

**LINET** Group



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**LINET Group**

**COMPLIANCE PROGRAM**

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## 1 INTRODUCTION

LINET Group (hereinafter the Company) is committed to establishing and maintaining an effective Compliance Program. Our Compliance Program is one of the key components of our commitment to the highest standards of LINET Group stated in Code of Ethics/Code of Business Conduct.

The purpose of our Compliance Program is to prevent and detect non-compliance or violations of law, non-compliance with industry regulations, product non-compliance and violations of company policies and procedures. Implementation of such a program cannot guarantee that improper employee conduct will be entirely eliminated. Nonetheless, it is Company expectation that employees will comply with Code of Ethics/Code of Business Conduct and other key policies. In the event that Company becomes aware of violations of law or company policy, we will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

Company has described below the fundamental elements of Compliance Program, which is tailored to fit the unique environment of the Company. Moreover, our Compliance Program is dynamic; we regularly review and enhance our Compliance Program to meet our evolving compliance needs.

## 2 OVERVIEW OF COMPLIANCE PROGRAM

### 2.1 Leadership and Structure

The LINET Group management has responsibility for developing and monitoring of the Compliance Program. CEO/MD of every entity within LINET Group is responsible for compliance with all applicable laws and regulations, as well as for employee training and active monitoring of compliance.

### 2.2 Written Standards

Company's Corporate Governance, Code of Ethics/Code of Business Conduct, Anti-Corruption, Anti-Fraud program is an expression of the company's expected standards of behavior for everyone who conducts business on behalf of the Company. The governing policies establish compliance responsibilities, supports applicable laws and regulations, and reinforces corporate policies and procedures. The above mentioned LG policies articulate our fundamental principles, values and framework for action within our organization.

## 2.3 Education and Training

A critical element of our Compliance Program is the education and training of our employees on their legal and ethical obligations under applicable requirements. Company is committed to taking necessary steps to effectively communicate our standards and procedures to all affected personnel. Moreover, Company will regularly review and update its training programs, as well as identify additional areas of training. All the compliance e-learnings developed by the LINET Group are mandatory and must be renewed annually.

## 2.4 Reporting non compliance

Company is committed to encouraging dialogue between management and employees. Our goal is that all employees, when seeking answers to questions or reporting potential instances of fraud and abuse, should know to whom to turn for a meaningful response and should be able to do so without fear of retribution. To that end, we have adopted principles regarding confidentiality and policies prohibiting retaliation as outlined in the Company Code of Ethics/Code of Business Conduct. Employees are expected to report suspected violations by contacting the Internal Audit Department, Legal Department, or Human Resources, via phone + 420 312 576 100, or email us at [compliance@linetgroup.com](mailto:compliance@linetgroup.com). Contact information should be used for any queries, comments or requests for printed copies of this policy.

## 2.5 Auditing and Monitoring

Company's Compliance Program includes efforts to monitor, audit, and evaluate adherence to the company's compliance activities. The nature of our reviews as well as the extent and frequency of our compliance monitoring and internal auditing varies according to a variety of factors, including new legal or regulatory requirements, changes in business practices, and other considerations.

## 2.6 Responding to potential violations and corrective actions

Company's Compliance Program strives to ensure that the consequences of violating the law or company policy are clearly understood and the appropriate, consistent disciplinary action is enforced. Additional efforts are underway to create a Compliance Program that increases the likelihood that unlawful and unethical behavior is identified and prevented. However an effective compliance program may not prevent all violations. As such, our Compliance Program requires the company to evaluate each case and respond promptly to potential violations of law or company policy, take appropriate disciplinary action, assess whether the violation is in part due to gaps in our policies, practices, or

internal controls, and take action to prevent future violations.

## **2.7 Related LG Policies**

LG Corporate Governance

LG Code of Business Conduct

LG Anti-Fraud program

LG Anti-corruption policy

## **3 NON COMPLIANCE**

All Individuals are required to adhere to this Policy. Failure to comply may result in disciplinary action up to and including termination from employment for cause, termination of contract, and civil penalties and/or criminal sanctions, depending on the circumstances.

## **4 POLICY APPROVALS**

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Approved by Ing. Zbyněk Frolík, Managing Director LINET Group SE, Dr. Michael Rosada, Managing Director LINET Group SE

## REVISION HISTORY

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1	Document ID change, #2.7 added, LGSE replaced by LINET Group	November 2015	LG Management Board
2	2.6 Change wording, 2.4 Change heading and wording	February 2017	LG Management Board
3	Added section #3 Non compliance, Formal section #3 merged with point 2.4	April 2017	LG Management Board
4	Sections 2.1, 2.2, 2.3 changed	May 2018	LG Management Board
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