Republic of Poland is a party;
- Representatives of PCO S.A. will not treat politicians and authorities in a preferential way that gives the impression of the exercise of influence;

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PCO S.A. AS AN EMPLOYER



- Relations between PCO S.A. and employees are based on respect for their personal dignity;
- PCO S.A. strives to ensure stable jobs and development of employees' professional qualifications;
- Employees cannot be discriminated against on the grounds of race, religion, nationality, colour, gender, age, sexual orientation, political opinions, trade union membership or disability;
- PCO S.A. provides to employees clear information about the objectives and tasks of specific employees;
- PCO S.A. ensures the best available means of communication in the Company;
- PCO S.A. undertakes to ensure a clean, healthy and safe working environment, in compliance with standards and laws;
- Employees of PCO protect personal and other confidential data stored in the Company;
- Employees must make efforts to avoid accidents and injury to themselves, their colleagues and outsiders;
- We avoid conflict of interests understood as contradiction between professional and private duty of the employee;
- Employees of the PCO S.A. do not use their professional position to gain personal profits or profits for their family members;
- In its HR policy PCO S.A. adheres to rule of choosing candidates for work solely on the base of their professionalism and does not tolerate any form of nepotism.

APPLICATION OF THE CODE IN PRACTICE



HOW TO USE THE CODE OF ETHICS?

The Code of Ethics of the PCO S.A. is used consecutively with Code of Ethics of the PGZ and is an expansion of its principles.

The Code of Ethics determines standards of behaviour and at the same time brings together employees and the management. Employees and third parties acting on behalf of PCO S.A. must observe the Code of Ethics as well as locally applicable provisions and standards. Superiors must assist their subordinates in solving problems and

should also ensure that disturbing practices and situations taking place in the Company can be openly discussed.

Although the Code is comprehensive, it cannot cover all situations that could occur when professional duties are performed. Therefore, we expect employees to consult their superiors and request instructions in emergencies or if they are uncertain how to behave in the situation concerned.

OBSERVANCE OF THE CODE OF ETHICS

All employees of PCO S.A., regardless of the type of employment and position, must become acquainted with the Code of Ethics and observe it. Problems that arise in connection with the implementation of the Code as well as any comments or suggestions should be notified to the

Communication and PR Department. Managers of specific departments are responsible for the observance of the Code by employees of units subordinate to them. Employee who does not adhere to principles of the Code may be subjected to disciplinary measures.



DISSEMINATION OF THE CODE OF ETHICS

The Code of Ethics was introduced by Order No. 2/2013 of the President of the Board – Director General of PCO S.A. of 4th March 2013 on the introduction of the Code of Ethics of PCO S.A. and its application and updated with Order No. 14/2018 of the 4th of July 2018.

This set of ethical rules was drawn up for the purposes of PCO S.A. At the same time, PCO S.A. would like to promote ethical standards in business and in the economy, which is why it permits the use of this Code as a source based on

which Codes of Ethics of other companies can be drawn up.

The present Code of Ethics further develops the rules and behaviours set out in generally applicable laws, including the working regulations applicable at PCO S.A.

The Code of Ethics is available both in electronic form to be downloaded from the internal intranet platform and the Company's website as well as in the form of Bulletin.



The aim of the Code of Ethics is to shape the proper way of working inside the Company and beyond as well as to promote ethical values among employees of PCO S.A. by identifying the key values to be followed when performing the obligations assigned. By performing his or her tasks in a manner commonly regarded as ethical, an employee inspires trust

and strengthens positive perception of the Company by other employees and society.

The Company's reputation and trust in it are the core values. Acceptance of the Code should mean recognition of the above-mentioned values and the obligation to regularly monitor compliance with the standards adopted.



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