

# **KORADO Company Rules against Corruption and Bribery**

## **Basic Rules and Definitions**

Compliance with the law and acting in accordance with legislation of the Czech Republic is for KORADO, a. s. (henceforth, the “Company”), a fundamental principle. In addition to the laws and regulations of the Czech Republic, all employees must act in accordance with the Company’s own guidelines as well.

The Company has a zero tolerance policy towards corruption and fraudulent or coercive practices in the performance of its activities. These practices may include bribery in order to influence the awarding of a contract or obtaining other benefits, theft or misuse of Company assets, abuse of confidentiality or disclosure of classified information in order to gain an unfair advantage for oneself or someone else.

The Company will not, under any circumstances, tolerate any degree of complicity in corrupt practices among its employees or other parties who have any connection with the Company, as they are defined in these rules.

Terms:

“Fraud” – a deliberate act, committed by one or more individuals among management, persons in a position of authority, employees or third parties, by intentionally misleading another person or concealing material facts for the purpose of obtaining an undue advantage

“Corruption” - directly or indirectly offering, delivering or accepting the offer of a thing of value for the purpose of dishonestly funding an action or inaction of another person

“Bribery” - the provision of monetary resources or non-financial resources for the purpose of obtaining a commercial advantage.

## **Internal Rules Against Corruption and Bribery**

The Company has adopted internal rules against corruption and bribery, which contain the following provisions:

### **Offering and Providing Benefits**

No employee of the Company shall directly or indirectly offer, promise, provide or approve the provision of money or anything of value to a public official in order to influence an official action or negotiation or to obtain an improper advantage. The same principle applies to private businesses with which the Company enters into transactions. They too may not be provided with anything in return for providing an improper advantage. If the provision of any offer, promise, gift or contribution may be construed as an inappropriate attempt to influence a public official or bribe a

business counterpart in order to obtain a business advantage for the Company, no such offer, promise or gift may be given.

### **Requesting and Receiving Benefits**

Company employees are not permitted to use their position at work for the purpose of requesting, claiming, or receiving benefits or any promise of such.

### **Gifts, Entertainment and Social Events**

Gifts, entertainment, and invitations to social events may be offered or accepted only if they are of a very low cost and are offered or accepted as part of ordinary business relations. Financial donations are completely prohibited. The value, nature and frequency of gifts, entertainment or social events must conform to the Statutes of the recipient, the nature and duration of the business relationship, etc.

Gifts, entertainment, and participation in social events may not be offered if they could influence or be perceived to be able to influence the outcome of a business transaction or the performance of a work-related duty, or if they are not transparent, appropriate or appropriately timed and accepted and provided in good faith. A gift, entertainment or social event that violates these rules must be refused by a Company employee. If, however, it is clear that returning or refusing such an offer would be perceived as a serious discourtesy, this gift or benefit may be received with the provision that it would be handed over to the Company, which in turn will ensure that any such benefit be donated to a charity or distributed among a greater number of employees.

### **Offers of Employment**

To avoid the impression that an offer of employment or internship could be considered as corruption, the Company will always invite applications and conduct interviews to fill a working position. Applications or requests from a third party for a position or internship, addressed to a particular person (except for workers in the HR and payroll centre) may be considered as acts with a risk of corruption. The employee affected will forward all further communication to the HR and payroll centre.

### **Contributions to Politicians, Political Parties and Organisations, Charitable Gifts and Sponsorship**

The Company does not give any contributions or donations of a political nature (contributions to politicians, political parties or organisations).

Sponsorship, for which the Company receives advertising, is not considered to be a gift; nor are any contributions to the trade union considered as gifts.

Some gifts are not permitted at all under any circumstances. These include:

- Sponsorship donations to individuals and organisations conducting business for profit
- Donations sent to private accounts
- Donations to organisations whose goals are incompatible with the principles defined by the Company
- Gifts which would damage the company's name or reputation

All donations must be transparent. The identity of the recipient and the intended use of the gift must be known, and the reason and purpose of the gift must be justified and documented.

Sponsorship is any financial or material contribution through which the Company supports an event organised by a third party in return for the ability to promote the Company's name, such as by presenting the Company's logo, mentioning the Company in an opening or closing speech or having a representative of the Company participate in a panel discussion, or printing the Company logo on tickets to the event, etc. All sponsorship contributions must be transparent, provided in accordance with a written agreement and must be used for proper business purposes. The content of the event offered by the organiser must be proportional to the contribution.

### **Avoiding Conflicts of Interest**

Company employees are required to make business decisions in the best interest of the Company, regardless of their personal interests. A conflict of interest arises when an employee engages in an activity that is contrary to the interests of the Company.

Employees must inform their supervisor of any personal interests and the resulting conflict of interest that may arise in the performance of their duties.

### **Protection of Informers**

In accordance with the policy on protection of informers, the Company allows its employees to report possible cases of fraud or corruption as early as possible without fear of reprisal. Claims will be given due attention and will be properly investigated.

The Company's policy on reporting on harmful conduct applies to all manner of fraudulent behaviour or gross negligence in relation to internal and external regulations or rules against market abuse, insider trading or otherwise releasing trade secrets or breaching confidentiality regarding business matters, money laundering, fraud, corruption and bribery.

No employee of the Company or any third party will be demoted to a lower position, or penalised or will suffer any other adverse consequences for refusing to give or receive a bribe or for reporting an actual committed or attempted case of corruption.

Comments, suggestions or ideas concerning a possible violation of the above rules may be given by means of:

- E-mail: [proti.korupcni.linka@korado.cz](mailto:proti.korupcni.linka@korado.cz)
- Boxes located in the area of the NPK on the third floor in front of the canteen