

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Movado Group, Inc. (which, together with each of its subsidiaries, is referred to in this document as “the Company”) has established and maintains an effective compliance program which has been designed and implemented and is enforced for the purposes of preventing and detecting violations of law. There are many facets to the Company’s overall compliance program. Among the most significant of these is the Company’s commitment, as reflected in this Code of Business Conduct and Ethics (this “Code”), to a set of standards that goes beyond merely avoiding what is unlawful. Rather, these guidelines are meant to provide a clear statement of ethical and moral standards for all the Company’s employees and members of the Board of Directors to follow in all their business-related activities so as to eliminate even the appearance of impropriety.

GENERAL

This Code of Business Conduct and Ethics is intended to govern the business relationships of all officers, directors and employees of the Company including, without limitation, the chief executive officer, chief financial officer and controller. This Code relates to all dealings between the Company’s officers, directors and employees on the one hand, and the Company’s customers, fellow employees, suppliers, competitors, representatives of government at all levels, and the public on the other hand. In these relationships, a high standard of ethical conduct is required.

It is recognized that in many situations and for many issues it may be difficult to determine the right course of action with certainty. In such instances, you should be guided by common sense and ask yourself if you would be uncomfortable to have your conduct reported in detail on the front page of tomorrow’s newspaper or if the conduct could result in harm to the Company. If so, don’t do it. If you still seek guidance or to report any violation or what you believe may be a violation, of the Code, call the Company’s General Counsel in the Legal Department at: (201) 267-8105. Also see “Administration and Reporting Violations of the Code” below.

HONEST AND ETHICAL CONDUCT

The Company is proud of its standards of honesty and integrity in all business practices. It is a part of our obligation as officers, directors and employees to maintain the highest sense of integrity. Our standards require all officers, directors and employees to avoid any activity, which might reflect unfavorably upon their own, or the Company’s integrity or reputation.

FAIR DEALING

Directors, officers and other employees should endeavor to deal fairly with the Company’s customers, suppliers and employees. Directors, officers and other employees should not take unfair advantage of anyone through the manipulation, concealment or abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

CONFLICTS OF INTEREST

Conflicts of interests by Company officers, directors and employees are expressly prohibited. Even the appearance of a conflict of interest is to be avoided. No officer, director or employee should have a direct or indirect financial interest in any business enterprise which is doing or seeking to do business with the Company, or which is a competitor of the Company, if that interest may create any conflict of interest, or the appearance of a conflict. An indirect interest will be deemed to exist where the direct interest is held or received by the spouse or other member of the immediate household of an officer, director or employee.

A financial interest or any other individual private interest is improper if the combination of your position with the Company, the amount of your investment, and the particular company in which you invested could - when viewed objectively by another person – be thought to influence your actions or compromise your judgment on behalf of the Company.

In the case where you have anything to do, either directly or indirectly, with deciding whether or how much business the Company does with any given enterprise, you should not have any financial interest (or any other individual private interest) at all in that enterprise.

These prohibitions are not intended to preclude officers, directors or employees from certain types of investment that, from a common-sense point of view, should not interfere and that could not reasonably be expected to interfere with one's impartial judgment. To determine whether a conflict of interest exists, ask yourself the following questions:

- What is the extent of the competition or the nature of the relationship between the Company and the other enterprise?
- What is the size of my investment in relation to my personal assets, salary and other family income, including income from other investments? Is it significant enough to cause me to take some action as an officer, director or employee of the Company to protect or enhance my investment?
- Given the nature of my position with the Company, could my actions as an officer, director or employee of the Company affect the value of my investment in the other enterprise? Could my actions significantly enhance my investment even if it is a relatively modest one?

All customers, vendors and competitors should be treated even-handedly, and all transactions conducted on an arm's length basis. The receiving or giving of gifts or entertainment not normal or customary considering the position of the recipient and the related business purpose and that may influence or reasonably give the appearance of influencing the recipient's impartial judgment is prohibited. If you are uncertain as to the value of a gift and/or you want to make certain that there is no violation of this policy in giving or receiving a gift, you should discuss the matter with the General Counsel.

No officer, director or other employee, nor any family member of any of them, may request or accept a loan from or any payment of any nature from any existing or potential customer, vendor or competitor. The Company may not lend money to, or guaranty the repayment of money loaned by another person to, any director or executive officer.

Employees other than executive officers who have questions about a potential conflict of interest or who become aware of an actual or potential conflict should discuss the matter with, and seek a determination and prior authorization or approval from, their direct supervisor. Before granting approval, the supervisor must obtain approval from a committee consisting of the General Counsel, the CFO and the Senior Vice President of Human Resources after providing the committee with a written description of the activity.

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee of the Board of Directors. The matter should be brought to the attention of the General Counsel, who will arrange for consideration of the matter by the Audit Committee.

CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information, or position; (b) using corporate property, information, or position for personal gain; and (c) competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Whether any of the foregoing actions have been taken to the material detriment of the Company will be determined by the Board of Directors or the appropriate committee thereof in the case of an executive officer or director or the Company's General Counsel in the case of any other employee, based on all relevant facts and circumstances, including whether the Company has previously declined to pursue such proposed opportunity for its own benefit.

CONFIDENTIAL INFORMATION

Officers, directors and employees may have knowledge of and practical access to confidential information with respect to the Company's business or the personal affairs of its customers or employees. It is important that such information be treated confidentially and not be disclosed to persons outside the Company unless such disclosure is legally mandated. "Persons outside the Company" include family, friends, vendors, customers, competitors and the news media.

Confidential information includes, among other things: strategic plans, sales and financial data and reports, products and pricing, internal email, identity of customers and vendors and/or sales to or from them, personnel information, forecasts, information contained in or relating to reports, spreadsheets, analyses, recommendations, schedules, ads, prototypes, or other materials prepared for internal use, information pertaining to any legal matters or any audits involving the

Company, information regarding any internal systems or controls or procedures and any other information that has not already been generally disclosed to the public by the Company.

Whether or not certain information is confidential, officers, directors and employees are not to use such information in any way that might be detrimental to the interests of the Company or its employees or customers. For example, after leaving your position with the Company, if you accept a new position at a competitor of the Company, you may not use the information known to you by virtue of your former position with the Company such as the names, contact information and performance history of the Company's key sales employees to contact those persons on behalf of your new employer.

In addition, officers, directors and employees are not to use any such information, unless it has already become public in a lawful manner, for their own direct or indirect benefit, or for the direct or indirect benefit of any associate or any other recipient of the information.

With respect to confidential information about the Company and its business, officers, directors and employees are responsible for maintaining its confidentiality not only during their association with the Company but also after any termination of that association.

COMPLIANCE WITH APPLICABLE LAWS

It is the Company's policy to comply in all respects with all applicable laws, rules and regulations and it is the obligation of every officer, director or other employee to do the same. In the event you have any questions concerning any conduct or proposed action or are in doubt as to any matter having legal implications, you should consult the General Counsel in the Legal Department.

Competition Law

The laws of the United States and other countries regarding competition and competitors are extremely important. A wide range of transactions or practices is prohibited under those laws. No agreement or understanding may be made with competitors to fix or control prices, to allocate products, markets or territories or to boycott certain customers or suppliers. Nor may any agreement be discussed or made with any customer to fix retail prices. Other activities that create antitrust problems are discrimination on terms and services offered to customers. The provisions of the antitrust statutes apply to both formal and informal communications. Employees involved in trade association activities or in the other situations allowing for less formal communication among competitors, customers or suppliers must be especially alert to the requirements of the law. Anyone in doubt as to the application of the antitrust laws in the United States or overseas should immediately consult the Company's General Counsel in the Legal Department.

Compliance With Federal Securities Laws

The common stock of Movado Group, Inc. is publicly traded and the Company is required to

make full, fair, accurate, timely and understandable disclosure in reports and documents it files with the New York Stock Exchange (“NYSE”) and the Securities and Exchange Commission (“SEC”). Officers, directors and employees are required to assist the Company in fulfilling these obligations. These matters are fully discussed under the heading “Maintenance of Books and Records and Disclosure Procedures”.

The purchase or sale of, or other transactions in, publicly traded securities while aware of material nonpublic (“inside”) information, or the disclosure of that information to others who then trade in such securities, is prohibited by the federal securities laws of the United States. In addition to responding to those laws, the Company has adopted the policy that follows to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Company (not just so-called “insiders”). References to “trading” or to “transactions” in securities include purchases or sales of stock, options, puts and calls, as well as sales of Company common stock acquired upon the exercise of stock options.

Securities Trading Policy

If a director, officer or other employee of the Company has material non-public information relating to the Company, neither that person nor any related person:

- may buy or sell securities of the Company (other than pursuant to a pre-arranged trading plan that complies with Rule 10b5-1 under the Securities Exchange Act of 1934 (“Rule 10b5-1”)) or engage in any other action to take advantage of that information, or
- may pass that information on to any person outside the Company or suggest or otherwise recommend that any such person outside the Company buy or sell securities of the Company or engage in any other action to take advantage of that information.

This policy continues to apply after termination of employment to the extent that a former officer or other employee is in possession of material nonpublic information at the time of termination. In such case, no trading may take place until the information becomes public or ceases to be material. This policy also applies to information obtained in the course of employment with, or by serving as a director of, the Company, relating to any other company, including: (i) our customers or suppliers, (ii) any company with which we may be negotiating a major transaction or business combination, or (iii) any company as to which we have an indirect or direct control relationship or a designee on the board of directors.

No director, officer or other employee may effect transactions in the securities of any such other company while in possession of material nonpublic information concerning such company that was obtained in the course of employment with the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Material Information

“Material information” is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information that could reasonably affect the price of the stock. Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses, or other guidance concerning earnings;
- the fact that earnings are inconsistent with consensus expectations;
- a pending or proposed merger, joint venture, acquisition or tender offer;
- a significant sale of assets or the disposition of a subsidiary or business unit;
- changes in dividend policies or the declaration of a stock split or the offering of additional securities;
- changes in senior management or other key employees;
- significant new products or discoveries;
- significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation;
- a significant cybersecurity incident;
- impending bankruptcy or other financial liquidity problems; and
- the gain or loss of a substantial customer or supplier.

Tipping Information to Others

Whether the information is proprietary information about the Company or other information that could have an impact on our stock price, directors, officers and other employees must not pass the information on to others. The same penalties apply whether or not you derive, or even intend to derive, any profit or other benefit from another’s actions.

When Information is Public

You may not trade on the basis of information that has not been broadly disclosed to the marketplace, such as through a press release or SEC filing, and the marketplace has had time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the end of the first business day after the information is released. Thus, if information is released on a Monday, trading should not take place until Wednesday. However, if the information in question is contained in a regular quarterly earnings release and the release is issued prior to the opening of the market on a given day, trading may take place on

the next business day following the day of release.

Transactions By “Related Parties”

The same restrictions apply to your spouse, minor children or anyone else living in your household, partnerships in which you are a general partner, trusts of which you are a trustee and estates of which you are an executor (collectively “Related Parties”). Directors, officers and other employees are expected to be responsible for compliance with this policy by their Related Parties.

Avoiding selective disclosure

The Company is required under Regulation FD to avoid the selective disclosure of material nonpublic information and has established procedures for the release of material information, including the designation of company spokespersons, to achieve broad public dissemination of that information in accordance with Regulation FD. Accordingly, no officer, director or other employee of the Company may disclose material nonpublic information to any person outside the Company, except in accordance with these procedures. This prohibition extends to discussions concerning the Company and its business in Internet chat rooms or similar forums.

Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any personnel of the Company to engage in short-term or speculative transactions involving the Company’s securities, it is the policy of the Company that directors, officers and other employees, and their Related Parties, should not engage in any of the following activities with respect to securities of the Company:

1. Purchases of stock of the Company on margin. (Although you may pledge Company securities, including as part of a margin account, you should be aware that sales of such securities could have securities law implications for you, including under Section 16.)
2. Short sales (*i.e.*, selling stock you do not own and borrowing the shares to make delivery) (Note that the SEC effectively prohibits officers and directors from selling Company stock short. We are simply expanding this rule to cover all employees.)
3. Buying or selling puts, calls or other derivatives in respect of securities of the Company.

Blackout Periods and Pre-clearance of Securities Trades – For Directors, Officers and Certain Other Personnel with Access to our Results

The Company’s announcement of quarterly financial results has the potential to have a material impact on the market for the Company’s securities. Therefore, to avoid even the appearance of trading while aware of material nonpublic information, persons who are or may be expected to be aware of quarterly financial results will be subject to a quarterly blackout on trading. Thus, in addition to the general rule that directors, officers and other employees may not effect transactions in Company securities on the basis of material information until such time as the

information becomes public, the following persons, and their Related Parties, may not effect any transactions in Company securities during the two-week period preceding the end of the Company's fiscal quarter through the first business day following the public release of earnings for that quarter or, if the regular earnings release is issued prior to the opening of the market on a given day, through that day:

- Directors
- Officers and management level employees
- Employees in the accounting and finance departments

The following calendar illustrates the foregoing blackout periods and corresponding trading periods based on the expected earnings release dates as shown. Note that the dates shown as in the blackout period or trading window are illustrative only and assume the earnings release occurs on the date expected and that the next day is a day during which trading on the New York Stock Exchange occurs.

<u>Quarter End</u>	<u>Earnings Release Date</u>	<u>Blackout Period</u>	<u>Trading Window</u>
1 st April 30	May 30	April 16 – May 31	June 1 – July 16
2 nd July 31	September 4	July 17 – Sept. 5	Sept. 6 – Oct. 16
3 rd October 31	December 3	Oct. 17 – Dec. 4	Dec. 5 – Jan.16
4 th January 31	March 13	Jan. 17 – Mar. 14	Mar. 15 – April 15

The Company will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to the blackout rules. Transactions effected pursuant to a properly established Rule 10b5-1 plan will not be subject to blackout periods.

You should be aware that the blackout period described above may be modified by the Company at any time. In addition, the Company may from time to time determine that trading in the Company's securities is inappropriate at a time that is outside the blackout period and, accordingly, may reinstate a blackout period at any time. For example, a short blackout period may be imposed shortly before issuance of interim earnings guidance. Those subject to these blackout requirements will receive notice of any modification by the Company of the blackout period policy or of any prohibition on trading during a non-blackout period.

Persons subject to the blackout period restrictions who terminate their employment with the Company during a blackout period will remain subject to the restrictions until the end of such period.

In addition, all transactions in securities of the Company by the foregoing persons, and their Related Parties, must be pre-cleared by the General Counsel. Clearance, if granted, will be valid only for three business days. If a transaction for which clearance has been granted is not effected (i.e., the trade is not placed) within the three business days following approval, the transaction must again be pre-cleared.

The Company will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to pre-clearance at the time the plan is established, modified or terminated. Persons subject to the pre-clearance policy should coordinate any such plans or arrangements with the General Counsel.

To the extent that a material event or development affecting the Company remains nonpublic, persons subject to pre-clearance will not be given permission to effect transactions in Company securities. Such persons may not be informed of the reason why they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties, and should avoid disclosing the existence of the prohibition, if possible. Caution should be exercised when telling a broker or other person who suggested a trade that the trade cannot be effected at the time.

Assistance

Any person who has any questions about the Company's Securities Trading Policy or about specific transactions should contact the Company's General Counsel. Remember, however, that the ultimate responsibility for adhering to the policy statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

Other Applicable Laws

The Company is subject to numerous other laws, rules and regulations in addition to those discussed in this Code, including laws concerning employment practices, reporting of cash transactions involving in excess of \$10,000, tax laws, customs rules, election law rules, laws concerning payments to domestic or foreign government officials to mention only a few. You should consult with the Company's General Counsel in the Legal Department in the event you are uncertain as to what or whether any particular legal considerations apply to any matter you are dealing with.

MAINTENANCE OF BOOKS, RECORDS AND DISCLOSURE PROCEDURES

All Company records must be complete and must accurately record and properly describe the transactions they reflect, and all transactions involving Company funds must be accurately reflected on the books of account. All assets, liabilities, revenues and expenses shall be recorded in compliance with generally accepted accounting principles. Directors, officers and other employees are expected to cooperate fully with our internal and external auditors.

The Company requires cooperation and open communications with its internal and external auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate or mislead any independent public or certified public accountant engaged in the performance of an audit or our financial statements.

The laws and regulations applicable to filings made with the SEC, including those applicable to accounting matters, are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other employees participate in the preparation of these reports or provide information included in these reports. The Company maintains disclosure controls and procedures to ensure that the information included in the reports that it files or submits to the SEC is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested to provide, review or certify information in connection with the Company's disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any information that you believe should be considered for disclosure in our reports that is not being appropriately considered to the Company's senior management.

If you have questions or are uncertain as to how the Company's disclosure controls and procedures may apply in a specific circumstance, promptly contact your supervisor or a more senior manager. The Company wants you to ask questions and seek advice. Additional information regarding how to report your questions or concerns (including on a confidential, anonymous basis) is included below in this Code under the heading "Administration and Reporting Violations of the Code".

DEALING WITH THE MEDIA

Statements to the media or responses to inquiries from the media dealing with sales, profitability and financial performance must be coordinated through the Chief Operating Officer or Chief Financial Officer of MGI.

PROTECTION AND USE OF COMPANY ASSETS

Officers, directors and employees have the responsibility to protect the Company's property, are accountable for any funds or property entrusted to their care and must ensure that all such property is used properly and only for the Company's benefit. If any Company property in your possession (i.e. laptops, cell phones, fax machines, watches, etc.) is lost, stolen or damaged, you are responsible for repairing or replacing it. This includes not only property entrusted to the employee but also property, which an officer, director or other employee may discover being misused by others.

No officer, director or other employee may take, sell, lend, misuse or give away Company

property, regardless of its condition or value, without general or specific authorization. Further, no officer, director or other employee shall have the right to receive or give away Company services or use Company equipment or facilities without authorization.

The Company will take appropriate action to safeguard its assets, facilities and materials against loss due to fraud, theft, vandalism, etc., and to protect its confidential information from unauthorized use or disclosure.

ADMINISTRATION AND REPORTING VIOLATIONS OF THE CODE

The Company's General Counsel in the Legal Department is responsible for interpreting this Code and responding to specific questions from directors, officers and other employees about its application. In cases where you are unable to decide whether a course of conduct is permissible, you are encouraged to contact the General Counsel for guidance at Tel.: 201-267-8105 or by fax at 201-267-8050 or by sending inquiries to: Legal Department, Movado Group, Inc., 650 From Road, Paramus, NJ 07652 Attn: General Counsel. All inquiries will be kept confidential to the extent possible, and questions may be submitted on a "no-name" basis.

Officers and other employees are required to report actual or suspected violations of this Code to their immediate supervisor, or the Company's General Counsel or the Human Resources Department. Code violations may also be reported by calling the Company's hot line number 1 (201) 267-8323 . Directors should report such violations to the Chief Executive Officer or the Company's General Counsel.

In the event that you are aware of a violation that you believe could materially harm the Company, its shareholders, or others that is not being properly addressed, you are encouraged to contact any member of senior management, including the Company's General Counsel. All incidents, which are violations of this policy, must be reported immediately after the incident or discovery of the incident. No reprisals will be made against any employee, officer or director making a good-faith allegation and the confidentiality of complaints will be maintained to the greatest extent practicable and consistent with the Company's Legal and other obligations. The Company will take appropriate action to investigate all reports of any violation of the Company's policies, including this business Code. All employees with knowledge relevant to any such investigation are required to cooperate with the Company in such investigation.

Nothing in this Code shall be deemed to alter any employment at will or other status of an employee or to otherwise create for an employee an enforceable right against the Company, its directors or its officers or against any other employee or third party.

Although this Code attempts to deal with many types of business conduct considered to be unethical, improper or detrimental to the Company's reputation or interests, no Company policy could ever anticipate every situation that arises. You are, therefore, advised to use good judgment in dealing with issues that confront you in applying the Code to unusual situations not

specifically covered by the Code.

While most Code policies must be strictly followed, exceptions may be possible. For example, a minor conflict of interest situation can sometimes be resolved simply by disclosure of the possible conflict to all interested parties. If you believe that an exception to any of the policies is appropriate, you should first contact your supervisor. If the immediate supervisor agrees that an exception is appropriate, the approval of the Legal and/or Human Resources Department shall then be sought. Exceptions to the Code for directors and executive officers may be made only by the Company's Board of Directors, and exceptions for directors or the Company's chief executive officer, principal financial officer, principal accounting officer, controller or other executive officers, or persons performing similar functions, must be immediately disclosed on Form 8-K or, if permitted by applicable securities laws, the Company's website; it being understood that actions by the Board of Directors or a committee of the Board of Directors taking appropriate disciplinary measures in response to a failure to comply with this Code shall not be deemed to be a waiver of or exception to this Code.

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Global Anti-Corruption Policy

Supplement to Movado Group, Inc. Code of Business Conduct and Ethics

1. Introduction.

Movado Group, Inc. (which, together with its subsidiaries, is referred to in this document as the "**Company**") operates in a wide range of legal and business environments, many of which pose challenges to our ability to conduct our business operations with integrity. Throughout our operations, we continually seek to avoid even the appearance of impropriety in the actions of our directors, officers, employees and agents as we strive to conduct ourselves according to the highest standards of ethical conduct. Those standards are set forth in the Company's Code of Business Conduct and Ethics, to which this Global Anti-Corruption Policy ("**Policy**") is a supplement.

Accordingly, this Policy reiterates our commitment to integrity, and explains the specific requirements and prohibitions applicable to our operations under the anti-corruption provisions of the US Foreign Corrupt Practices Act ("**FCPA**"). The Policy contains information intended to prevent corruption and bribery from occurring in the Company's activities. The Company strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it does not occur in its business activities.

Under the FCPA, it is illegal for US persons, including US companies and their subsidiaries, officers, directors, employees and agents, to bribe foreign public officials. The concept of prohibiting bribery is simple. However, understanding the full scope of the FCPA is essential as this law directly affects everyday business interactions between every employee, agent or other representative of the Company and persons acting on behalf of foreign governments and government-owned or government-controlled entities.

Violations of the FCPA can also result in violations of other US laws as well, including anti-money laundering laws, mail and wire fraud and conspiracy. The penalties for violating the FCPA are severe. In addition to being subject to Company disciplinary policies, individuals who violate the FCPA may also be subject to imprisonment and fines.

Aside from the FCPA, the Company may also be subject to other foreign anti-corruption laws, in addition to being subject to the local laws of the countries in which the Company conducts business. This Policy generally also sets forth the expectations and requirements for compliance with those laws.

This Policy is applicable to all of the Company's operations worldwide and applies to all the Company's directors, officers and employees. This Policy also applies to the Company's agents, consultants, joint venture partners and any other third-party representatives that have or are likely to have contact with foreign customers.

2. Prohibited Payments.

Company employees and representatives are prohibited from directly or indirectly making, promising, authorizing or offering anything of value to a foreign government official on behalf of the Company to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. This prohibition includes payments to third parties knowing that the third party will use any part of the payment for bribes.

(a) **Cash and Non-Cash Payments: "Anything of Value."** Payments that violate the FCPA may arise in a variety of settings and include a broad range of payments beyond the obvious cash bribe or kickback. The FCPA prohibits giving "anything of value" for an improper purpose. This term is very broad and can include, for example, the following:

- (i) Gifts.
- (ii) Travel, meals, lodging, entertainment, gift cards.
- (iii) Loans, non-arms length transactions.
- (iv) Charitable donations.

(b) **Foreign Government Official.** The FCPA broadly defines the term "government official" to include:

- (i) Officers or employees of a foreign government or any department, agency or instrumentality thereof.
- (ii) Officers or employees of a company or business owned in whole or in part by a government ("state owned or controlled enterprises").
- (iii) Officers or employees of a public international organization (such as the United Nations, World Bank or the European Union).
- (iv) Foreign political parties or officials thereof.
- (v) Candidates for political office.

The term also includes spouses or other immediate family members of foreign officials.

3. Permitted Payments.

The law does not prohibit all payments to foreign government officials. In general, the following categories of payments are permitted provided that in all cases they are given openly, properly recorded, permissible under local law, not conditioned on the recipient undertaking any activity and otherwise consistent with the Company's policies.

(a) **Promotional Hospitality and Marketing Expenses.** The Company may pay for the reasonable cost of a foreign government official's meals, lodging or travel if, and only if, the expenses are bona fide, reasonable, and directly related to the promotion, demonstration or explanation of Company products or services, or the execution of a contract with a foreign government or agency.

(b) **Promotional Gifts.** Promotional gifts of nominal value may be given as a courtesy in recognition of services rendered or to promote goodwill. These gifts must be nominal in value and should generally bear a trademark owned by or licensed to the Company or associated with its products.

4. Political Contributions.

Contributions to candidates for foreign political office are prohibited unless the Company's General Counsel pre-approves them in writing.

5. Record Keeping.

All expenses involving foreign government officials must be recorded accurately, providing the purpose and amount of the expenditure.

6. Cash Payments.

Cash payments of any kind to a third party, other than documented petty cash disbursements or other valid and approved payments, are prohibited. Company checks shall not be written to "cash," "bearer" or anyone other than the party entitled to payment except to replenish properly used petty cash funds.

7. Representatives.

All third party Company representatives must fully comply with this Policy, the FCPA and all other applicable laws.

8. Compliance.

Employees must be familiar with and perform their duties according to the requirements set out in this Policy. Employees who violate this Policy are subject to disciplinary action, up to and including dismissal. Third-party representatives who violate this Policy may be subject to termination of all commercial relationships with the Company. The Company's Business Controls/Internal Audit group will monitor and audit for compliance with this Policy.

Any employee who suspects that this Policy may have been violated must immediately notify the Company as specified below under "Reporting Policy Violations" below. Any person who, in good faith, reports suspected legal, ethical or policy violations will not suffer any adverse consequence for doing so. When in doubt about the appropriateness of any conduct, the

Company requires that you seek additional guidance before taking any action that may subject the Company to potential FCPA liability.

9. Duty to Cooperate.

The Company may at times undertake a more detailed review of certain transactions. As part of these reviews, the Company requires all employees and third-party representatives to cooperate with the Company, outside legal counsel, outside auditors or other similar parties. The Company views failure to cooperate in an internal review as a breach of your obligations to the Company, and will deal with this failure severely in accordance with any local laws or regulations.

10. Questions About the Policy.

If you have any questions relating to this Policy, please contact the Company's General Counsel in the United States by telephone at (201) 267-8105 or email at tmichno@movadogroup.com.

11. Reporting Policy Violations.

To report potential violations of this policy, immediately notify your supervisor or call the Company's Hotline Number (201) 267-8323

(Suppl. Last revised 01-22-2013).