



Code of Ethics

TESCO SW a.s.

Preamble

TESCO SW (hereinafter referred to as "TESCO SW"), its employees and responsible persons, support ethical behavior and understand the need to develop a reliable, safe, high-quality and affordable IT solutions and software tools, build positive relationships with business partners and customers, create fair dealing and prevent crime; for this purpose, they accept, recognize and share this Code of Ethics of TESCO SW (hereinafter referred to as the "Code of Ethics") as an expression of respect and consideration for recognized ethical principles, rules and regulations. The same obligations are recognized and shared by personnel acting on behalf of TESCO SW.

Article 1

Basic provision

1. The purpose of this Code of Ethics is to define and adhere to generally accepted ethical principles, to build positive relationships with customers and business partners, and to refrain from any infringement with an emphasis on eliminating or reducing the risk of criminal liability arising from:
 - a. of Act No. 418/2011 Coll., on criminal liability of legal persons and proceedings against them,
 - b. as amended by Act No. 105/2013 Coll.,
 - c. of Act No. 141/2014 Coll.,
 - d. of Act No. 86/2015 Coll.,
 - e. of Act No. 375/2015 Coll.,
 - f. of Act No. 135/2016 Coll.,
 - g. of Act No. 183/2016 Coll.,
 - h. of Act No. 455/2016 Coll.
 - i. and Act No. 55/2017 Coll. (hereinafter referred to as the "Act on Criminal Liability of Legal Entities").

These risks are briefly described in Article 9 of this Code of Ethics.

2. TESCO SW and all its employees and responsible persons in their actions emphasize the rights and interests of customers and business partners and comply with the laws of the Czech Republic; in particular, any form of discrimination is prohibited. Employees and responsible persons of TESCO SW are obliged to act in such a way as not to damage the good name and reputation of TESCO SW. The unequivocal and obvious interest of TESCO SW is to carry out its activities with a high degree of respect for ethical norms and rights and in no case to participate in or benefit from criminal activity or to cause property or non-property damage to another.
3. TESCO SW takes care of reliable, fair and trustworthy conduct, especially towards its customers. The actions and behaviour of individual employees and responsible persons are closely connected with the good reputation of TESCO SW.
4. TESCO SW expresses zero tolerance for criminal offenses committed by employees or persons responsible; they must not take part in any conduct that is associated with corruption and do not in any way support

albeit passively, a corrupt environment. It is prohibited to directly or indirectly offer or provide unauthorized benefits to third parties for the purpose of influencing or rewarding the service provided or to accept such benefits, except for ordinary symbolic gifts (eg stationery, key chain, notepad, etc.) provided or received under common business practice.

5. In its activities, development and implementation of software solutions and tools, TESCO SW, as well as its individual employees and responsible persons, with the highest standard of personal and professional approach, act in particular honestly, responsibly, with respect and in accordance with good morals. Employees and responsible persons are obliged to act on behalf of TESCO SW always with due care, professional care and respect for legal regulations, and internal regulations of TESCO SW including this Code of Ethics. In case of ambiguity regarding the decisions issued by TESCO SW as, instructions of responsible persons or ambiguities in terms of interpretation of generally binding or internal standards, employees and responsible persons are obliged to request all necessary information or expert opinions to minimize the risk of their excess or violation. binding rules, albeit in the form of negligence.
6. The basic principles of anti-corruption conduct are set out in Annex No. 1 to this Code of Ethics.
7. TESCO SW has introduced the so-called Compliance program, as a comprehensive preventive tool to prevent criminal activity of legal entities. The initial documents of this program are "Analysis of risks associated with criminal liability TESCO SW ... " and the related "Proposal of measures to eliminate the risks arising from the legal regulation of ZTOPO within TESCO SW ". These documents were accepted and are stored on the company's intranet and accessible to authorized persons.

Article 2

Relationship with the state and citizens

1. All company official documents are kept in accordance with the relevant legislation, in particular TESCO SW takes care of the proper protection of accounting documents.
2. TESCO SW keeps its accounting in such a way that it always contains true and accurate information about economic results. TESCO SW pays taxes properly and on time and avoids any conduct that could be considered tax evasion. TESCO SW considers payment of other statutory mandatory costs. for granted.
3. TESCO SW completely rejects child and forced labor. Nor will it practice any form of exploitation or slavery or practices that restrict the free movement of workers.
4. TESCO SW actively cooperates with public authorities; always provides them with relevant complete in a timely manner and true information. TESCO SW also voluntarily publishes information on its activities and activities on a voluntary basis, in particular on its website; communicates with the public through designated persons in an open and transparent manner.
5. TESCO SW, its employees and responsible persons behave in such a way that no ecological damage occurs. At the same time, employees and responsible persons recycle waste and protect the environment during their work procedures.
6. TESCO SW does not provide any gifts or undue advantages to political parties, political movements, politically active persons, or other entities that are closely related to political parties.
7. TESCO SW supports charitable activities according to its abilities and capabilities. It also sponsors charitable events or matters of public benefit. TESCO SW does not provide gifts or other benefits to for-profit organizations or organizations that do not comply with the principles set forth in this Code of Ethics or that pose a risk to the reputation of TESCO SW Sponsorship agreements are always concluded in writing and under transparent conditions.

Article 3

Relationship with customers

1. TESCO SW as well as its individual employees and responsible persons always perform quality and professional work so that customers are satisfied. TESCO SW provides high quality services for which it is fully responsible

8. TESCO SW acts so as not to harm customers. In the event that there is a risk of damage to the interests of customers, TESCO SW informs about this fact in an appropriate form so that customers know about this risk.
9. When offering their services to customers, TESCO SW its employees and responsible persons communicate true, undistorted and complete information, provided in a clear and comprehensible form. They also answer all customer questions in the same way. TESCO SW does not commit misleading adverts.
10. TESCO SW fulfils its obligations under the law and refuses to accept commitments which it would be unable to meet.
11. TESCO SW undertakes not to disclose confidential information about them without the consent of customers, unless otherwise provided by law.
12. TESCO SW, its employees and responsible persons always treat customers politely and helpfully, correctly and with due professional care.

Article 4

Relationship to the owner

TESCO SW acts in the interest for which it was established by its owner and regularly informs its owner of its strategy, current financial situation and results achieved; it diligently applies the principles of honesty, accountability and transparency in management.

Article 5

Relationship to business partners

1. TESCO SW its employees and responsible persons also deal with their business partners professionally and fairly and build mutual trust.
2. TESCO SW consistently fulfils the agreed contractual conditions and refuses to accept obligations that it would not be able to meet.
3. TESCO SW maintains trade secrets and respects the confidentiality of information about its business partners.

Article 6

Relationship to employees

1. Management of TESCO SW commits to comply with the rules according to which:
 - a. fully respects the rights of its employees and recognizes their privacy, personal values and needs,
 - b. actively makes available all information that employees should know or need to know about their work,
 - c. actively supports the regular training of its employees,
 - d. continuously provides an adequate and motivating work environment and takes care to preserve its dignity,
 - e. voluntarily provides adequate space for its employees who want to actively participate in the development of TESCO SW and are interested in participating in decision-making,
 - f. properly ensures the necessary safety and health protection at work,
 - g. recruits new staff on the basis of non-manipulated competitions; employees are recruited according to their qualifications, abilities and skills,
 - h. fairly rewards its employees for their work and provides employee benefits according to its capabilities.

2. Employees undertake to comply with TESCO SW rules according to which:

- a. always act in favour of TESCO SW and act so as not to damage the good name of TESCO SW; they are obliged to respect and protect its good name,
- b. conscientiously observe not only the valid legal regulations, but also internal regulations and undertake to actively ascertain the topicality of the relevant regulations that they need to perform their work,
- c. manages the entrusted property with due diligence; do not misuse the entrusted funds for their private purposes, unless otherwise agreed between TESCO SW and the employee,
- d. prevent the possibility of conflict of own interests with the interests of TESCO SW or its partners, in particular they may not use their position in TESCO SW , information or business contacts obtained in the course of work for TESCO SW to enrich oneself or another or to perform work for suppliers and competitors, unless the activities permitted in paragraph 4 letter c); in the event of a conflict, never prioritizes his/her own, resp. personal interest and immediately inform their superior,
- e. pay attention to security protection when using IT systems and data processing.
- f. maintain the confidentiality of the know-how of TESCO SW, respect the copyrights of others and protect other forms of intellectual property, even after the termination of employment,
- g. do not misuse internal and confidential (inaccessible to the public) information (according to the company's classification) or business contacts obtained in connection with their work for their own benefit or for the benefit of another person or for other than business purposes; handle this data with care and due care,
- h. in no case do they offer, promise or provide gifts and other unauthorized benefits to third parties or persons, unless those are promotional items provided with the knowledge of the management of TESCO SW or those are small gifts or entertainment in the ordinary course of business and by no means accept or require them,
- i. take care of their appearance and professional growth,
- j. without undue delay reports suspicions of serious violations of the Code of Ethics, violations of criminal law, as well as other legal regulations,
- k. make proper use of working hours to perform the assigned tasks and approach their work conscientiously and creatively,

3. Employees undertake to respect the rules towards each other according to which:

- a. treat their colleagues with respect, respect each other's rights and do not bother them with inadmissible proposals; smoking is permitted only in designated areas,
- b. respect the opinions of others as well as communicate with each other in a friendly manner,
- c. superiors avoid any harassment of employees; this also applies to subordinates towards their superior,
- d. supervisors trust their subordinates, impose clear and achievable goals, and encourage a sense of responsibility.

4. Employees are further entitled

- a. to make complaints, proposals, suggestions and other submissions drawing attention to unethical conduct or proposing measures for improvement,
- b. to apply for training that will enhance their skills or is related to the position held,

- c. to perform secondary activities without the prior consent of his / her superior only if it is a scientific, pedagogical, journalistic, literary or artistic activity, administration of one's own property, holding an honorary position, or if this activity will not have a negative impact on TESCO SW's business policy or the performance of tasks entrusted to employees.
5. Employees are obliged to refuse actions or activities that could lead to a crime commitment, could commit violations of legal regulations or internal standards of TESCO SW.

Article 7

Intellectual property

1. TESCO SW respects and protects the copyrights, licenses or information of others and protects other forms of intellectual property.
2. TESCO SW protects confidential information which is not accessible to the public and which relates to its business and the development of electronic solutions and tools.

Article 8

Criminal liability of TESCO SW - mandatory information and rules

1. The Act on Criminal Liability of Legal Entities stipulates that a company may be prosecuted for the actions of its employees and responsible persons.
2. TESCO SW is criminally liable if the offense was committed by an employee in the performance of his duties or by a responsible person in his interest or in the course of his activities, if such a criminal offense can be attributed to him.
3. An offense can be attributed to a company if it was committed by the actions of a responsible person; however, the company shall be exempted from criminal liability for such conduct if it demonstrates that it has made all the efforts that could reasonably be required of it to prevent such conduct. An offense can also be attributed to a company if it was committed by an employee:
 - a. on the basis of a decision, approval or instruction of the responsible person
 - b. because the responsible person has not taken measures that:
 - i. should be performed under another law; or
 - ii. may be reasonably required, in particular, it has not exercised compulsory or necessary control over the activities of employees or other persons to whom they are superior, or has not taken the necessary measures to prevent or avert the consequences of the offense.
4. In case of doubts regarding an instruction or decision of their superior, employees are entitled to assess the compliance of such decision or instruction with legal regulations, the Code of Ethics or other internal standards of TESCO SW. In case of suspicion that employees could commit a criminal offense by such conduct, they are entitled to request an instruction or decision in writing.
5. The Act on Criminal Liability of Legal Entities does not regulate what specific measures the company should take. Failure to act poses risks of company criminal liability. For this reason, all employees and all responsible persons are obliged to properly and demonstrably study Annex No. 1 to this Code of Ethics - Basic Principles of Anti-Corruption behaviour.
6. Every employee and every responsible person is obliged to become acquainted with the risks listed in the List of Risk Behaviours. If, however, such an employee in the performance of work tasks or a responsible person in the interest of TESCO SW or as part of its activities, commits a criminal offense, it is his / her excess, in which TESCO SW does not participate in any way.
7. Responsible persons and senior employees of TESCO SW are obliged to review and verify the existence of appropriate and effective measures designed to prevent the risk of criminal liability of TESCO SW.

Employees and responsible persons are obliged to report the risks of criminal liability to a designated person - the Compliance Manager.

8. The Act on Criminal Liability of Legal Entities requires responsible persons to know the legal regulations and internal regulations of TESCO SW, to reconsider their every decision and to be prudent in their actions towards the employees of TESCO SW.
9. The criminal liability of the company is not prevented if it is not possible to determine which specific natural person acted.

Article 9

Indications of criminal activity

TESCO SW its employees and responsible persons should consistently perceive indicators of illegal, criminal and corrupt conduct (hereinafter referred to as "indicators"). Their higher presence is not yet proof, but it should lead to increased attention of employees and responsible persons. Specific indicators are listed in Appendix No. 1 to this Code of Ethics.

Article 10

Relationship to competition, tenders and public procurement

1. TESCO SW complies with the rules of fair trade and does not abuse its market position. TESCO SW undertakes not to conclude any agreement restricting or distorting public procurement.
2. In the event that TESCO SW is bidding for a public contract, it always submits a bid with true data. When it detects any non-standard procedure in a procurement procedure, it shall notify the competent authorities of this fact, in particular the requirements for granting an undue advantage to a person acting on behalf of the contracting authority.
3. TESCO SW also does not damage or use the good name of the competition and does not try to obtain information about the business of the competition in an insidious way.
4. The basic principles of conduct of TESCO SW employees in the preparation and participation in public procurement procedures are set out in the document "Principles of conduct in the award of public contracts", stored on the company's intranet.

Article 11

Accepting complaints, expressing concerns

1. Employees and all responsible persons have the right to make complaints, proposals, suggestions and other submissions highlighting:
 - a. suspicion of committing a criminal offense,
 - b. violation of legal regulations,
 - c. violation of the Code of Ethics,
 - d. conduct encouraging corruption or corrupt behaviour itself,
 - e. settling personal accounts with colleagues or business partners,
 - f. provision of unethical and false information,
 - g. a proposal for improvement or other submissions.

These submissions can also be made anonymously. TESCO SW ensures that such submissions will be treated in confidence. It is also possible to report other facts that the employee considers relevant.

2. In order to be able to report suspected violations of the Code of Ethics, the TESCO SW Ethics Line is established and is available on the company's website. All the rules and other necessary information for its use are listed there. Part of this Ethics Line is a web form, through which it is possible to report suspicions or concerns about violations of the Code of Ethics, internal standards, laws and, if necessary, to submit an initiative to improve the functioning of the company.
3. In the event that an employee points out in good faith the unethical conduct of his colleague or the situation in TESCO SW, this notification will not have a negative effect on his employment relationship. Part of the whistleblower protection is the prohibition of retaliation against the whistleblower.
4. In case of justified complaints, TESCO SW undertakes to ensure appropriate redress and to take measures to prevent recurrence.

Article 12

Final provisions

1. TESCO SW, its employees and responsible persons undertake to comply with all principles set out in this Code of Ethics in their activities and work. The company tries to apply the same principles to external entities (suppliers, business partners) through the Compliance contractual clause.
2. The employee actively strives to promote ethical conduct in the workplace. Responsible persons and managers act in such a way as to set an example for other employees, which leads to honesty, decency and personal responsibility. In the same way, all superiors towards their subordinates must be a role model.
3. Responsibility for the full implementation of the Code of Ethics rests with the company's statutory body, which must ensure that all employees and responsible persons are acquainted with the Code of Ethics and that they confirm their commitment to the Code of Ethics in an agreed manner.
4. Employees and responsible persons must be properly and demonstrably trained in the provisions contained in this Code of Ethics, as well as in the risk of the occurrence, prevention and prevention of criminal liability of TESCO SW. The company undertakes to carry out this training on a regular basis.
5. Abuse of any right to the detriment of the other party is prohibited. Proof that a person has not exercised his or her right in good faith is also considered a violation of the Code of Ethics.
6. TESCO SW refuses to tolerate any violation of the principles of the Code of Ethics. Employees and responsible persons are aware that their decisions and actions may expose themselves and the company to criminal or civil penalties, so they must act in such a way that they do not commit criminal offenses and do not violate the laws and internal regulations of TESCO SW.
7. All employees and all responsible persons of TESCO SW are obliged to follow the Code of Ethics. Violation of the standards of the Code of Ethics by employees or responsible persons will be considered a breach of work duties and as such will be punished in accordance with the relevant provisions of the Labour Code. Compensation for any damage will be resolved in accordance with the relevant provisions of the Labour Code, or of the Civil Code.
8. TESCO SW is aware that the Code of Ethics needs to be continuously supplemented, developed and updated. The company's clear and unequivocal commitment is in no way to allow crime.

Appendix No. 1 – Basic principles of anti-corruption behaviour

Article 1

Corruption and conflict of interests

1. The concept of corruption is not defined by the Czech law. But as amended by Act No. 40/2009 Coll., Criminal Code, it is still possible to classify a bribe (§ 331), bribery (§ 332), indirect corruption (§ 333), misconduct in insolvency proceedings (§ 226), breach of regulations on competition rules [§ 248 para. 1 let. e)], negotiating an advantage in public procurement, in public tender and public auction (Section 256 (1) and (3)); b) and c)], or misleading at public auction [§ 258 para. 1 let. b) and c)]. Also, for example, offenses involving the breach of duty in the management of a foreign property (§ 220 and § 221) and misuse of information and position in business relations (§ 255) can be classified as offenses that have signs of corrupt behaviour in certain special situations.
2. Conflicts of interests are often referred to in the context of corruption. Interests in this context mean:
 - a. on one hand, the personal (private) interests. The personal interest being that which brings the person a personal advantage
 - b. on the other hand, corporate interests, public interests, etc., that individuals are required to enforce or defend as a result of their position or function.
3. The fact that there is a potential conflict of interest does not automatically exclude a third party from business relationships. However, if there is a conflict of corporate interest with personal interest, the subject of these interests must not favour his or her personal interest over the interests he / she is required to promote and defend. At the same time, however, it must be clear from this situation that this third party has not received any advantage as a result of its relationship with TESCO SW. For this reason, the following procedures are generally determined for situations where there is a risk of conflict of interest:
 - a. the employees concerned are obliged, to the extent permitted by law, to report to their superiors a situation leading to a real or suspected conflict of interest;
 - b. the superiors of the employees concerned are then responsible for resolving the actual or suspected conflict of interest;
 - c. a person with a conflict of interest may not participate in or be otherwise involved in the decision to which the conflict of interest relates;
 - d. the resolution of conflicts of interest must be properly documented;

Article 2

Objectives of anti-corruption efforts

1. The aim of anti-corruption efforts is to ensure an environment in which corrupt practices are rejected and property protection is emphasized.
2. Organizational clarity, appropriately set responsibilities, good internal and external communication, and overall transparency of some processes are among the systemic conditions for achieving the objectives. Furthermore, it is essential that all employees of TESCO SW comply with the laws and internal documents, are aware of the importance of ethical principles in their work and follow them. Management of TESCO SW must promote actions that refuse corruption, emphasize the importance of protecting state property, and minimize the damage that is caused by others. Management of TESCO SW must act as a role model of good behaviour.
3. The issue of fighting corruption is also part of the systematic training of employees in the Compliance program. To do this, you need to train

- a. new employees (induction; handing over an obligatory minimum);
 - b. employees of TESCO SW holding positions with increased risk of corruption (periodic education);
 - c. executives (deepen their ability to identify early signs of corrupt conduct or environment and take adequate measures to minimize them).
4. Obligatory minimum is understood as an explanation of the concept of corruption, types of corruption, possible areas of corruption occurrence, punishment of corrupt behaviour, practical examples of corrupt behaviour, including correct response from the employee. In addition to general information, periodic learning must focus on practical guidance on how to find, evaluate, manage, and monitor workplace risk, correct control and management mechanisms, corrective action, and the importance of controlling the implementation of these measures, etc.

Article 3

Control mechanisms

1. Regular testing of control and management mechanisms in areas of significant corruption risk is important to determine how effective these mechanisms are for identifying and detecting corruption.
2. The joint responsibility of the Compliance Manager and the Company's management must be to maintain a list of places with an increased risk of corruption (so-called places of importance), overviews of activities with a real danger of corruption and measures to prevent them, including the obligation to update and refine the lists based on organizational, mobilization and dislocation changes, at least once a year.

Article 4

Anti-corruption measures

1. The specific objective in this area is to minimize the losses caused by corrupt practices and to avoid a repetition of a similar corruption scenario. A thorough analysis of the causes of corruption is considered essential to strengthen preventive mechanisms that reduce the risk of recurrence of corruption
2. Measures must be aimed at ensuring that not only TESCO SW employees are guaranteed the right to lodge complaints, suggestions, suggestions and other submissions that warn of acts in violation of law or internal standards, or to draw attention to unethical behaviour or proposing improvement measures.
3. Corrective measures mean the adjustment of internal regulations, the adoption of disciplinary measures, the settlement of incurred damages and the provision of information to TESCO SW employees on the steps taken (including liability and damages) in the context of the confirmed anti-corruption as well as unethical or unlawful conduct.
4. TESCO SW management declares its readiness to take adequate corrective action in case of misconduct.
5. The basic pillar of anti-corruption measures is that every TESCO SW. employee evaluates the fulfilment of obligations arising from anti-corruption measures, the effectiveness of their fulfilment, the implementation of corrective measures, or proposes the updating updates of the Code of Ethics or anti-corruption measures.

Article 5

Corruption indicators

1. Corruption indicators are indications and warning signs of possible corruption. Their higher presence is no evidence yet, but should lead to increased attention from management and all TESCO SW employees

2. General warning signs of corruption are:

- a. costly lifestyle of those involved in the process;
- b. secondary employment without appropriate consent or notification;
- c. rejection of career advancement outside existing employment, opposition to changing roles or relocation, especially when linked to improvement or at least to a salary increase;
- d. spending too much time at work, refusing the time off;
- e. increasing closeness, sudden changes in behaviour towards colleagues and superiors
- f. decreasing identification with superiors and tasks;
- g. circumventing or "ignoring" regulations; an increasing number of "small irregularities"; deviations from transactional and operational procedures and their subsequent documentation;
- h. failure to respond to suspicious moments and events or infringement;
- i. social problems, personal weaknesses (alcohol, drug addiction, gambling);
- j. frequent personal contacts between the employee and the counterparty concerned;
- k. visits by counterparties only if 'their' employee of the department is present;
- L. lack of conflicts with counterparties where they usually arise;
- m. a friendly tone or striking retreat when dealing with a counterparty;
- n. other counterparty negotiations;
- o. hospitality from third parties (special terms of purchase, vouchers for restaurants and shops, invitations to private or business events of business partners);
- p. lack of control in places where there is a risk of corruption;
- q. repeated submissions to specific individuals;
- r. oral agreements instead of written arrangements, lack of audit trail to substantiate the case;
- s. concentration of tasks per person;
- t. lack of transparency.

In Olomouc May 15, 2017

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