

**LINET** Group



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**LINET Group**

**CORPORATE GOVERNANCE**

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## 1 PURPOSE

The Board of Directors (the "Board") of LINET Group SE, (the "Company") is responsible for guiding the Company in achieving the goals of its shareholders. To fulfil this responsibility, the Board must ensure that the Company is managed to achieve these results. As a threshold matter, the Board must adopt policies and practices that facilitate its ability to function efficiently and effectively. The Board must also articulate the principles by which management will operate the Company. Finally, the Board must regularly monitor and evaluate the effectiveness of management's execution and attainment of the Company's strategies and goals.

The principles under which management shall direct and operate the business of the Company and its subsidiaries.

## 2 POLICY

### 2.1 CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

The Company shall be operated in accordance with the following principles and guidelines.

1. **Internal Control over Financial Reporting.** The Company shall establish and maintain internal control over financial reporting to manage and preserve its business and assets and to ensure the integrity and reliability of its financial reporting processes and information. The foundation of this control shall be rooted in the following five (5) components:

1. **Control Environment**, including the integrity, ethical values and competence of the Company's people; management's philosophy and operating style; the way management assigns authority and responsibility and organizes and develops its people; and the attention and direction provided by the Board of Directors.
2. **Risk Assessment**, including the identification and analysis of relevant risks to achievement of objectives, forming a basis for determining how the risks should be managed.
3. **Control Activities**, which ensure that necessary actions are taken to address risks to achievement of the objectives.
4. **Information and Communication**, including steps that ensure information is delivered and communication is provided down, across and up the organization.
5. **Monitoring**, to assess the quality of the system over time through ongoing monitoring and separate evaluations, including thorough regular management supervision, with reports of deficiencies upstream.

2. **Disclosure Controls and Procedures.** In addition to establishing and maintaining internal control over financial reporting, the Company shall also develop and implement "disclosure controls and procedures" to ensure the quality and timeliness of all information disclosed to the public.

3. **Code of Ethics/Code of Business Conduct; Compliance with Law.** The Company has adopted a code of ethics/ code of business conduct that applies to all employees and directors to ensure that the Company's dealings are conducted in accordance with applicable law and high ethical standards.

4. **Commitment Authority and Authorization Limits.** The Company shall adopt policies, practices and procedures which clearly specify levels of authorization by management position for Company commitments and expenditures.

5. **Training.** The Company shall take all reasonable and necessary steps to ensure that all of its employees are trained with respect to the safety and technical requirements, as well as potential areas of legal and compliance risk, relating to their function.

6. **Whistle-blower Protection.** No Company employee shall use his or her authority or influence for the purpose of interfering with, or retaliating against, another employee in connection with the disclosure of improper conduct, or the authorized implementation of related corrective action. Any employee found to have violated this requirement shall be subject to disciplinary measures, which may include termination of employment.

7. **Records Retention.** The Company shall adopt policies, practices and procedures which ensure the consistent retention of corporate records as required by applicable law.

## 2.2 Related LG Policies

LG Code of Business Conduct

LG Compliance program

LG Anti-Fraud program

LG Anti-corruption policy

### 3 RESPONSIBILITY AND ENFORCEMENT

All directors, officers and employees are responsible for enforcement and compliance with this Policy, as applicable. Company imposed sanctions, including dismissal for cause, could result from failing to comply with this Policy. Any questions regarding the implementation of this Policy should be addressed to the Corporate Secretary.

### 4 NON COMPLIANCE

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.

### 5 POLICY APPROVALS

Approved on September 24, 2014

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

REVISION HISTORY			
#	PAGE	VALID FROM	APPROVED BY
1	Document ID change	November 2015	LG Management Board
2	Added section #4 Non compliance	April 2017	LG Management Board
3	Code of business conduct added to text	May 2018	LG Management Board
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