

**QUALITY
MANAGEMENT
SYSTEM**

TAKONI

**ISO 9001
IATF 16949
AQAP 2110
ISO 26000
ISO 14001
ISO 45001**

Takoni Business Code of Ethics

Introduction

Takoni is committed to conducting its business and pursuing its interests in a manner consistent with the principles of ethics, such as the rule of law, integrity, transparency and accountability in conducting business. The code of ethics should contribute to promoting socially responsible business with high moral standards. All this is to constitute the foundation for building a strong company.

Relations between the company and employees are based on rules that are clear to both parties, in line with applicable law and good practice. The primary goal of the employer is to shape the employees' sense of satisfaction and responsibility for the company.

Therefore, all our employees and management are responsible for adhering to the code of ethics. In the event of irregularities, employees are encouraged and expected to report them to the appropriate supervisor, while ensuring that there is no retaliation or other negative consequences for those making such reports in good faith.

Non-compliance with the code, risking the loss of reputation by our company, will be stigmatized and appropriate sanctions will be imposed on the guilty.

The company has created a Code of Ethics that allows it to present our position to all suppliers. This code describes the company's social responsibility requirements for suppliers. One of the conditions for suppliers to cooperate with Takoni is to comply with these requirements. The Company wishes to implement the Code on the basis of constructive dialogue and partnership relations with suppliers - to the benefit of both parties.

Scope of application

This Code of Ethics sets out the most important normative and prescriptive ethical standards that are to be strictly observed by all production, administrative and office employees and members of the Company's Management Board - at all times and in all markets.

This Code of Ethics formalizes the principles by which the Company deals with our employees, shareholders, business partners and other interested parties.

The company obliges our suppliers, sales representatives, consultants and other business partners to adhere to these principles.

For questions and comments regarding the Code of Ethics, the supplier should contact the Takoni Supplier Development Officer.

Compliance with the law

All production, administration and office employees as well as members of the Management Board of Takoni must perform their work in such a way as to comply with all applicable laws, rules and regulations.

In situations where local or national law does not provide adequate guidance, the Company has its own policies and procedures. In the event that local or national law conflicts with the principles contained in this code, the law shall prevail.

Contacts with business partners and customers

Takoni is committed to honest behaviour in all dealings with business partners. The company is not allowed to offer clients, potential clients or their representatives any remuneration or benefits contrary to applicable law or reasonable and generally accepted business practices. Clients should be treated fairly and equitably with respect for their independence.

Accounting and reporting

All financial transactions of Takoni must be recorded in accordance with generally accepted accounting principles as set out in the applicable accounting policy and in local laws and regulations. Accounting entries must show the essence of all transactions correctly and not misleading. The Company is committed to ensuring transparency of financial reporting, pursues a policy of full, fair and accurate disclosure of information so that the market receives comprehensive and understandable information on time, presented in an objective manner.

Conflicts of Interest

In order for the Company to operate with integrity and openness, it is important that each employee avoid situations or interests that may conflict with his judgment, which is within his responsibility, with regard to Takoni, other employees, customers, suppliers and other partners.

For example, a conflict of interest may arise when an employee or a family member:

- a) has financial interests that could influence such employee judgment,
- b) gains personal benefits thanks to access to confidential information,
- c) abuses his position in the Company in a way that ensures personal benefits.

A conflict of interest may also arise when an employee or a family member derives personal benefits, direct or indirect, from dealing with a Takoni supplier or customer.

If an employee believes that a direct or indirect conflict of interest may arise, he / she is obliged to disclose this possible conflict to the Management Board. Accordingly, the Board of Directors will investigate the matter in cooperation with the Company's legal advisers.

Political commitment

Takoni respects the principle of neutrality with regard to political parties and candidates for political office. The name of Takoni it may not be used to promote the interests of political parties or candidates for political office.

Protection of the natural environment

Takoni strives to ensure that its products, services and production contribute to sustainable development. Therefore, the design process aims to reduce the negative impact on the environment during the product life cycle, while monitoring the consumption of raw materials and energy, and emissions of waste and pollutants in order to improve them.

The company adopts a proactive stance with respect to environmental legislation and obliges suppliers to adopt the same environmental protection rules as those implemented by Takoni.

Workplace internships

Takoni's activities must be carried out with respect for human rights, in accordance with occupational health and safety regulations, bearing in mind the good of the local communities in which the company operates. No Takoni entity or its employee will tolerate child labour or exploitation, cultural, ethnic, racial, religious, age, national or gender discrimination, physical, psychological, sexual or verbal abuse, and will not be exposed to ill-treatment in the workplace at work and during the performance of professional duties.

The remuneration will be equal to or higher than the levels determined by the relevant regulations, and all employees are free to exercise the rights contained in the codes, both in the Labour Code and Regulations, and in the Code of Ethics.

Responsibility of management and employees

Takoni's management is responsible for communicating the content and intentions of this Code of Ethics to their organizational units and for encouraging employees to disclose conduct that may be in conflict with these principles.

Any noticed violations of the Code of Ethics should be reported first to the immediate supervisor, and in justified cases to their superiors, and then to the company's top management.

They will initiate an appropriate investigation and communicate the results to the appropriate units for possible disciplinary measures.

For its part, the Company is committed to ensuring the complete confidentiality of anyone who reports a violation of the Code in good faith and ensures that the individual will not be subject to retaliation.

Failure to comply with the provisions of this Code of Ethics may result in disciplinary action.

Ethical recruiting

Ethical recruitment means hiring workers lawfully and in a fair and transparent manner that respects and protects their rights.

Takoni respects:

- Laws, Fundamental Principles and Rights at Work
- Ethical and Professional Conduct
- Freedom of Movement
- Transparency of Terms and Conditions of Employment
- Confidentiality and Data Protection
- Access to Remedy

Takoni behaving in an ethical manner, does not tolerate any form of bias in the recruitment process. All candidates have equal opportunities during the recruitment process.

Women's rights.

We are all entitled to human rights. These include the right to live free from violence and discrimination; to enjoy the highest attainable standard of physical and mental health; to be educated; to own property; to vote; and to earn an equal wage.

Takoni is against any form of women and girls discrimination on the basis of sex and gender. Gender inequality underpins many problems which disproportionately affect women and girls, such as domestic and sexual violence, lower pay, lack of access to education, and inadequate healthcare. Any form of gender discrimination is not acceptable at Takoni and will be subject to administrative and disciplinary action if disclosed.

Diversity, Equity, and Inclusion

Takoni embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

Takoni's diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Recognition of each employee as an individual with unique backgrounds and lived experiences.
- Work/life balance through work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity.

Rights of Minorities and Indigenous Peoples

A diverse range of minorities and Indigenous Peoples exist across the world, and one thing they all have in common is that they often face discrimination, marginalisation and exclusion.

Takoni supports:

- Rights Minority
- Rights of Indigenous Peoples
- Educational autonomy
- Culturally relevant education
- Language rights
- International rights

Takoni is against:

- Discrimination
- Violence and maltreatment
- Overcoming marginalisation and exclusion
- Poverty

Land, Forest and Water Rights and Forced Eviction

Takoni agree and support all states obligation to respect the right to land and natural resources. This obligation includes, inter alia, recognizing and respecting customary rights and the natural commons; and refraining from forced evictions or any practice or activity that destroys or arbitrarily impairs existing access to, use and management of land and natural resources.

Takoni support the obligation to protect the right to land and natural resources. Takoni is against that third parties from interfering in any way with the enjoyment of this right.

Third parties include individuals, groups, corporations and other entities as well as agents acting under their authority. The obligation to protect includes, inter alia, adopting the necessary and effective legislative and other measures to regulate third parties and to restrain and sanction, for example, third parties promoting or participating in forced evictions, dispossessing women of their rights, encroaching on customary rights, or polluting and destroying natural resources. Takoni support the obligation to ensure the conditions for regeneration of biological and other natural capacities and cycles.

Use of Private or Public Security Forces

Takoni supports Public-Private Security Partnerships to Public Safety

It is very important to have cooperation between both of the public and private sectors. Police can communicate with private security personnel about possible threats in the area, and give them photos of wanted individuals to look for.

Communication and cooperation between citizens, private security organizations and law enforcement is crucial. The public and private sectors working in unison are stronger than either is alone, partnerships are the cornerstone in defending against crime and terrorism.

Additionally, private security agencies can supplement and support state, county and municipal police agencies by relieving them of some of their service calls.

The key is to hire high quality security professionals and develop relationships between all public and private groups - whether or not formal “partnerships” exist.

Working Conditions / working hours

Working hours, breaks, holidays and leave periods will be established in compliance with local laws and agreements, and in any case, a workweek should not be more than 40 hours per week except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days. Takoni Sp z o.o. shall ensure that all employees are provided with written agreements of employment and are free to leave their work after giving reasonable notice.

Furthermore, compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law. Imported and migrant workers are to be provided equal wages, benefits and working conditions.

As part of the hiring process, workers must be provided with a written employment agreement that contains a description of terms and conditions of employment. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees have been paid by workers, such fees shall be repaid to the worker.

Freedom of Association & Collective Bargaining

All workers have the right to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly. Takoni Sp. z o.o. will respect the right of workers to refrain from such activities, and respect their freedom of opinion and expression.

Additionally, workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices, both without fear of discrimination, reprisal, intimidation or harassment.

Finally, where employees participate in a strike for a lawful object, Takoni Sp. z o.o. shall not interfere with, impede or diminish their right to strike, or to affect the limitations or qualifications on that right.

Zero tolerance of bribery and corruption

Takoni does not tolerate any form of bribery, corruption or influence peddling. As a participant to the United Nations Global Compact, Takoni adheres to United Nations principles on human rights, labour, environment and anti-corruption. The tenth principle states "Businesses should work against corruption in all its forms, including extortion and bribery".

Corruption includes the act of offering, giving, soliciting, receiving or accepting, directly or indirectly (active or passive corruption), any inducement or reward (money, gift, hospitality, entertainment, trip, service, etc.) in the public or in the private sector, in order to influence behavior or decision in Takoni. It includes inducements to gain business, but also to offer or receive inducements to act or refrain from acting in a particular manner. Corruption can be large or small-scale, for example acts such as making facilitation payments are a form of corruption.

Influence peddling involves a scheme where an undue benefit is provided or offered by one person and accepted by another, who may have solicited such benefit or not, in order for that person accepting the benefit to misuse his/her influence to obtain a favourable decision from a public authority or administration to the advantage of the person who offered the benefit.

Trade regulations and export control

Due to its business activities and its global presence, Takoni is subject to an array of national and international laws and regulations under which a license and/or compliance to specific requirements may be requested from the relevant authorities before any equipment, services or technology can be transferred, exported, re-exported, brokered or transported.

These include:

- export control laws and regulations, for military or dual use products or services,
- sanctions against specific countries or entities, under which some business dealings with them might be forbidden or controlled.

Compliance with all national and international regulations applicable wherever Takoni is located or operates is of utmost importance for Takoni.

Therefore, Takoni expects its employees and partners to follow the internal rules regarding those regulations.

Fair competition

Fair competition is one of the fundamentals of the open-market economy. Compliance with competition law is a pre-requisite, and is one of the core principles of Takoni. It is in the interest of Takoni to evolve in a market where the highest standards of doing business are respected. Takoni is committed to the fair treatment of all its current and potential partners and to creating a level playing field. This means that Takoni treats its partners with respect and does not take unfair advantage. In accordance with legal regulations, Takoni treats its partners at arm's length unless there are objective justifications to a different treatment. Neither Takoni employees nor third parties assisting Takoni in developing its business may be party to an agreement, understanding or concerted practice which would contravene the applicable laws and regulations on anti-competitive practices. Takoni employees will apply a high standard of care when participating in trade associations, partnerships, consortia, joint ventures or any situation that brings them into contact with competitors.

Takoni also dedicates great attention to the way it treats information exchanged with third parties. Takoni will not directly or indirectly exchange commercially sensitive information with competitors (e.g. prices, margins, volumes, R&D projects etc.) except where such exchanges are strictly in accordance with all applicable laws and regulations. Takoni will not engage in price-fixing or unlawful agreement on procurement conditions, sharing markets, partners or procurement sources, unlawful collusion in bids, tacit coordination of its behaviour on the market with its competitors, or ban of any supplier or client in a way that infringes competition laws.

Intellectual Property

Takoni has many innovative and highly technical products and processes. We are constantly working on new ideas; often with a supplier as a partner. We expect our external providers to protect our intellectual property and we require confidentiality for all of our business relations. Takoni intellectual property includes without limitation its patents, copyrights, trademarks, business processes, systems, manufacturing processes, technical and marketing information and strategic planning.

Counterfeit Parts

Takoni recognise that the counterfeiting of components is a serious problem that harms the worldwide economy and jeopardises the safety of individuals. We are committed to preventing the introduction of counterfeit components to the supply chain. We will ensure our businesses and our suppliers follow the measures listed below to achieve this. Customer requirements will be used in conjunction with these measures.

- All components shall be purchased from the Original Equipment Manufacturer (OEM),
- Parts shall be purchased from authorised distributors, where this is not possible;
- Parts shall be purchased with a complete chain of custody to the Manufacturer,
- Parts can be purchased from a supplier that can not provide evidence the component is a genuine part, as long as we have agreement from the customer that they will accept the risk of using an untraceable component
- All parties in our supply chain shall maintain appropriate processes to isolate, quarantine, report and remove counterfeit components.
- Ensure all staff involved in the procurement, inspection, and storage of electronic components are trained to identify counterfeit parts.

Confidential / Privacy

Confidential information is any information of economical, technical, process, organizational, commercial, marketing, operational or financial nature, or any other information of any business value, irrespective of the fact whether the same is stored on a carrier or disclosed orally. For example, Confidential Information includes:

- statements of the costs of fabricating parts, components or materials used for production, including in particular the type and composition of the part, component or material, as well as the costs of purchase or fabrication, including the number of man-hours used for individual production steps

- any information concerning the prices, sources of supply, clients, suppliers, subcontractors and collaborators, lists of clients and suppliers, drawings, photographs, digital recordings, transactional data, the contents of proposals, contracts and other documents

The Receiving Party declares to maintain in secrecy the Confidential Information and to use the same exclusively for the purpose of performing mutual obligations (negotiations regarding acquisition of shares in the share capital of Takoni), hereinafter referred to the Allowed Purpose.

The obligation to maintain in secrecy the Information is not limited in time.

Financial Responsibilities

Financial Professionals shall adhere to and advocate to the best of their knowledge and ability the following principles and responsibilities governing their professional and ethical conduct.

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.
- Comply with rules and regulations of state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing their independent judgment to be subordinated.
- Protect and respect the confidentiality of information acquired in the course of their work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of their work is not used for personal advantage.
- Share knowledge and maintain skills important and relevant to their constituents' needs.
- Proactively promote ethical behaviour as a responsible partner among peers in their work environment.
- Achieve responsible use of and control over all assets and resources employed or entrusted to them.
- Report known or suspected violations to a supervisor, a human resources representative,

This Code of Ethics has been adopted by the Takoni Management Board and only the Management Board may amend or withdraw from it.