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POLICY OF REPORTING AND DOCUMENTING UNETHICAL, FRAUDULENT AND CRIMINAL CONDUCT

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REGULATION NUMBER – IP 06

CONTENTS

1.	Introduction.....	3
2.	Definition of terms	3
2.1.	Whistleblower	3
2.2.	Person charged with investigation	5
2.3.	Compliance employee	5
2.4.	Investigation	5
2.5.	Unethical conduct.....	5
2.6.	Criminal conduct/activity	5
2.7.	Fraudulent conduct	5
2.8.	Corruption conduct - bribery.....	6
2.9.	Evidence	6
3.	Basic principles of reporting, investigating and documenting of unethical, fraudulent and criminal conduct.....	6
3.1.	Primary evaluation of a notification	7
3.2.	Start of investigation	8
3.3.	Course of investigation.....	8
4.	Verification and documenting of notifications, written and other materials	9
4.1.	File records	9
5.	Termination of investigation	10
6.	Managing large and complex cases (major criminal activity).....	10
7.	Coordination with the Legal department (lawyer).....	11
8.	Proposal for corrective measures.....	12
9.	Final report - reporting	12
10.	Annual report of the Compliance officer activity	13
11.	Rules and principles of investigation	14
11.1.	Principle of unified investigation management.....	14
11.2.	Principle of independent investigation	14
11.3.	Principle of prompt and effective investigation	15
11.4.	Principle of continuous reporting.....	15
11.5.	Principle of awareness and principle of zero tolerance	15
11.6.	Principle of objectiveness and adequacy.....	16
12.	Conclusion	16

1. Introduction

This policy of TSC Group/TSC GROUP, a.s. concern (hereinafter as “TSC Group or TSC GROUP, a.s. concern”) rules a uniform approach for reporting, investigating and documenting of unethical, fraudulent and criminal conduct.

The purpose of this uniform procedure of unethical or illegal conduct investigation is to:

- ❖ ensure that any reporting is dully and independently examined and investigated;
- ❖ establish a uniform approach of investigation in TSC Group;
- ❖ establish a uniform records of all notifications and investigated incidents;
- ❖ avoid any parallel (double) investigation at multiple points;
- ❖ avoid cases in which a justified notification could be postponed or otherwise thwarted;
- ❖ ensure the option to monitor the investigation development of reported incidents and to ensure a summary of their frequency and importance;
- ❖ ensure a support by the Compliance Officer;
- ❖ create suitable preventive measures.

2. Definition of terms

2.1. Whistleblower

A whistleblower can be any employee, member of the statutory body, manager, director, leader and cooperating person of the company belonging to TSC Group who notifies any unethical, fraudulent or crime conduct. In case a term “employee” is separately used in this codex, such terms includes also above mentioned persons.

Below defined business companies are the individual companies belonging to TSC Group:

- ❖ **TSC Cleaning, a.s.**, with official address at Stodolní 316/2, 702 00 Ostrava – Moravská Ostrava 253 68 907, VAT NO.: CZ 253 68 907, registered in the Trade Register at the Regional Court in Ostrava, section B, file 4249 (hereinafter only as “**TSC Cleaning, a.s.**”),
- ❖ **Leastex, a.s.**, with official address at: K Myslivně 2140/61, Poruba, 708 00 Ostrava, Id. No.: 451 92 731, VAT NO.: CZ 451 92 731, registered in the Trade Register at the Regional Court in Ostrava, section B, file 434 (hereinafter only as “**Leastex, a.s.**”),

- ❖ **TSC Services, s.r.o.**, with official address at: Balcarova 1716/4, Moravská Ostrava, 702 00 Ostrava, Id. No.: 471 50 831, VAT NO.: CZ 471 50 831, registered in the Trade Register at the Regional Court in Ostrava, section B, file 3804 (hereinafter only as “**TSC Services, s. r.o.**”);
- ❖ **TSC Hospital, s.r.o.**, with official address at: Stodolní 316/2, Moravská Ostrava, 702 00 Ostrava, Id. No.: 268 72 561, VAT NO.: CZ 268 72 561, registered in the Trade Register at the Regional Court in Ostrava, section C, file 40981 (hereinafter only as “**TSC Hospital, s.r.o.**”);
- ❖ **TechClean, s.r.o.**, with official address at Slovenská 1085/1a, Přívoz, 702 00 Ostrava, Id.No.: 607 77 541, VAT NO.: CZ 607 77 541, registered in the Trade Register at the Regional Court in Ostrava, section C, file 6866 (hereinafter only as “**TechClean, s.r.o.**”);
- ❖ **TSC Clena, s.r.o.**, with official address at: Slovenská 1085/1 a, 702 00 Ostrava – Přívoz, Id.No.: 278 57 239, VAT NO.: CZ 278 57 239, registered in the Trade Register at the Regional Court in Ostrava, section C, file 31936 (hereinafter only as “**TSC Clena, s.r.o.**”);
- ❖ **TSC Job, s.r.o.**, with official address at: Stodolní 316/2, Moravská Ostrava, 702 00 Ostrava, Id. No.: 049 95 694, registered in the Trade Register at the Regional Court in Ostrava, section C, file 68577 (hereinafter only as “**TSC Job, s.r.o.**”);
- ❖ **TSC Jet, a.s.**, with official address at: Stodolní 316/2, Moravská Ostrava, 702 00 Ostrava, Id. No.: 109 52 101, VAT NO.: CZ 109 52 101, registered in the Trade Register at the Regional Court in Ostrava, section B, file 11330 (hereinafter only as “**TSC Jet, a.s.**”),
- ❖ **TSC Marketing, s.r.o.**, with official address at: Stodolní 316/2, Moravská Ostrava, 702 00 Ostrava, Id. No.: 142 15 748, VAT NO.: CZ 142 15 748, registered in the Trade Register at the Regional Court in Ostrava, section B, file 88300 (hereinafter only as “**TSC Marketing, a.s.**”),
- ❖ **TSC Facility, s.r.o.**, with official address at Stodolní 316/2, 702 00 Ostrava – Moravská Ostrava, Id. No.: 607 11 175, CZ 607 11 175 registered in the Trade Register at the Regional Court in Ostrava, section C, file 72003 (hereinafter only as “**TSC Facility, s.r.o.**”);
- ❖ **TSC Spectre, s.r.o.**, with official address at Stodolní 316/2, 702 00 Ostrava – Moravská Ostrava, Id. No.: 055 92 968, CZ 055 92 968 registered in the Trade Register at the Regional Court in Ostrava, section C, file 68263 (hereinafter only as “**TSC Spectre, s.r.o.**”);
- ❖ **TSC Cleaning, s.r.o.**, with official address at: Ladislava Hudeca 2A, 974 01 Banská Bystrica, Slovak Republic, Id. No.: 51 868 661, VAT No.: 212 081 85 02, Id.No., VAT No.: SK2120818502, registered in the Trade Register at the Regional Court in Žilina, section Sro, file 70604/L (hereinafter only as “**TSC Cleaning, s.r.o.**”).

TSC GROUP	Document type: Internal regulation - IP 06		
Version: 2	Print number: 1	Version effective since: 1. 6. 2022	Page 5 z 17

2.2. Person charged with investigation

The Compliance officer is charged with the investigation.

2.3. Compliance employee

An employee who is charged with the performance and supervision of CCP program of TSC Group as well as with the compliance risks evaluation.

2.4. Investigation

Investigation is a procedure which aims to find and document all important circumstances and findings of facts and evidences related to the investigated case (incident). Dully secured documentation and evidences serve to evaluate and decide whether the reported suspicion is unjustified or if corresponding corrective measures and sanctions will be proposed based on such evidences or if a criminal liability can be imposed on the suspect employee (cooperating or third person).

2.5. Unethical conduct

A conduct that breach the Code of Ethics of TSC Group (see internal regulations of the Group - Code of Ethics or Criminal Compliance program Code). A conduct that grossly breached moral principles and basics of good manners, work discipline, preferring personal interests above TSC Group's interests, bullying, aggressiveness, alcoholism and similar are considered as unethical conduct.

2.6. Criminal conduct/activity

It means an activity against TSC Group's interests or employees of TSC Group that meets signs of a crime (see the Act No. 40/2009 Coll., the Criminal Code, as amended). A crime act is an illegal act that the Criminal Code designates as being criminal and that shows signs stated in this Code.

2.7. Fraudulent conduct

Any conduct with conscious use of error, misleading, concealment, suppression or omission of some circumstances through which an employee (cooperating person) or a company obtains illegal financial, property or other advantage and thus causes a damage to TSC Group of material or immaterial nature (for example a harm to goodwill, breach of business secret and know-how etc.) is considered as the fraudulent conduct by TSC Group.

2.8. Corruption conduct - bribery

The term of corruption is not defined by the Czech law, but the corruption conducts can include, pursuant to the Act No. 40/2009 Coll., the Criminal Code, among others, so-called bribery crimes made namely through a bribe reception (§ 331), bribe offering (§ 332) and indirect bribery (§ 333). Any unjustified advantage consisting in direct property enrichment or another advantage that is given to or shall be given to a bribed person or with his/her approval to another person and for which there is no legitimate title can define a bribe. It usually means a direct material benefit that can be material or immaterial or it can be an advantage of another kind, for ex. a counter service.¹

2.9. Evidence

Anything that can contribute to clarification of the case within examination, for example testimony, investigation, documents etc. can be considered as an evidence. A fact that any law enforcement body (for ex. Police of the Czech Republic) does not search for an evidence is not the reason for refusal of such evidence.

¹See more details in the Group internal regulation "Anti-corruption Program".

Credibility and persuasiveness of the evidence is always assessed by a court and if an evidence is not provided by a law enforcement body (where the presumption of correctness and objectivity is assumed) it is necessary to prove the correctness and objectivity of such evidence.

3. Basic principles of reporting, investigating and documenting of unethical, fraudulent and criminal conduct

A core interest of TSC Group is to ensure that any illegal conduct related to the Group's activity (or its individual companies) or any illegal situation is immediately detected to effectively avoid its further duration or spreading and to dully investigate and examine its occurrence and circumstances. In summary this all represents an effective mechanism of elimination (prevention) of illegal conduct.

In case an illegal conduct or situation is found all employees of TSC Group are obliged, with regard to specific circumstances of that case, to make any possible effort that can be reasonably requested to stop, limit or avert any its harmful effects and to ensure its adequate remedy.

Any notification of a crime committed or any illegal conduct or suspicion of such activity shall be notified through the policy "Reporting of harmful conduct - Whistle Blowing". An employee who bona fide reports any (alleged) illegal conduct and who made no offence him/herself, shall not be afraid of any recourse for reporting such case. In case an employee has participated him/herself in such breach and with his/her voluntary reporting he/she prevents possible damages, such action will be regarded on his/her favor. Any consciously false report will be subsequently solved with its originator.

In case of a report made to direct superior he/she shall accept such reporting and immediately inform the Compliance Officer in person or through the whistleblowing. A written records shall be made on such reporting!

The Compliance officer collects all reports, processes individual suggestions and evaluate them. The Compliance officer decides on further procedure of individual suggestions settlement and performs subsequent internal investigation. The Compliance officer is obliged to perform a bona fide investigation to promptly and objectively investigate the incident. During the investigation the Compliance officer shall namely observe:

- ❖ legal regulations, internal regulations and ethical rules, namely to observe moral rights and freedoms of all employees,
- ❖ rules of confidentiality and necessary objectiveness,
- ❖ principles of professional skepticism,
- ❖ effective perform the investigation so that the incident is investigated and closes as promptly and objectively as possible,
- ❖ professional impartial approach, including rules of good manners² in investigation, interviews and contacts with employees or third parties,
- ❖ ensure and provide methodical support or directly cooperate with other functions and divisions/companies of TSC Group in investigation and clarification of reported incidents.

3.1. Primary evaluation of a notification

An adequate attention in original phase shall be paid in the process of evaluation of notification of unethical, fraudulent or criminal conduct and in decision of investigation starting:

- The Compliance Officer who receives the notification of unethical, fraudulent or crime conduct or suspicion of such conduct commitment is obliged to verify all relevant information related to the notification; namely whether such notification is sufficiently justified;
- The Compliance Officer shall verify and record, if necessary, any material or immaterial damage;
- The Compliance Officer shall perform necessary measures to avoid any imminent damages.

² See more in Code of Ethics of TSC Group.

3.2. Start of investigation

After initial measures the Compliance officer starts further steps of investigation - tasks to clarify illegal or crime conduct. The Compliance officer is entitled to ensure any necessary documentation and other evidences and information that are available at this stage and are relevant for the incident investigation. In terms of investigation tasks as well as during the investigation of applied notifications it is not possible to give any instructions to the Compliance officer or to affect his/her activity and objectivity. The investigation is ruled by the principle of objectiveness and adequacy.³

3.3. Course of investigation

Tasks related to the investigation shall always be performed through the Compliance Officer.⁴

No employee who is informed on criminal or fraudulent activity is not entitled to perform own arbitrary investigation. Performance of immediate and unrepeatable tasks in order to get evidences or to avoid further damages can be exception from it. The employee is obliged to always consult such procedure with his/her superior or to address directly the Compliance Officer.

No information on the whistleblower, suspect employee or course of investigation shall be presented or made available to anybody else than to authorized and determined persons (i.e. for ex. statutory bodies of relevant companies, etc.). Any information shall be processed and conserved with professional prudence and confidentiality.


The Compliance Officer who is charged with the investigation shall perform continuous and immediate following steps:

- ❖ recording propose steps- tasks of investigation for received notification,
- ❖ insertion of relevant evidence and material documentation to the received notification

³ The actual state of affairs shall be objectively checked and all case circumstances shall be investigated with adequate means with total care of human dignity and rights of investigated employees/persons. Decisions shall be based on reliably detected state of affairs for which there are no reasonable doubts. The file materials shall show what evidences the Compliance officer has provided and how.

⁴ If needed for the investigation under progress, the Compliance officer is entitled to ask for necessary cooperation also from other departments or companies of TSC Group or to ask for a performance of necessary task.

- ❖ records partial⁵ investigation results,
- ❖ records all measures adopted in relation with found illegal action.

	Document type: Internal regulation - IP 06		
	Version: 2	Print number: 1	Version effective since: 1. 6. 2022

4. Verification and documenting of notifications, written and other materials

Exact identification, verification and due administration of all relevant documents and evidence materials are principal. Anything that can be used to clarify the case can serve as an evidence. Process of evidences collection and verification shall be dully and correctly documented. It is necessary to ensure that all evidences are provided so that it will be possible to use them in case of criminal legal steps against the possible offender (employees or third parties).

The Compliance officer obtains evidences in accordance with valid legislation.⁶

The Compliance officer ensures relevant documents, evidences, objects, records and collects all information related to the incident that are saved in designated (“electronic”) file.

The Compliance officer prepares a list and registration of found documents, evidences, objects, records etc. with description where, from whom and under what circumstances they were obtained and provided. The list shall always be integral part of final report.

The Compliance officer ensures the performance of interviews/interrogation with relevant employees, witnesses or third parties and shall ensure a record of performed interview, usually a written one that will also be part of file and final report.

⁵ Partial results are such information on investigation that can considerably affect the direction and the nature of investigation or can enlarge the investigation with further persons and companies. Partial results are for example records on interviews, interim report on the matter status or important documents confirming that the conduct is really in contradiction with the law or internal regulations of TSC Group.

⁶ Namely in accordance with provisions of § 89 of the Act No. 141/1961 Coll., the Code of Criminal procedure (the criminal procedure).

The Compliance officer saves documents, records, interrogations and lists above without undue delay in, for example, an electronic file⁷ kept for the relevant investigated case.

4.1. File records

The Compliance officer is obliged to keep relevant file documentation - so called “File” for every received notification on suspected illegal or criminal conduct. The file can be maintained in printed or electronic form whereas in both cases it is necessary to avoid access of unauthorized persons to the file.

The Compliance officer is obliged to record following data in every newly established file:

- ❖ when the notification was made (exact date and time),
- ❖ who made the notification (in case the Compliance officer knows the identity of the whistleblower) - name, surname, title of company and designation of work position,
- ❖ brief description of illegal conduct concerned,
- ❖ to establish the file content.

The Compliance officer shall insert the notification with all relevant information and evidence material into the relevant file documentation. The Compliance officer is obliged to continuously complete the file with all relevant documents, evidences and other means collected during the investigation. In case of notifications that closely relate and the Compliance officer finds it suitable, he/she can establish and maintain the so-called "Joint file".⁸ The Compliance officer keeps the established file separately from other files with defined shredding period of 10 years.

5. Termination of investigation

The Compliance Officer decides on the termination of verification (investigation) of received notification in case when:

⁷ We propose to keep it in electronic form (for example in a program of Compliance/Intranet etc.). In case it is not technically possible, incidents can be recorded in printed form of which the administration is ensured and monitored by the Compliance officer.

⁸ Mostly these are notifications made by various whistleblowers related to the same conduct and same person/persons.

- ❖ notification is not found reasonable and the case is postponed,⁹
- ❖ the file archives all relevant evidences for further investigation of the incident,
- ❖ all necessary measures related to the notification are adopted and recorded and no further investigation is needed.

6. Managing large and complex cases (major criminal activity)

In case a major criminal activity or large loss where more functions or departments of TSC Group seem to be probably affected and in other major cases below the investigation is always methodically managed by the Compliance Officer or with a representative of the Board of Directors or the Supervisory board of TSC GROUP, a.s. if needed.

Specialized investigation tasks made by the Compliance Officer can be made, based on the authorization by this Compliance Officer, in cooperation with other functions/subjects (for ex. the Legal department - cooperating lawyer etc.). The Compliance officer is obliged to immediately inform members of the Board of directors of TSC GROUP, a.s. in such specific cases (summary of specific cases):

- ❖ incident has affected a larger group of clients or the public,
- ❖ investigated case relates to bribery and corruption,
- ❖ there is a risk of intervention in criminal procedure by law enforcement authorities and other public administration bodies,
- ❖ cases relate directly or indirectly to top management of that company,
- ❖ more departments or companies of TSC Group are affected and an investigation coordination is necessary,
- ❖ legal risk - there is a risk of criminal charge, accusation, high compensation,
- ❖ there is a serious reputation risk or case medialization,
- ❖ cases that can have or have their character of organized crime activity of several persons,

⁹ For ex. in case the Compliance officer finds out that false facts are concerned due to which the notification is groundless based on the assessment of applied notification.

- ❖ cases in which an assistance of independent third subject (lawyer, tax advisor etc.) is needed.

In case a crime is confirmed, the Compliance officer shall ensure, in cooperation with the Legal department - cooperating lawyer - necessary documentation for criminal complaint presentation at the relevant public prosecutor or police body.

7. Coordination with the Legal department (lawyer)

In case a criminal activity is found or documented or legal or internal regulations are breached the Compliance officer asks for cooperation with the Legal department (or cooperating lawyer) in order to ensure the procedure related to a risk of criminal complaint against TSC Group (related company) or investigated employee or cooperating person.

In case a criminal complaint is applied the Compliance officer cooperates with the Legal department (cooperating lawyer) in order to present relevant documentation and evidences related to the incident investigated by law enforcement bodies.

Then the Compliance officer, in cooperation with the Legal department (cooperating lawyer), upon the request of relevant law enforcement body, asks relevant departments/companies of TSC Group for completion and provision of requested documentation or possible testimonies of relevant employees.

The Compliance Officer ensures the completion of information on applied criminal complaint in relevant file documentation related to the examined case.

8. Proposal for corrective measures

The Compliance officer, based on case circumstance, proposes adoption of possible corrective measures or sanctions to the statutory body of the relevant company, ex.:

- ❖ reduction of wage (variable portion of the wage),
- ❖ compensation of damages or other immaterial damage,
- ❖ termination of employment,
- ❖ application of criminal complaint,
- ❖ withdrawal from the contract with the business partner,
- ❖ change/adaptation of organizational measures and normative measures etc.

The Compliance officer shall also record measures and proposal in the file documentation kept for the relevant case without undue delay unless they are separate part of the final report.

9. Final report - reporting

Following the case investigation termination the Compliance officer prepares a final report that is integral part of the documentation and evidences related to the examination and provision of evidences, or can refer to the list of documentation and evidences and state where such file documentation is saved.¹⁰

The final report shall contain complete and complex information on the course and results of investigation, conclusion and proposals for corrective measures resulting from the investigation results or due justification why no measures were adopted or why the investigation was stopped/postponed if appropriate.

The report shall contain following basic points:

- ❖ contents,
- ❖ introduction (description of what happened, where it happened, who notified it and based on what facts),

¹⁰ See notes - electronic file or other material storage.

- ❖ summary information on investigation and its results,
- ❖ description of the course of investigation,
- ❖ proposal for corrective measures within the context of found deficiencies, or explanation why no corrective measures were adopted/why the investigation was stopped/postpone,
- ❖ list of relevant document, evidences and other relevant material with reference of their storage,
- ❖ short conclusion.

In case an interview with an employee was made by a third person, witness or other persons, outputs of such interview are enclosed to the final report as its integral part.

Such prepared report can serve as a base for statutory bodies of relevant company or possible application of criminal complaint to law enforcement authorities or to provide results of investigation to other public administration bodies. Before the hand-over of such report to these bodies the Compliance officer is obliged to discuss the report with the Legal department - or the cooperating lawyer and the statutory body of the company of TSC GROUP, a.s.

The Compliance officer shall always save the final report in the relevant file related to the investigated incident.

The Compliance officer also sends the final report to following bodies, as necessary:


- ❖ statutory body of the company TSC GROUP, a.s.
- ❖ statutory bodies of concerned company belonging to TSC Group
- ❖ Legal department of the concern.

The report shall always be marked as confidential so that the requested anonymity of the whistleblower and the case of possible offender can be fully ensured.

The Compliance officer does not issue the final report in case the received notification was found unjustified and the suspicion was not further investigated anymore. The Compliance officer is obliged to record such fact in the relevant file documentation.

10. Annual report of the Compliance officer activity

In addition, the Compliance officer is obliged to present, once per year, a written report on his/her activity to the statutory body of the ("mother") company TSC GROUP, a.s.

	Document type: Internal regulation - IP 06		
	Version: 2	Print number: 1	Version effective since: 1. 6. 2022

This report shall contain following basic data at least:

- ❖ total number of received notifications for past year,
- ❖ number of concluded investigations,
- ❖ number of investigations in progress,
- ❖ finding of procedural or organizational deficiencies,
- ❖ proposed corrective measures and reviews related to internal documentation,
- ❖ number of notifications handed-over to law enforcement bodies,
- ❖ brief summary of status of notifications handed-over to law enforcement bodies (i.e. whether an accusation was made, what is the status of court proceedings, what securing measure was imposed, what penalty was imposed, whether an appeal was lodged etc.).

11. Rules and principles of investigation

11.1. Principle of unified investigation management

A Compliance officer who is skilled in investigation and knows valid legislation related to criminal issues shall perform the investigation.


The Compliance officer is responsible for coordination, implementation and organization of investigation within the criminal conduct (criminal responsibility of legal persons), ethical conduct and anti-corruption conduct. For this purpose he/she closely cooperates with all members of TSC Group and their top managements. Such cooperation shall be namely focused on the creation of effective prevention and reduction of risk of illegal (criminal) conduct that could be attributed to TSC Group or its members. Thus he/she strives for creation of “risk map” that he/she continuously monitors and updates 1 per year at least.

The Compliance officer is entitled to perform investigation of all TSC Group companies for the purpose of control of due implementation of proposed measures reducing the risks of illegal or criminal conduct at all members of the Group, and that all processes of investigation are duly set and effectively performed, objectively with full examination of rights of all relevant persons.

11.2. Principle of independent investigation

The activity and position of the Compliance officer, being the investigation body, is independent, regardless the type of investigated case or position or classification of suspect employee in any department or company belonging to the group. Thus the independent Compliance officer reports his/her outputs once per year to the top management (members of the Board of Directors) of TSC GROUP, a.s. at least.

An extern subject (for ex. cooperating lawyer) can be charged with the investigation if needed (for ex. provided there is risk of conflict of interest or any doubts regarding the independence of the Compliance officer).

	Document type: Internal regulation - IP 06		
	Version: 2	Print number: 1	Version effective since: 1. 6. 2022

11.3. Principle of prompt and effective investigation

Every employee of TSC Group who is informed on illegal, criminal or unethical conduct or has suspicion of such conduct, is obliged to immediately inform the Compliance officer or his/her direct superior. The employee/direct superior shall immediately record the incident or suspicion through the so-called whistleblowing.

Employees of TSC Group are obliged to provide investigating Compliance officer with immediate cooperation (for ex. securing and handing-over of documentation that is important to clarify such incident, to explain it etc.).

The effectiveness and promptness of performed investigation shall result in a clear result, i.e. whether the incident did happen or not, whether any criminal or other illegal conduct is concerned (administrative delict or offence), whether it was caused intentionally or by negligence, human error or process error and what it had an impact on the Group or a third person (aggrieved person).

11.4. Principle of continuous reporting

Quality and timely reporting namely includes continuous informing on performed investigation, continuous evaluation and processing of final report with proposal of adopted corrective measures. Partial findings and conclusions of the investigation are continuously and without undue delay are sent to the top management (statutory body of relevant company as well as “mother” company TSC GROUP, a.s.).

Final report is one of the most important part of investigation based on which basic decisions are made and corrective measures are adopted (sanctions and other measures, securing of documentation for law enforcement bodies etc.).

Any information on investigation is confidential and is covered with confidentiality principle!

11.5. Principle of awareness and principle of zero tolerance

Employees of all departments of all companies belonging to TSC Group shall take part in the status and level of prevention and detection of illegal conduct, i.e. the environment which discourages possible offenders from preparation, attempt or any part in criminal conduct.

For this purpose all companies belonging to TSC Group develop and coordinate their education (training) system for employees that relate to criminal conduct, illegal conduct, bribery, frauds etc., including related educational programs (for ex. e-learnings and workshops). They organize workshops in which interested

employees can share and exchange their experience from the field of prevention, detection and reaction to possible illegal conduct. Only thus it is possible to conform to requirements of the Act No. 418/2011 Coll. on the criminal responsibility of legal persons and proceedings against them for possible absolution of their possible criminal liability pursuant to § 8, art.5 of this Act.

Employees shall be (shortly and generally) informed on examined illegal conduct and its result.¹¹ Such information should include also a brief statement of performed measures, and unambiguous declaration that such conduct is not and will not be tolerated by TSC Group anyhow.

11.6. Principle of objectiveness and adequacy

The state of examined affair shall be objectively checked and all case circumstances shall be investigated with adequate means with total care of human dignity and rights of affected employees (or all involved persons). Resulting decisions on corrective measures adoption shall be based on reliably detected state of affairs for which there are no reasonable doubts.

12. Conclusion

The Act No. 418/2011 Coll. on the criminal liability of legal persons and proceedings against, in terms of the Act No. 183/2016 Coll., its provision § 8, art. 5 states that “the legal person is released from its liability in case it proves that it made all reasonable efforts to avoid committing such illegal crime by persons stated in art.1.¹²

¹¹ For example through a report in Intranet - company web, section Compliance/Compliance Officer.

¹² § 8, par. 1 of the Act on the criminal liability of legal persons: A crime committed by a legal person is an illegal crime committed in its interest or within its activity if such conduct was made by:

- a) statutory body or a member of statutory body, or any other person of managerial position within the legal person who is authorized to act on behalf of the legal person (member of the Board of Directors or the Supervisory Board),
- b) person of managerial position in the legal person who performs managerial or control activities in such legal persons even he/she is not a person mentioned in a) - (for ex. department director, manager/director etc.).
- c) a person who has decisive influence on the management of this legal person in case his/her action was one condition of a base for criminal liability of the legal person at least (among other, for example shareholders of joint stock company or associates of limited liability company), or

It shall be noted that the issue of so-called Criminal Compliance is not defined nor regulated in detail by the law, however in case of a crime action the law enforcement bodies will be interested in this area as the Compliance programs are referred by the Prosecutor General's Office in its methodology 1 SL 123/2016 (review from 14. 8. 2018 in art. 1 SL 141/2017).

Structured and comprehensible rules and standards on how to avoid illegal actions and other kinds of unethical conduct, including description of investigation processes, help to create a highly ethical environment as well as to discourage any possible offender from preparation, attempt or commitment of such crime as only thus it will be possible to comply with presumptions for absolution of possible collective criminal liability in terms of prevention, detection and reaction to such illegal conduct.

This Policy has been approved by the Board of Directors of the ("mother") company TSC Group, a.s. and is subject to regular annual review based on which it can be updated or modified if needed.

^{d)} employee or person of similar position for the performance of work tasks, event he/she is not a person mentioned in letters a) to c).

A person in similar position can be an employee performing tasks for the company of TSC Group or TSC Group based on a contract for services, or for work, an employee representing the Group based on his/her trade license or any agency employee etc.