



## Anti-corruption program of EXCALIBUR ARMY spol.

### S r.o.

#### *Preamble*

EXCALIBUR ARMY spol. s r.o. (hereinafter referred to as the “Company”) is a successful business company, conducting business in the area of national and foreign commerce of military equipment. The objective of the company is long-term and successful activity in the area of special land equipment production for security and rescue units, as well as special equipment and other military materials in the area of domestic and international commerce, including the ability of the company to introduce new products to the global market that are the result of the Company’s own research and development. During the conduct of its business, the Company puts emphasis on security, responsibility and quality of its products, reflected mainly in securing the life and health, property, environment, economic competition, fair market competition, goodwill, prestige and reputation of the Company.

EXCALIBUR ARMY spol. s r.o. is a member of the CZECHOSLOVAK GROUP and follows the same values as declared by the entire group. It respects and observes these values. The result of this responsible approach of the company is not only the implementation of these values into its own rules, but also their development, leading to the creation and formation of its own internal comprehensive system of rules, procedures and regulations, whose aim is the compliance of required behaviour of employees and any other persons with basic human rights, general ethical values, morality, legal order and internationally accepted standards. The Code of Ethics forms part of this system and covers all Company employees, including the members of Company bodies and external subjects, such as consultants, suppliers or intermediaries representing the Company (hereinafter referred to as the “Workers”).

**EXCALIBUR ARMY spol. s r.o. does not tolerate any acts of its Workers, which could be considered illegal, corrupt, unethical, unfair or immoral in any way. The Company considers such behaviour as condemnable and unacceptable within the pre-set frame of behaviour and acting.**

**Why do we adopt the Anti-corruption Program and what are we aiming for?**



The Company stands strictly and clearly against any impact of corrupt action on the decisions taken by the Company or its Workers. Corruption is not welcome in our Company, conversely, it is condemned with related consequences, potentially even leading to the termination of further cooperation or activities.

### **WE SAY "NO" TO CORRUPTION!**

This Anti-corruption Program sets the basic principles and policy of the Company and sets how the Company defines corrupt action of Workers. The objective of this program is to set and enshrine such institutes and procedures within the Company that are effective and may assist the Company in its fight against corruption, will monitor the observance of this Anti-corruption Program and the attitudes within the Company, will reveal new and actual risks at the same time, reacting operationally and flexibly thereon.

In our work, we aim mainly to achieve such behaviour of our Workers, which will be completely compliant with this Program and in particular with the global standard way of thinking, set in the Transparency International for the defence and arms industry. In our internal regulations, we set such rules to achieve the following in particular:

- formation of a stable environment refusing corrupt actions – setting of rules and principles for the elimination, revelation and condemnation of corruption within the entire comprehensive internal system of Company regulations,
- strong personal commitment of individuals – the members of leading positions are selected with regard to their personal qualities and considered for their attitude towards corruption and ethical and moral behaviour,
- setting effective procedures for the identification and elimination of risks – within its system, the Company implements procedures with the objective to consider the actual state, efficiency and effectivity of the implemented Anti-corruption Program regularly, such as regular meetings of the compliance team, internal audits, inspection of Program observance, etc., which are assessed without delay and on the basis of the results, remedial measures are subsequently adopted,

- creating and setting of effective systems of revelation and punishment of potential corrupt actions – the Company specifies wide possibilities for the notification of corrupt actions, whose witness may be anyone,

Corruption is understood by our Company as behaviour that is in breach of ethical and moral values and at the same time certain advantage or the possibility of one party being abused to achieve an unauthorized benefit. By corrupt acting, e.g. the provision of bribe, agreement of advantage or any tangible or intangible remuneration in relation to the business activity of the Company and the carrying out of Worker duties, is understood. Corruption means also the offering of any reward, benefit or profit to a public authority, which could cause any distortion of a decision issued by a public authority for the benefit of the Company.

Besides the above mentioned, the Company declares and proclaims that such acting of Workers, that could directly or indirectly support corrupt acting of co-workers and other persons, is condemnable in the same way and is considered corrupt. We also consider such acting as corrupt when Workers know about the corruption, but do not report it or prevent it.

**How do we inform our Workers about the set Anti-corruption Program and our way of thinking?**

The topic of an anti-corruption policy within our Company forms, inter alia, the entry training of Workers within the information provided about the adopted compliance program. Besides this, the Company incorporates the education related to corruption and its non-tolerance into a separate training dedicated to a compliance program with a focus on gifts and bribes, while the information is available on the notice board in the Company or within brochures or leaflets.

The Company requires and enforces the Anti-corruption Program, the Code of Ethics, and the Code of Conduct in relation to external subjects, where the contacts for the purpose of submitting suggestions are available on the website of the Company.

**How can you inform us of any unethical, immoral or corrupt acting of Workers that you had the possibility of witnessing?**

For the purpose of fighting corruption, what the Company proclaims and requires is that Workers, as well as any other third parties that have witnessed any unwanted acting, have the possibility to notify the Company management by any of the manners specified below:

- **by email** - [etika@excaliburarmy.eu](mailto:etika@excaliburarmy.eu),
- **in writing via the box (anonymous)** – box placed at the entry to the Company premises,
- a special hotline: +420 585 083 444
- **contacting head employees orally** during negotiations,
- **by regular mail, etc.**

Suggestions may be submitted also through the controlling CSG holding:

- **special hotline:** +420 733 678 454
- **Holding email** - [etika@czechoslovakgroup.cz](mailto:etika@czechoslovakgroup.cz)

For the purpose of faster processing and securing operational possibilities of reaction for each suggestion, the following information should not be missing:

- name of the person causing such corrupt action or at least their job position, date and time when such action occurred,
- detailed description of the corrupt action,
- potential evidence of the possible corruption (names of witnesses, photographs, records, etc.),
- any other important information,
- name of the informing person, unless it is anonymous.

**The Company does not tolerate any retaliatory measures against the person submitting such a suggestion.**

All suggestions may be submitted anonymously or with the application to keep the anonymity of the informing person.

The Company completely condemns any misleading or false accusation or suggestion that could be applied with the aim to cause damage or harm to any third party. Such an action is considered unethical and will be assessed accordingly.

### Which measures and institutes do we adopt to avoid corruption?

The basic principle for Worker behaviour that the Company supports and seeks among its employees, is an active, fair and conscientious attitude towards the principles, legal rules, regulations and internal regulations of the Company. With the prevention of unwanted situations, the Company adopts measures based **on the observance of law and administrative procedures, measures within the area of contract conclusions**, measures in the area of Company property management, in the area of control or in the area of hiring new employees and training.

More specifically with the above mentioned, the Company has implemented the following measures in its internal regulations:

- a) the obligation of Workers to strictly observe regulations and internal documentation, in particular those set in the Code of Ethics and the Code of Conduct with relation to external subjects,
- b) the implementation of an effective and functional control system, whose basis and purpose is to make any activity related to corruption clear and to reveal it,
- c) the obligation to verify business partners carefully and conscientiously, as set by the Code of Conduct for business partners,
- d) the implemented obligation to perform random checks of Workers and workplaces, systemic inspections and questionnaires filled by Workers, regular internal audits focused on the results of adopted remedial measures and potential risks,
- e) a set obligation of superiors to take on a motivating and exemplary stance towards their subordinates, perform deep examination and evaluation in case of corruption occurrence and adopting measures or sanctions.



Each Worker of the Company and in particular, persons in leading positions, observe the Anti-corruption Program and promote it actively. Each Worker shall observe the above mentioned rules, reflected by respective measures, shall observe all the laws and legally binding procedures as well as technical and corresponding conditions. Each superior employee shall behave in a motivating way when dealing with his subordinates with the emphasis on fulfilling their obligations fairly and conscientiously, highlighting and enforcing the importance of protection of property, image, reputation and prestige of the Company, putting emphasis on the importance of observing ethical principles when carrying out all work activities with a major emphasis on the revelation, investigation and solution of all suspicions of a corruption occurrence.

#### **How does the Company evaluate the functioning of an Anti-corruption Program?**

The scope of work of internal auditors, when evaluating the compliance program held at least once per year, is, inter alia, the effectivity assessment and right functioning of the Anti-corruption Program. The areas where there is a high risk of corrupt acting, are regularly inspected with the aim of evaluation if any facts suggest such corrupt acting.

In the event such a result of an internal audit or regular inspection requires any change or amendment of the actual state, such a change or amendment will be executed operationally and actively without delay. The implementation of right and effective remedial measures will lead to the reduction or revelation of potential corruption in the future.

The assessment of the Anti-corruption Program's efficiency is focused on the execution of respective parts from the qualitative and quantitative point of view, on the efficiency of such execution and implementation of potential remedial measures.

The actual version of the Anti-corruption Program is published on the website of the Company [www.excaliburarmy.com](http://www.excaliburarmy.com) in the folder Company / Compliance program.

**In case of any doubts related to the compliance program of the Company, its employees may and will turn to their superior and head employees for guidance.**



In Šternberk, on 02.10.2017

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EXCALIBUR ARMY spol. s r.o.

Ing. Zdeněk Novobilský, v. r.

Managing Director

A large, light green, semi-transparent watermark of the EXCALIBUR ARMY logo is centered on the page. It consists of the company name in a bold, sans-serif font, overlaid by a circular graphic of two concentric rings.