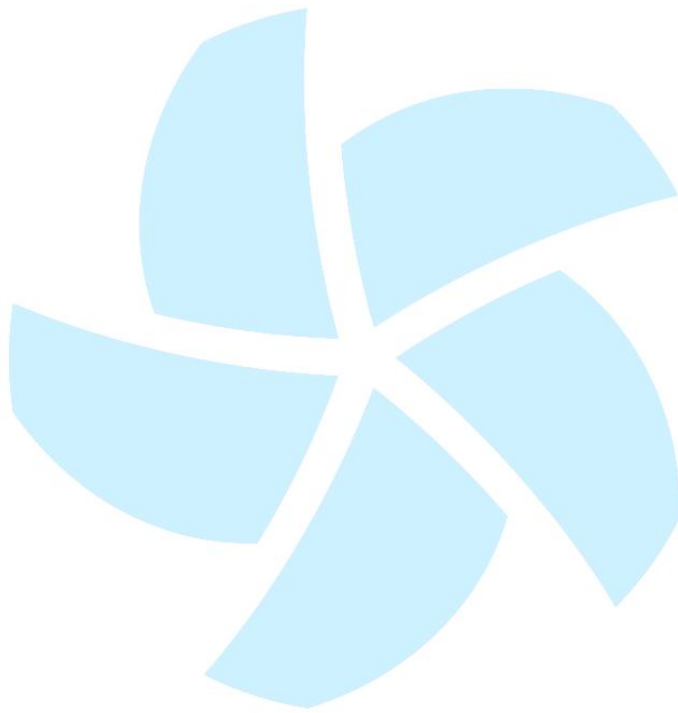


LITOSTROJ GROUP

ANTI-CORRUPTION AND ANTI-MONEY LAUNDRY POLICY



LITOSTROJ
GROUP

1. Introduction

The Policy has been designed to address and mitigate the risks of bribery and money laundering. It applies to all managers (including directors and other officers), employees and other colleagues within the Litostroj Group (“**employees**”) and to certain associated persons (see section 6 below).

2. Aims

The Policy is intended to:

- express the Litostroj Group’s commitment to ensuring that all employees and associated persons act lawfully and with integrity when performing their work;
- contribute to the development of integrity among all employees and associated persons and enhance the Litostroj Group's reputation and its relationships with third parties, both public and private;
- define bribery and how to avoid it, and enable the detection and treatment of bribery; and
- define how to recognize and deal with money laundering.

3. Policy implementation and ongoing management

An anti-bribery and anti-money laundering committee (the “Committee”) is responsible for the introduction and overall implementation of the Policy, including the supervision of training activities. The Committee has three members: one member of the Board of Directors of the company, one member of the Human Resources Department from the Litostroj Group (“HRD”) and the one legal counsel from the Litostroj Group (“LC”).

The Human Resources Department arranges regular training for employees, and other meetings to gain feedback on how the Policy is working.

4. What is bribery?

Bribery means a person, whether acting directly or through an intermediary, giving something to another person as an inducement or reward for the second person (or another person) acting in an improper way. It also means the second person receiving the thing in question. Generally, it does not matter whether the recipient is a public official (home or foreign), business partner, employee or agent. It also does not matter whether the thing in question, the bribe, is a financial or other advantage, or even whether it is actually given or accepted. It is enough to offer, promise, request or agree to receive the bribe. The improper behaviour of the recipient of the bribe (or other person) means such person acting in bad faith, in breach of trust or unfairly for or against any person.

Explanatory questions and answers about bribery are set out in Annex 1.

5. What is money laundering?

Money laundering means converting the proceeds of crime into legitimate property or activities, thus hiding their true source. Money laundering often constitutes a criminal offense, depending on local laws. The activities stipulated below can be regarded as money laundering:

- the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of hiding or disguising the illicit origin of the property or of assisting any person involved in the commission of such activity to evade the legal consequences of that person's action;
- the hiding or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- the acquisition, possession or use of property, knowing, at the time of receipt, that such

- property was derived from criminal activity or from an act of participation in such activity; and
- participation in, association to commit, attempts to commit and aiding, abetting, facilitating or counselling the commission of any of the actions referred to in the bullet points above.

Annex 2 to this Policy contains an indicative list of facts or matters which may give rise to suspicion that a transaction involves money laundering.

6. Associated persons

Depending on the facts, Litostroj Group companies (i.e. legal persons, not individuals) may commit a criminal offence due to bribery committed by persons associated with them. These associated persons could be employees or other persons providing a service to a given Litostroj Group company, such as commercial agents or lobbyists. Such a situation could arise when an associated person bribes another person with the intention of obtaining or retaining a business advantage for the relevant Litostroj Group company.

For the above-mentioned reasons, entry into a contract with an associated person should occur only after a diligent screening intended to verify:

- the scope and nature of the services to be provided by the associated person;
- the business justification of receipt of the services;
- the identity and integrity of the associated person; and
- the overall legitimacy of the initiative.

Before an associated person begins to cooperate with the Litostroj Group, it (or he or she) must:

- read the Policy and complete a statement of familiarisation in the form set out in Annex 3 (choosing whichever is relevant for an employee, an individual third party associated person or a corporate third party associated person), submitting the same by agreed electronic means; and
- legally agree with the relevant Litostroj Group company not to engage in bribery.

The management of any Litostroj Group company may (acting in good faith and with due care) limit the application of the above-mentioned requirement in proportion to the level of risk that any associated person poses to such Litostroj Group company, whether due to the nature of the services provided by such associated person or the value of such services or payment made for them.

Persons engaged as associated persons of any Litostroj Group company must act with integrity and implement adequate measures with a view to preventing bribery.

7. Specific required behaviours

Gifts and hospitality

The giving and acceptance of gifts and hospitality are allowed within the Litostroj Group if they are reasonable, rational, proportionate to goals and are likely to attain those goals. Clearly, concerns will arise where a transaction takes place only as a result of, or in connection with, any gift or hospitality.

In order to determine whether a particular gift or instance of hospitality meets the above-mentioned criteria, an employee or associated person must consider the circumstances in which it is contemplated (including the persons involved, place and timing), together with the reasons for it.

It is prohibited to give or accept any gifts in cash (cash, bank transfer, prepaid cards, etc.) or goods equivalent to cash (gold, jewellery, vouchers, financial instruments, etc.).

The giving and acceptance of a gift or item of hospitality with a value exceeding:

- USD 75 (or its equivalent in any currency) must be reported;
- USD 150 (or its equivalent in any currency) must be approved; or
- USD 300 (or its equivalent in any currency) must be refused or, if received, handed over free of charge for donation to charity.

All above-mentioned reports and requests for approval must be submitted in accordance with the procedure described in Annex 4.

The management of any Litostroj Group company may impose lower thresholds than those set out above, if so required by the laws of the jurisdiction in which such Litostroj Group company is incorporated or operates.

All employees and associated persons of every Litostroj Group company must keep appropriate documentary records relating to giving or accepting gifts and hospitality. These documentary records should faithfully present the actual costs and expenses involved.

[Sponsorship and contributions to associations and entities, trade promotions](#)

No sponsorship of, or donations to, any political party or movement is permitted under the Policy. This includes politicians and any public office candidates.

While our people are allowed to participate in political processes outside of working hours (clarifying that they are not representing us in any way), political involvement on behalf of the Company and Litostroj Group is prohibited.

Any sponsorship of or contributions to associations or other entities, or to trade promotions, will be made only after a diligent screening in order to verify:

- the scope and nature of the sponsorship or contribution;
- the business justification of the sponsorship or contribution;
- the identity and integrity of the recipient; and
- the overall legitimacy of the initiative.

The form and timing of the sponsorship or contribution must be carried out consistently with the terms of the Policy.

[Preparation and control of accounting records](#)

The Litostroj Group has an effective system of internal audits in relation to its accounting books and records.

The Litostroj Group maintains adequate accounting controls in order to provide reasonable assurance that financial statements comply with generally accepted accounting principles and, in any case, applicable legislation and/or IFRS.

Internal control systems include specific controls at different organizational levels, with proper operational implementation.

8. Training

The Human Resources Department organises appropriate training with a view to ensuring that all employees comply with the terms of the Policy.

The training program will be divided per the following employee levels:

- management and employees most exposed to the risk of bribery or money laundering; and
- other employees.

Participation in training sessions, is mandatory for all employees. Training focuses primarily on applicable legislation, the requirements of the Policy and practical ways in which to avoid bribery and money laundering and act with integrity.

The Human Resources Department ensures that all employees are trained at least once every three years.

9. Whistle Blowing

All employees and associated persons must report any irregularities of which they become aware that may constitute bribery or money laundering. Please follow the procedure set out in the Litostroj Group Whistle Blower Policy.

The reporting process is confidential and the person making a report will be fully protected against retaliation and other unfair treatment.

10. Consequences

The Litostroj Group has a zero-tolerance approach to bribery and money laundering. Any employee involved in bribery or money laundering will face disciplinary action and possible dismissal. A contract entered into with any associated person may in such circumstances be terminated.

If a Litostroj Group company becomes aware of possible bribery or money laundering, it may have a legal obligation to report it to relevant law enforcement bodies. The Litostroj Group company will always respect any such reporting obligation.

11. Entry into force

This version of the Policy enters into force and is effective on and from 6 January 2025 and replaces in full any earlier version of the Policy.

Annexes to the Policy:

1. Questions and answers about bribery
2. Indicators for suspicion of money laundering
3. Statement of familiarisation with the Policy
4. Procedure with regard to qualifying gifts and hospitality

Annex 1 Questions and answers about bribery

What is a bribe?

In the context described below, a bribe is a financial or other advantage.

A financial advantage means cash, but it can also mean bank transfers, prepaid cards, gift cards, loans, subsidies, a new or increased asset, a decreased liability, free use of an asset, personal property (e.g. a car, jewellery, valuable glass or porcelain), real property (e.g. an apartment), domestic or foreign travel, or entertainment (e.g. an invitation or ticket to a concert, sporting event or conference).

Other advantages are something that have no financial value, as such, but may satisfy some need or desire, such as an offer of employment, promotion or sexual activity.

Who can commit an act of bribery?

International anti-bribery law, and the Policy, apply to acts carried out by people in the public sector (such as public officials, both at home and abroad) and also the private sector (such as people engaged in business activities, employees and commercial agents).

These people are expected to act properly, which may mean acting in good faith, in a position of trust and/or impartially. If such people act improperly because of a bribe (which may be an inducement to act in a certain way or a reward for having so acted), both the giver and recipient of the bribe will commit an act of bribery.

Is an act of bribery a criminal offence?

Yes. In addition, the giver of a bribe may cause a company to which he or she is connected also to commit a criminal offence, as described below.

Does it matter who accepts the bribe?

No. It is irrelevant whether, in connection with any bribe, the person who acts improperly is the recipient of the bribe or another person.

It is also irrelevant whether the recipient of the bribe can actually influence a decision or action of a public official. So-called trading in influence therefore falls within the scope of international anti-bribery laws and the Policy.

Does the bribe actually need to be given or accepted?

No. Even if a bribe is not actually given or accepted, the offer, promise, request or agreement to receive it is itself an act of bribery and a criminal offence.

Can any financial or other advantage, even of a small value, constitute a bribe?

Yes, if the financial or other advantage is provided to induce or reward improper behaviour, as described above.

Can a gift as an expression of gratitude ever be made to a public official?

As a general rule, employees and associated persons should not give gifts to public officials. It may, however, be possible to give a gift expressing gratitude to a public official if the gift is:

- symbolic and with little actual value;
- offered in a transparent manner;

- not expected by the person holding public office; and
- given only after the conclusion of the relevant actions (not before).

The following gifts are prohibited under the Policy:

- cash or cash equivalents;
- watches;
- collector pens; and
- skiing equipment.

Please seek internal advice before giving gifts to public officials.

What gift or marketing or items of hospitality are allowed?

Please see **Annex 4** with respect to which gifts and items of hospitality are permitted under the Policy, and what financial thresholds require a person to report and/or request consent to offer (or accept) and/or not to offer (or accept) a gift or item of hospitality.

In general, employees and associated persons should carefully consider the circumstances and timing of any gifts and hospitality.

The purpose of a gift or item of hospitality must always be permitted, including the following:

- establishment or maintenance of business contacts;
- care for the image or reputation of a Litostroj Group company; and
- promotion of the goods or services of a Litostroj Group company.

The intentions of the recipient of the gift or item of hospitality must also be considered. Evidence should be sought that the parties involved are acting in good faith and with no intention of acting improperly or having acted improperly.

Finally, it should be determined before any gift is given or item of hospitality is offered, given or accepted whether:

- any tender or similar process of any Litostroj Group company is underway or pending in which the offeror of the proposed gift or hospitality takes part;
- any tender or similar process of the offeree of the proposed gift or hospitality is underway or pending in which any Litostroj Group company takes part; and
- any gift or hospitality has in the past been given or accepted by any of the persons referred to above.

Can a financial or other advantage given through a third-party be considered bribery?

Yes. Bribery can take place when an advantage constituting a bribe is given through a third party. This could be a company that allegedly renders services to the bribing company, only to transfer the bribe to the ultimate recipient. The procedure frequently entails the issue of invoices for the provision of fictitious services by the intermediary company.

What is improper behaviour involving private sector persons?

Examples of improper behaviour include:

- granting preferential treatment in tender proceedings to a bidder whose offer is not the most economically advantageous;

- selecting a supplier according to vague or arbitrary criteria rather than on sound business terms;
- concluding a contract on terms more beneficial to the counterparty; and
- purchasing services where performance is (in whole or part) fictitious.

What is improper behaviour involving public sector persons?

Examples of improper behaviour include:

- granting a contract in tender proceedings, a more favourable feed-in-tariff or higher network charges in breach of relevant rules;
- waiving a fine or other penalty in breach of relevant rules;
- deciding in favour of a party to court proceedings other than as required by the law or facts of the dispute; and
- carrying out a tax audit of a competitor without lawful reason.

Are facilitation payments permitted?

Facilitation payments are payments to a public official to induce or reward the performance of an existing duty, or speed up such performance. They are prohibited under the Policy.

Can a company be held liable if its employee or associated person engages in bribery?

Yes. Under the laws of some jurisdictions (such as the Czech Republic), a company may be criminally liable if an employee or other person providing a service to it (such as a commercial agent or lobbyist) bribes another person with the intention of obtaining or retaining a business advantage for the company.

What are the effects of bribery on employees and associated persons?

Any employee involved in bribery will face disciplinary action and possible dismissal. The contract entered into with any associated person may be terminated.

Any such person will also be at risk of criminal liability. If found guilty of a criminal offence, he or she may face fines and/or imprisonment. A court may also order that person to remedy any financial harm caused.

What are the effects of bribery on the Company (or another Litostroj Group company)?

If an employee or associated person entity engages in bribery, the Company (or other Litostroj Group company) may receive a severe blow to its reputation.

A court may make its judgment public, thereby causing severe reputational damage..

Annex 2

Indicators for suspicion of money laundering

It is not possible to provide an exhaustive list indicating money laundering or scenarios which could be regarded as suspicious in terms of money laundering. The examples below are demonstrative and non-exhaustive matters which might give rise to suspicion of money laundering:

- the transaction has no apparent purpose, makes no obvious economic sense or it is conducted in unusual (nonstandard) circumstances;
- the transaction is required without a reasonable explanation, or is outside the ordinary range of goods or services normally required by the Litostroj Group or is outside of the business or experience of the Litostroj Group;
- the client or business partner refuses to provide any information requested in connection with the purpose of the transaction;
- the ownership structure of the client or business partner appears unusual or excessively complex given the nature of the company's business;
- the client or business partner avoids face-to-face contact or pursues a transaction without certain safeguards, such as electronic signatures;
- the client or business partner extensively uses offshore accounts, companies or structures in circumstance where the client or business partner need not use the same; and/or
- the client or business partner is located in a country which is regarded by the European Commission as having weak anti-money laundering and terrorist financing regimes.

Each employee and associated person should apply business sense to determine whether there may be other reasons giving rise, in respect of any transaction with a client or a business partner, to a suspicion of money laundering.

In case of doubt, if a transaction gives rise to suspicion of money laundering, each employee or associated person may consult the director of the legal department of the relevant Litostroj Group company (or, if none, the LC).

Annex 3
Statement of familiarisation with the Policy

STATEMENT - EMPLOYEE*

I, the undersigned, declare that I:

- have familiarised myself with the Anti-Bribery and Anti-Money Laundering Policy of Litostroj Group, together with its affiliates (the “**Litostroj Group**”) (the “**Policy**”)
- understand the contents of the Policy
- undertake to observe the provisions of the Policy
- understand that any breach of the provisions of the Policy may result in disciplinary action and possible dismissal.

I am also acquainted with the rights of each Litostroj Group company to process my personal data as a data administrator if at any time I am involved in the reporting of irregularities or in any proceedings initiated to determine whether an irregularity took place.

Date:

Name, Surname:

* use as appropriate

STATEMENT - ASSOCIATED PERSON (INDIVIDUAL)*

I, the undersigned, declare that I:

- have familiarised myself with the Anti-Bribery and Anti-Money Laundering Policy of Litostroj Group, together with its affiliates (the “**Litostroj Group**”) (the “**Policy**”)
- understand the contents of the Policy
- undertake to observe the provisions of the Policy
- understand that any breach of the provisions of the Policy may form a ground for contract termination.

I am also acquainted with the rights of each Litostroj Group company to process my personal data as a data administrator if at any time I am involved in the reporting of irregularities or in any proceedings initiated to determine whether an irregularity took place.

Date:

Name, Surname:

* use as appropriate

STATEMENT - ASSOCIATED PERSON (COMPANY)*

I, the undersigned, acting on behalf of the company identified below as its duly authorised representative, declare that I:

- have familiarised myself with the Anti-Bribery and Anti-Money Laundering Policy of Litostroj Group, together with its affiliates (the “**Litostroj Group**”) (the “**Policy**”)
- understand the contents of the Policy
- undertake to observe the provisions of the Policy and to procure that the managers (including directors and other officers), employees and other colleagues of the company identified below observe the provisions of the Policy
- understand that any breach of the provisions of the Policy may form a ground for contract termination.

I am also acquainted with the rights of each Litostroj Group company to process my personal data as a data administrator if at any time I am involved in the reporting of irregularities or in any proceedings initiated to determine whether an irregularity took place.

Date:

Name, Surname:

Company:

* use as appropriate

Annex 4

Procedure with regard to qualifying gifts and hospitality

Gift or hospitality for employee or associated person (offered or accepted)

An employee or associated person must report to a person (the “**ABC Contact Person**”) designated from time to time by the country head of the Human Resources Department the acceptance of a gift with a value exceeding USD 75 (or its equivalent in any currency) or the acceptance of an item of hospitality (paid for by a third party) with a value exceeding USD 75 (or its equivalent in any currency).

An employee or associated person must request approval from his or her ABC Contact Person for the acceptance of a gift with a value exceeding USD 150 (or its equivalent in any currency) or the acceptance of an item of hospitality (paid for by a third party) with a value exceeding USD 150 (or its equivalent in any currency).

If the relevant ABC Contact Person withholds his or her approval of an offered or accepted gift or item of hospitality (paid for by a third party), in each case with a value exceeding USD 150 (or its equivalent in any currency), that gift or item of hospitality must be refused by the employee or associated person. Any gift already accepted in such circumstances must be handed over to the relevant ABC Contact Person of charge for donation to charity.

If an employee or associated person is offered a gift or an item of hospitality (paid for by a third party) with a value exceeding USD 300 (or its equivalent in any currency), that gift or item of hospitality must be refused. Any gift already accepted in such circumstances must be handed over to the relevant ABC Contact Person free of charge for donation to charity. In particular cases justified by circumstances, an ABC Contact Person may grant an exception in writing permitting the employee or associated person to accept and retain the gift or receive the item of hospitality.

Gift or hospitality for third party (offered or given)

An employee or associated person must report to his or her ABC Contact Person any gift or item of hospitality offered, given or granted (paid for by a Litostroj Group company) with a value exceeding USD 75 (or its equivalent in any currency).

An employee or associated person must request approval from his or her ABC Contact Person to offer or give a gift or offer or grant an item of hospitality to a third party (paid for by a Litostroj Group company) with a value exceeding USD 150 (or its equivalent in any currency).

An employee or associated person must not offer or give a gift or offer or grant an item of hospitality to a third party (paid for by a Litostroj Group company) with a value exceeding USD 300 (or its equivalent in any currency). In particular cases justified by circumstances, an ABC Contact Person may grant an exception in writing permitting the employee or associated person to offer or give the gift or offer or grant the item of hospitality.

Reporting and request approval form

Forms for reporting the offer, acceptance, giving or granting of, or requesting the approval of an ABC Contact Person with respect to, any of the above-mentioned matters can be found as described in the Appendix below. The form must be submitted by agreed electronic means.

In considering whether to grant any approval, the relevant ABC Contact Person) must take the following matters into consideration:

- the business justification of the proposed gift or item of hospitality:
 - establishment or maintenance of business contacts;
 - care for the image or reputation of a Litostroj Group company; or
 - promotion of the goods or services of a Litostroj Group company;
- the identity of the person(s) to whom (or from whom) the gift or item of hospitality is offered, accepted, given or granted;
- the identity of any relevant affiliate or connected person of such person(s); and
- the circumstances and timing of the proposed gift or grant of hospitality, in particular whether:
 - any tender or similar process of any Litostroj Group company is underway or pending in which the offeror takes part;
 - any tender or similar process of the offeree is underway or pending in which any Litostroj Group company takes part; and
 - any gift or hospitality has in the past been given or accepted by any of the persons referred to above.

Forms for reporting the offer, acceptance, giving or granting of

Applicant Information	
Name and Surname	
Job Position:	
Contact	Telephone number:
	Email:
Category	
Gift/Hospitality: <i>(select one category)</i>	<input type="checkbox"/> Reporting Form (75 USD - 150 USD) <input type="checkbox"/> Reporting Form (150 USD - 300 USD) <input type="checkbox"/> Reporting Form (above 300 USD)
Details on Gift/hospitality	
What was the gift or item of hospitality?	
Accepted or given when: (date)	
The total cost was:	
The unit cost (per person) was:	
If you are the recipient: Who offered the gift or item of hospitality?	
If you are the giver: To whom was the gift or item of hospitality offered or given?	
Please specify what the business justification of the proposed or actual gift or item of hospitality is (choose any applicable box):	
Other important information	
Attachments <i>(attach any written evidence such as an invoice)</i>	
Place, date:	
Signature:	