



OSTROJ a.s. ANTI-CORRUPTION CODE

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Registered office: Těšínská 1586/66, Suburb, 746 01 Opava

Company ID: 45193681

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Preamble

OSTROJ a.s. (hereinafter referred to as the “Company”) is built on traditional values that we value, which is why we place great emphasis on compliance with legal regulations, ethical principles, and long-term and positive relationships with business partners. Protecting and maintaining the good name and reputation of the Company is our highest priority. Any unethical actions, corruption and behaviour contrary to the rules of competition are unacceptable to us because they undermine trust in our Company.

We maintain a policy of zero tolerance towards any corrupt behaviour.

The result of this attitude is the introduction of a comprehensive Anti-corruption policy, which helps us to prevent, detect, and resolve any illegal actions and to establish an environment in which every employee understands the principles of this program and complies with them. The anti-corruption policy expressed in this document is based on the OSTROJ a.s. Compliance Code and supplements the OSTROJ a.s. Code of Ethics.

Our goal is to eliminate and, to the greatest extent possible, limit the prerequisites for the emergence of corrupt behaviour as well as to establish a transparent and fair working environment in which all business practices and negotiations are performed with emphasis on honesty, fair business dealings, legality, and responsibility. We also expect the same attitude from our business partners.

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Related legislation

Act No. 40/2009 Coll., Criminal Code, as amended

Act No. 418/2011 Coll., on criminal liability of legal entities and proceedings against them, as amended

Act No. 586/1992 Coll., on income taxes, as amended

Act No. 235/2004 Coll., on value added tax, as amended

Act No. 89/2012 Coll., Civil Code, as amended

I. Basic rules of anti-corruption policy

- **Zero tolerance:** strict zero tolerance adherence to any corrupt behaviour;
- **Ethical behaviour:** emphasis on compliance with ethical rules, or of the OSTROJ a.s. Code of Ethics in the daily activities of all employees;
- **Transparency:** maximum control of decision-making steps and management of the Company with a clear and properly documented history;
- **Prevention:** introduction of preventive measures with emphasis on understanding Anti-corruption rules and active support for their enforcement and compliance;
- **Notification obligation:** creation of alternative confidential channels for immediate reporting of suspected violations or the existence of any violation of the Anti-corruption policy;
- **Responsibility:** acceptance of responsibility for every employee, regardless of their job position, for compliance with Anti-corruption rules.

II. Anti-corruption program

The Company strictly adheres to zero tolerance towards any corrupt behaviour. This default rule is expressed in three basic areas of the Company's anti-corruption policy:

- ① Prohibition of corruption
- ② Setting binding rules for receiving and giving gifts
- ③ Setting binding rules for conflict of interest

1. PROHIBITION OF CORRUPTION

The Company and its employees act in accordance with the law at all times. Everyone must be aware of the seriousness of the consequences that corrupt behaviour or even the suspicion of such behaviour may have on the Company's activities and its good reputation, including criminal and civil consequences both for the Company itself and for employees.

1.1. What is corruption?

- Abuse of power for personal gain, illicit enrichment through abuse of power;
- The promise, offer, or giving of a bribe to influence someone's actions or decisions;
- Asking for a bribe and/or accepting a bribe.

1.2. What is a bribe?

- Generally, anything (whether of financial or non-financial advantage) that is provided to any person with the intention of inducing him to abuse his office or position or to commit another illegal act, or to reward that person for abuse of office or other illegal act.
- It may be the payment of a sum of money, the provision of goods free of charge or under advantageous conditions, the offer of employment or extra income, the payment of private expenses, the provision of advantageous information, the offer of any services, the securing of an unauthorised advantage for a close person, etc.

1.3. WHAT IS PROHIBITED?

All employees are prohibited from the following actions.

- Providing bribes to any persons;
- Accepting bribes from any persons;
- Any form of indication or suggestion of the possibility of offering or accepting a bribe, requesting a bribe, offering or brokering bribes or any other handling of bribes;
- Using others to do any of the above.

2. RULES FOR RECEIVING AND GIVING GIFTS

The Company recognises that giving and receiving gifts, invitations, and other displays of hospitality and attention from employees to third parties or from third parties to employees in connection with the Company's activities may be considered a normal part of standard business or other relationships and it does not always have to be corruption.

However, the Company insists on the basic rule, which must be strictly observed by employees, that gifts are given and accepted at all times and under all circumstances in a completely transparent manner and in accordance with legal regulations, in particular in accordance with the Civil Code, the Income Tax Act, and the Tax Act from added value, and in accordance with the Company's anti-corruption rules. Gifts must never be given or accepted as consideration in anticipation of undue advantage or with the intention, directly or indirectly, of distorting the rules of competition or of giving the impression of such an intention.

2.1. What is a gift?

All advertising gifts, invitations, refreshments and other displays of hospitality and attention (financial and non-financial, material and non-material) which:

- the employee receives in relation to his work activity or job position in the Company and which directly or indirectly benefits the employee economically without being entitled to it, or
- the employee will provide on behalf of the Company in the course of his work to a business partner or another third party.

2.2. Rules for giving gifts

Legality and ethics: All gifts provided must be in accordance with legal regulations and ethical standards of the Company, i.e., in particular, it must not involve subjects or activities that are prohibited by law or that may be considered inappropriate or unprofessional.

Prohibition of consideration: The counterparty, i.e., the intended recipient of a gift, may not provide any consideration for the gift.

Adequacy: Employees may give gifts only as part of normal social customs, courtesy or as an expression of respect and esteem, and if the value of the gift is reasonable and does not give the impression of a bribe or an attempt to influence a decision. The gift should have a symbolic or minimal value, which is considered **value up to CZK 1,000**, the gift should have certain useful or aesthetic value, and should, if possible, bear the name or trademark of the Company. For members of the Company's management, the acceptable value of a gift is up to CZK 2,000.

Approval: Before providing any gift in an amount exceeding CZK 1,000 to CZK 2,000 inclusively, the employee must obtain a statement from his or her superior manager regarding

the assessment of the appropriateness and necessity of providing such a gift. (This does not apply to members of the Company's management.) The gift cannot be made without approval.

No gifts: Gifts above the value of CZK 2,000 and gifts for the purpose of influencing or even in an attempt to force an advantage or the selection of the Company as a business partner are prohibited. It is also prohibited to provide financial gifts or their equivalents and gifts to public officials.

Exceptions: Any exceptions to these rules must be approved in advance by the CEO or the Chairman of the Board of Directors. It is recommended to also request the opinion of an in-house counsel in order to assess the legality and potential risks as well as to request the director of the Finance and Controlling Department to assess the tax and accounting impacts and risks. These exceptions must be properly documented and retained for future review.

2.3. Rules for receiving gifts

Legality and ethics: All gifts received must be in accordance with legal regulations and ethical standards of the Company, i.e., in particular, it must not be about subjects or activities that are prohibited by law or that may be considered inappropriate or unprofessional.

Acceptable gifts: Gifts are permissible if they are non-binding and socially appropriate, are a small advertising item of a business partner and/or do not exceed the value of **CZK 1,000** whether they are symbolic in meaning.

Notifiable gifts: Employees must report (if possible, in advance) any gift with a value above CZK 1,000 to CZK 2,000 inclusive to their superior manager. If such a gift is approved, it is decided at the same time how to deal with it further (e.g. whether the employee will keep it, whether it will be donated to charitable purposes, etc.). When approving, it is necessary to respect the basic rules for receiving gifts listed in Article 2.

Prohibition of accepting gifts: Employees must not accept any gifts or benefits that have a significant financial value, which is considered to be worth more than CZK 2,000, and/or that could influence their professional decision-making or create the impression of bias. It is also not permitted to accept gifts in the form of money or their equivalents, to accept loans, discounts or free or discounted services for the employee's personal use.

Exceptions: Any exceptions to these rules must be approved in advance by the CEO or the Chairman of the Board of Directors. It is recommended to also request the opinion of an in-house counsel in order to assess the legality and potential risks as well as to request the director of the Finance and Controlling Department to assess the tax and accounting impacts and risks. These exceptions must be properly documented and retained for future review.

Refusal: Gifts that do not meet the stated criteria may not be accepted by the employee and must be rejected, and the employee must inform his superior employee about this fact, who is obliged to evaluate whether offering such a gift did not violate any of the Company's anti-corruption rules (see further Article IV. and VI.).

2.4. Financial donations and sponsorship

Support in the form of a financial gift and sponsorship is only permitted by the Company towards organisations or individuals for the purpose of supporting science and education, for research and development purposes, culture, sports, education or for the purpose of charitable or otherwise publicly beneficial activities, and only on the basis of valid and concluded contracts and approval of the chairman of the Board of Directors. The main purpose of sponsoring is primarily a charitable purpose, support of the local community, improvement and maintenance of awareness of the Company, visibility of the Company's activities and projects, and recruitment of new employees.

3. RULES ON CONFLICT OF INTEREST

A conflict of interest may arise if the personal interest of an employee or a person close to him collides with the interests of the Company and this interest is prioritised over the interest of the Company, both when making decisions towards external persons and when making decisions within the Company. However, not every potential conflict of interest may lead to a conflict of interest, and it is always up to the employee to responsibly assess the situation and always act in such a way as to avoid a conflict of interest.

How to avoid a conflict of interest?

- Always decide and act in the best interest of the Company;
- Do not prioritise your personal interests over the interests of the Company;
- Declare all personal, financial or family interests that could influence professional decision-making and objectivity;
- Report any conflicting situation in connection with the performance of work duties that could represent a conflict of interest to his or her superior, a senior employee, and to consult with him or her on the next course of action;
- Refrain from any gainful activity identical to the object of the Company's activity prior written consent from the Company;
- Refrain from using the Company's internal information and documents for personal benefit or the benefit of others;
- Observe the protection of trade secrets and confidential information of the Company;
- Refrain from using any title or job position for personal gain;
- Ensure decision-making processes are transparent and properly documented so that it may be checked retrospectively that they have not been influenced by conflicts of interest;
- Act in accordance with the Company's ethical principles expressed in the OSTROJ a.s. Code of Ethics, in accordance with this OSTROJ a.s. Anti-Corruption Code, legal regulations, the Company's internal regulations and ensure the Company's good name is not damaged under all circumstances.

III. Prevention

The Company considers prevention to be a crucial element of its anti-corruption policy, which not only helps employees understand anti-corruption rules, thereby directly contributing to their easier compliance, but also to communicating these rules to business partners to ensure that they adhere to the same anti-corruption standards.

3.1. Clarity and simplicity

The Company strives to ensure the Anti-corruption rules are:

- comprehensible and easy to understand, which is key to their effective compliance; incomprehensible rules may lead to unintentional violations and misunderstandings,
- simple and clear, which will facilitate their introduction into everyday practice.

3.2. Awareness

Emphasis is placed on awareness of the Company's anti-corruption policy not only towards employees, but also towards business partners, other cooperating persons and other external persons. For this reason, the OSTROJ a.s. Anti-Corruption Code is also publicly available on the Company's website www.ostroj.cz.

3.3. Acquaintance

In order for employees to comply with anti-corruption rules, they must be able to navigate what is expected of them and thus be able to effectively prevent incidents which could damage the Company's reputation. The Company therefore familiarises all new employees with the rules and functioning of the Anti-corruption policy as part of the induction training.

3.4. Education

Further education regarding the Company's anti-corruption policy focusses primarily on all technical and administrative employees, as they are in direct contact with corruption risks (e.g. execution of financial transactions, issuing tax documents, negotiations with business partners, negotiation of contracts, etc.) and have decision-making powers. All technical and administrative employees are required to undergo internal training (usually online) at regular intervals, but at least every 2 years, and to successfully pass a test of understanding of this issue.

For employees in blue-collar positions, the Company focusses primarily on training relevant to their job description, e.g., job security, production quality and other specific skills, as they usually have a minimal possibility of getting into a situation where they could be exposed to corruption risks. Nevertheless, it is still true that employees in blue-collar professions are continuously guided to comply with Anti-corruption rules by their superiors so that they are aware of the existence and importance of these rules.

3.5. Selection of employees

When selecting new employees, and especially when selecting job applicants for positions where there is a higher risk of corrupt behaviour (which is primarily considered all leadership positions), the Company places great emphasis on the applicant's moral qualities in order to minimise the risk of corrupt behaviour.

3.6. Screening business partners

The Company also emphasises the selection of its business partners, which is why it has implemented into its internal processes and internal regulations tools for screening potential business partners, which employees are obliged to comply with, and also regularly monitors and evaluates the behaviour and actions of the selected business partners.

Business partners are required to familiarise themselves with and accept this OSTROJ a.s. Anti-Corruption Code or provide other guarantees regarding the adoption of their own internal rules and processes within the anti-corruption rules.

3.7. **Business negotiations**

All business or other (external and internal) negotiations are to be conducted openly and transparently and must take place in a manner which is orderly and appropriate. The purpose is to ensure there is no corruption or any occurrence or suggestion of non-standard activity and unethical behaviour.

IV. Notifications

4.1. Employees are required to report any suspicion of corrupt practices or potential conflict of interest or any suspicion or violation of the OSTROJ a.s. Anti-Corruption Code and to their superior employee (in person, by telephone, by e-mail or in writing).

4.2. The Company supports open communication and active reporting and guarantees employees the greatest possible discretion and protection.

4.3. In accordance with the Whistleblower Protection Act, the Company has implemented the "*Internal Whistleblower System*" to report illegal activity. The Company also has other confidential reporting channels to report any suspicious actions or actions in violation of the OSTROJ a.s. Anti-Corruption Code, as shown below.

- Communication with a senior manager
- Communication with Division/Department Director
- Communication with the Director of Human Resources
- Consultation with the in-house counsel
- The possibility of a personal meeting with the CEO
- Green box
- Satisfaction survey

4.4. All reported cases are adequately processed and investigated and the whistleblower is informed of the result and, as necessary, adequate solutions are adopted (see Article VI.). The Company guarantees that all notifications are assessed objectively, impartially and confidentially.

V. Liability

5.1. The Board of Directors, as the statutory body of the Company, discussed and approved the OSTROJ a.s. Anti-Corruption Code as a binding document for all employees and business partners, with the purpose of demonstrating the Company's commitment to accept and adhere to the set anti-corruption rules and zero tolerance towards corrupt practices.

5.2. Every employee is obliged to comply with the OSTROJ a.s. Anti-Corruption Code and to accept personal responsibility for compliance with anti-corruption rules and the related consequences of non-compliance.

5.3. Members of the Company's management they bear the main responsibility for the fulfilment of the OSTROJ a.s. Anti-corruption Code and, with their own integrity, represent a model of behaviour for themselves and all other employees.

The members of the Company's management are obliged to ensure the implementation of this code in all the Company's activities and processes as well as to monitor and review its implementation and effectiveness.

5.4. Senior employees at all levels of management are obliged to promote an anti-corruption stance, in particular through their own integrity, compliance with legal regulations and the Company's internal regulations, basic CMS documents (especially the OSTROJ a.s. Compliance Code, the OSTROJ a.s. Anti-Corruption Code and the OSTROJ a.s. Code of Ethics) and the promotion of anti-corruption actions, including control compliance with the Anti-corruption Code by subordinate employees.

They are also responsible for:

- for the implementation of the OSTROJ a.s. Anti-corruption Code within the organisational unit it manages,
- for ensuring that employees reporting to him are familiar with, understand and comply with Anti-corruption rules.

Senior employees are obligated to perform their own **assessment of corruption risks on an ongoing basis** within the individual activities of the Company, specifically those which concern them and their subordinate employees, and to continuously take measures to eliminate such situations. If a senior employee evaluates the risk as significant (i.e. one that affects the external and internal activities of the Company or has an impact on the functioning of the Company), he informs his superior, or the in-house counsel, in order to determine the next course of action.

VI. Consequences

6.1. If a violation of the OSTROJ a.s. Anti-Corruption Code is suspected or discovered, an immediate and effective response must be made, according to the seriousness of the detected conduct either by a senior employee, a member of the Company's management or the in-house counsel.

6.2. If a violation of the OSTROJ a.s. Anti-corruption Code is confirmed, it is necessary to inform the CEO and the Board of Directors. They will assess the seriousness and consequences of such a violation and decide on the next course of action.

6.3. The extent of the consequences for the offending employee will be chosen according to the degree of seriousness, social danger and the consequences of such behaviour for the Company, ranging from a reduction in premiums, a letter of reprimand to termination of the employment relationship to the filing of a criminal complaint. A similar procedure is followed in the event of a violation of the OSTROJ a.s. Anti-Corruption Code by a business partner, where sanctions are primarily applied according to the valid and concluded contract and according to regulations for the protection of economic competition and respect for legal regulations against criminal activity.

6.4. A member of the Company's management is also obliged to propose and implement measures to prevent it or minimising the possibility of repetition of the detected infringing

behaviour, e.g., modification of internal regulations, more frequent or detailed training of employees, clear and visible disciplinary measures, change of business partner, etc.

All procedures are recommended to be consulted with the in-house counsel in order to proceed in accordance with legal regulations and to use all legislative options and to comply with the OSTROJ a.s. Compliance Code, and with the Director of the Human Resources Department if labour law penalties are applied to employees.

VII. Final provisions

7.1. The OSTROJ a.s. Anti-Corruption code is binding for all employees of the Company, each of whom may access it within the Company's internal portal, as well as for all business partners and cooperating persons, each of whom may access it on the Company's website www.ostroj.cz.

7.2. The OSTROJ a.s. Anti-Corruption code is regularly checked for effectiveness and updated as necessary.

7.3. The OSTROJ a.s. Anti-Corruption Code was approved by the Company's Board of Directors on 26 November 2024 and becomes valid and effective on the date of this approval.

Ing. Vladimír Trochta
Chairman of the Board of Directors
OSTROJ a.s.