
Policy for Accepting and Providing Gifts and Similar Performances

(hereinafter the “Policy”)

A. Preamble

The purpose of this Policy is to strengthen the trust of the general public, business partners, existing and potential clients/customers towards the TTC Group and its Employees. The purpose of this Policy is to protect the Employees of the TTC Group, its clients/customers and business partners by setting forth transparent and adequate rules of conduct for accepting and providing gifts and similar performances. These rules shall ensure the prevention of conflict of interests, conflict with the law and with the internal regulations of each TTC Group company, in particular in the area of corruption and bribery, though it should also take into account the importance of establishing good business and client relations between the TTC Group, its Employees, clients, customers and business partners.

This Policy sets forth binding unified rules that shall serve as a preventive measure against any criminal sanctions imposed on the TTC Group companies and their Employees. Compliance with this Policy and the rules contained herein is required of all members of elected bodies of the TTC Group companies and of all Employees of the TTC Group companies. The principles set forth in this Policy also pertain to third parties acting in the name or as the representatives of the TTC Group companies, and also in cases, in which the TTC Group could be bound by the acts of third parties or could be in any manner responsible for them.

This Policy applies to purely professional relationships, and not to relationships of private nature.

B. General Conditions and Limitations for All Gifts and Entertainment

1. Members of bodies of the TTC Group companies and the Employees may, within the performance of their activities for the TTC Group, neither require provision of any gift or entertainment nor offer them to any third party, with the exception of cases set forth below in this Policy.
2. All made or accepted offers for gifts or entertainment shall be assessed in accordance with the criteria set forth below. These are set in the form of this Policy as a basis for everyone who makes decisions or has to evaluate whether an offer of a gift or entertainment (made or accepted) is acceptable, and fully in accordance with the interests and policies of the TTC Group. The criteria are in particular the following:
 - (a) they must be within the limits of general decency, restraint and common sense;
 - (b) in the case of publication, they may not compromise the TTC Group in any manner (and thereby damage its goodwill and good reputation);
 - (c) they may not breach the law or be in conflict with the internal regulations and policies of the TTC Group;
 - (d) they may not be of the nature of a bribe/corruption (unauthorized advantage to which no legitimate right exists);
 - (e) they may not induce a feeling of dependency or so-called “in return” conduct;
 - (f) they may not influence a professional approach and objective opinion of any Employee of a TTC Group company in relation to the donor, or in any other manner leading to a possible conflict of interests;
 - (g) they may not be a requested performance or counter-performance;
 - (h) any form of “adult entertainment”, gift, entertainment or any other events including nudity or obscene conduct are impermissible;

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- (i) the acceptance and providing of gifts in the form of cash (or equivalent to cash, such as gift vouchers or certificates, coupons, etc.) are strictly prohibited. The exceptions are possible under the fulfilment of all the following conditions:
- the gift is of a minor value not reaching the set limits; and
 - a prior approval by the respective Compliance Officer or statutory body of the respective TTC Group company was granted (in the case of a member of statutory body of a TTC Group company, the approval must be granted by the TTC Group Compliance Officer).
3. The principles of this Policy also apply to accepting performances based on donation contracts and inheritance.
4. No Employee may request or accept in any manner any benefit based on a testament or a donation contract from third parties (clients, customers, business partners), with whom the Employee is in a professional relationship. The Employee shall refuse any promise of a future benefit based on a testament or a donation contract. Should the Employee learn that a client, customer, business partner named the Employee as his or her testamentary heir or a beneficiary under a donation contract, the Employee shall immediately notify the respective Compliance Officer, or a statutory body of his or her company; in case the Employee is also a member of a statutory body of a TTC Group company, the Employee shall notify the TTC Group Compliance Officer and expressly refuse or waive such performance.

C. Financial Limits for Gifts and Entertainment

1. For gifts and entertainment of minor value (business, representative or advertising items) or gifts as a common “social favour, – so-called I don’t expect anything in return”, a maximum limit of **CZK 1,500** for each such gift or entertainment is set. This limit applies to both providing and accepting gifts and entertainment.
2. The maximum highest value of all gifts or entertainment may not exceed the limit of **CZK 5,000** for each Employee, third party and a calendar year. This limit applies separately for the provided and for the accepted gifts or entertainment. There is always a separate limit for each third party (performances relating to different third parties are thus not cumulative). For entertainment in which several third parties are involved, the costs for the limit are calculated proportionally according to the number of participants for each third party. The limits apply for each Employee (performance provided/accepted by different Employees are thus not cumulative).
3. Both above-mentioned limits shall be complied with simultaneously, and should exceeding any limit be imminent, the respective Compliance Officer or statutory body of the respective TTC Group company (in the case of a member of statutory body of a TTC Group company, the approval must be granted by the TTC Group Compliance Officer) shall be contacted for prospective approval of exceeding the limits.
4. When calculating the overall value of any particular gift or entertainment offered (provided), the value of each gift or entertainment need not be calculated down to the smallest detail; it is sufficient if the respective Employee realistically estimates an average value usual for such a gift or entertainment at the given time and place. In case of any doubts, the Employee shall address directly the respective Compliance Officer or statutory body of his or her TTC Group company; in case the Employee is also a member of statutory body of a TTC Group company, he or she shall inform the TTC Group Compliance Officer.
5. Limits for a third party are not cumulative, the limit always applies to one Employee and one third party (which means a particular subject, not its members/employees); in case the third party is a company, the Employee of a TTC Group company has one limit for the entire company.
6. Limits specified in this section do not apply in cases a TTC Group company holds organized events for a larger number of clients/customers (suppliers, purchasers, business partners, etc.), for which

statutory body of that TTC Group company set forth and approved a specific budget, following a discussion with the TTC Group Compliance Officer.

D. Approval of Exceeding Limits

1. A prior written consent of the respective Compliance Officer or a statutory body of the respective TTC Group company (in the case of a member of statutory body of a TTC Group company, the approval must be granted by the TTC Group Compliance Officer) is required, if:
 - (a) there is an actual danger that the set limits would be exceeded, or they are apparently to be exceeded;
 - (b) it is unclear whether a particular gift or entertainment may be provided or accepted;
 - (c) the Employee believes that making an exception of the limits is reasonable, e.g. in the case of an important client/customer (business partner), if there are justifiable and rational reasons.
2. In the cases under paragraph 1, the Compliance Officer (or a statutory body) shall decide based on an application (see **Annex No. 7** to the CCP), where the Employee duly explains all the circumstances of providing/accepting the gift or entertainment, describes his or her personal relationship with the third party, and specifies the exceptional circumstances justifying the acceptance or provision of the gift or entertainment. The respective application then forms an integral part of documentation for approval of an exception.
3. The Compliance Officer (or a statutory body) shall approve such application only provided all the remaining conditions and principles set forth in the Policy are also complied with. If necessary, the Compliance Officer (or a statutory body) may set forth further conditions for exceeding the set limits.
4. With respect to the fact that transparency is in these cases essential, all decisions on exceeding the limits (granting an exception) shall be in writing, duly justified and documented. The records of such decisions shall be archived for at least 3 years after being issued.
5. Copies of all approved and not approved applications for exceeding the limits within the competence of each TTC Group company shall be sent to the TTC Compliance Officer for information and record keeping immediately, no later than within 3 days after the decision.
6. Any approval by the Compliance Officer (or a statutory body) shall neither replace nor cancel the fundamental rules, principles and limitations set forth in this Policy. An Employee requesting an exception remains fully responsible for any adverse effects associated with accepting or providing the gift, as the approval granted by the Compliance Officer shall not absolve the Employee of his or her responsibility for compliance with the internal regulations of the TTC Group and the law relating to this matter, including associated sanctions.

E. Gifts and Entertainment Within a Tender

1. The provision and acceptance of any gifts or entertainment in relation to third parties participating in any future, existing or unfinished tender (application) procedures, i.e. until the respective contract is signed, is strictly prohibited.
2. The provision or acceptance of a usual form of hospitality (refreshments) which in its nature corresponds to the duration of negotiation/proceedings, forms part of a basic act of decency and politeness and it is not contrary to the above provision.
3. For example, accepting an invitation to lunch from a third party who participates in a yet unfinished tender (the respective contract has not yet been signed) is inadmissible. The provision of small refreshment (sandwiches, desserts, or a coffee break) for all participants in the tender in a meeting regarding the conditions of the tender is admissible and in accordance with this Policy.
4. All members of the evaluation committee in tender (application) procedure are strictly prohibited from providing and accepting gifts or entertainment in the relation to third parties involved in the tender (application) procedure, even after the signature of the respective agreement.

F. Public Authorities' Representatives

1. Members of bodies and Employees of any TTC Group company who are in contact with the officials or who are involved in an ongoing control/inspection/trade may not provide/accept gifts or entertainment in relation to representatives of public authorities involved in the ongoing control/inspection/trade.

G. Discounts from Clients/Customers (Business Partners)

Discounts provided by clients/customers (suppliers, purchasers or business partners) to the Employees of a TTC Group company privately are admissible, but only if such discounts do not exceed the discounts provided by the client/customer (supplier, purchaser or business partner) to its other best customers.

H. Charity Donations and Sponsoring

1. Charity donations and sponsoring are a recognized form of improving the image of the TTC Group. However, they must always be based on the interests of the TTC Group, and not on the private interests or benefits of the persons making the decision.
2. In the case of charity donations and sponsoring, financial gifts may be an admissible exception to the fundamental rule of providing and accepting gifts, but always following an approval by the respective Compliance Officer or statutory body of the respective TTC Group company (in the case of a member of statutory body of a TTC Group company, the approval must be granted by the TTC Group Compliance Officer). The "We Help Together" Program, having its own rules and control mechanisms, forms an exception.
3. The party making the request shall submit the contractual documents relating to charity donations for statement and approval or to the respective persons (bodies) specified in the preceding paragraph. In such cases, the set financial limits for gifts determined in Section C. and application specified in **Annex No. 7** to CCP shall not apply.

I. Political Contributions

1. The TTC Group does not provide any contributions to political parties, movements, organizations, state, self-administration or administrative bodies and institutions, or any contributions to events organized by such subjects or in their support.
2. No exceptions to this principle are admissible.

J. Prohibition to Circumvent the Rules

1. The rules set forth by this Policy for the acceptance and provision of gifts and similar performances shall be primarily complied to as regards their meaning and purpose, not their verbatim wording.
2. With regard to the above principle, any form of circumventing the meaning and purpose of this Policy (e.g. accepting a gift by a family member of an Employee or by a person close to the Employee, purposive dividing the gift or entertainment below the set limits, etc.) is prohibited.
3. Any gifts or entertainment offered directly to family members of a TTC Group company Employee in relation to the activities of the TTC Group are unacceptable (unless these form charity donations as a part of support to employees in emergency or a critical life situation).
4. Gifts provided in the form of services, performances or other non-monetary (immaterial) benefits or profits (e.g. a promise of employment) promised for the future are also inadmissible.

K. Monitoring, Counselling and Consultations

1. The TTC Group Compliance Officer (unless stipulated otherwise) is entitled ("authorised") to perform regular inspections of compliance with the rules set forth by this Policy (e.g. perform investigations regarding justification of accepting gifts or entertainment), and the TTC Group

Compliance Officer may further approve exceptions of the set limits and provide more detailed interpretation of the rules set forth by this Policy, etc.

2. In the case of doubts, the Employees of TTC Group companies may turn to their line managers or directly to the respective Compliance Officers with their inquiries or doubts regarding the application of rules under this Policy.

L. Consequences of Violations of Rules

Failure to comply with the rules set forth in this Policy may be the reason for applying labour law measures and sanctions or a criminal law sanction imposed on the respective Employee.

M. Final Statements

Should any person violate the above rules, he or she harms the TTC Group and its Employees.