



CSR 2020

**EMPLOYMENT AND
LABOR POLICY**



1. EMPLOYMENT CONTRACT TYPES

Full-time employees work at least 40 hours per week or 160 hours per month on average. Part-time employees are those who work fewer than 40 hours per week.

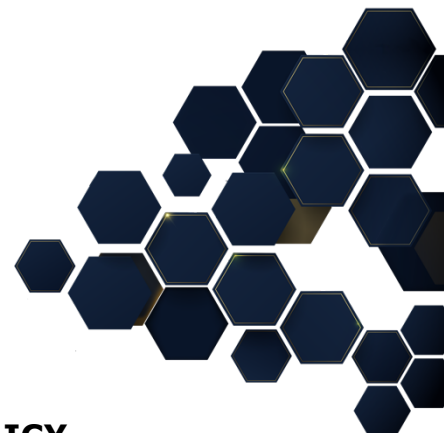
Full-time and part-time employees can have either temporary or indefinite duration contracts. Full-time employees under an indefinite duration contract are entitled to our company's full benefits package.

"We remind that, in the U.S., employment is "at-will." This means that employee or our company may terminate our employment relationship at any time and for any non-discriminatory reason(s)."

2. EQUAL OPPORTUNITY EMPLOYMENT

OVERAX Technologies, a.s. is an equal opportunity employer. We don't tolerate discrimination against protected characteristics (gender, age, sexual orientation, race, nationality, ethnicity, religion, disability, veteran status.) We want all employees (including executives and HR) to treat others with respect and professionalism. In practice, this means that we:

- Hire and promote people based on skills, experience or potential and try to reduce bias in every process (e.g. through structured interviews.)
- Make accommodations to help people with disabilities move about safely on our premises and use our products, services and equipment.
- Use inclusive, diversity-sensitive language in all official documents, signs and job ads.
- Conduct diversity and communication training.



Apart from those actions, we commit to penalizing every discriminatory, offensive or inappropriate behavior. To do this properly, we ask employee to report any discriminatory action against himself, herself or their colleagues to HR. Our company will not retaliate against employee if employee file a complaint or discrimination lawsuit. Any employee who retaliates or discriminates will face disciplinary action.

3. RECRUITMENT AND SELECTION PROCESS

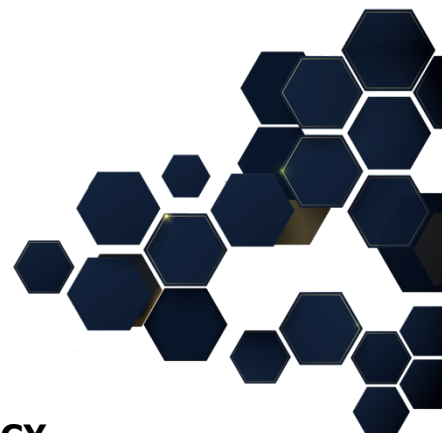
Our hiring steps might vary across roles, but we always aim for a recruitment and selection process that is fair and effective in hiring great people. If employee is hiring for an open role, employee will likely go through these steps:

Identify the need for a new job opening.

1. Decide whether to hire externally or internally.
2. Review job descriptions and write a job ad.
3. Get approval for your job ad.
4. Select appropriate sources (external or internal) to post your job opening.
5. Decide on hiring stages and possible timeframes.
6. Review resumes in our company database/ATS.
7. Source passive candidates.
8. Shortlist applicants.
9. Screen and interview candidates.
10. Run background checks and check references.
11. Select the most suitable candidate.
12. Make an official offer.

Steps may overlap, so skip steps when appropriate. Each member of a hiring team might have different responsibilities (e.g. recruiters source and hiring managers interview candidates.)

Throughout this process, we aim to keep candidates informed, communicate well with each other and give everyone an equal opportunity to work with us. Employee can ask our recruiters for help whenever employee need to enhance candidate experience or write an inclusive job description.



4. ATTENDANCE

We expect employees to be present during their scheduled working hours. If employee face an emergency that prevents employee from coming to work one day, employee should have contact manager as soon as possible. Company will excuse unreported absences in cases of serious accidents, acute medical emergencies. But, whenever possible, we should know when employee won't be coming in.

5. EMPLOYMENT OF RELATIVES

Our employment relative's policy demonstrates our attitude towards nepotism and employing people who are related either by blood or marriage. We won't reject a suitable job candidate on grounds of their relation to a current employee. However, we recognize that encouraging the employment of relatives may have a negative impact on productivity and fuel accusations of nepotism and favoritism. This policy aims to minimize these risks.

We use the term "relatives" to refer to any person who has a relation by blood or marriage within the third degree with our employee. We also include people who live together in a domestic partnership or children who were adopted. This includes: parents, step-parents, grandparents, in-laws, spouses or domestic partners, children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, nieces and nephews.

We aim to keep our hiring process free of discrimination. We may hire a person who is related to one of our current employees if we consider that person the best fit for a position. We may also accept referrals from employees.

What is nepotism in the workplace?

Favoritism or conflict of interest may occur when manager is involved in a process with their relatives. Examples are when:

- Managers decide which team member to promote.
- Managers decide which contracts to renew.
- Managers complete performance reviews.



- Managers discipline their relative.
- Managers are part of a hiring committee.

To avoid such incidents or suspicions of favoritism and conflict of interest, we established anti-nepotism policies:

- Employees who are related must not be involved in a supervisory/reporting relationship with one another.
- Employees cannot be transferred, promoted or hired inside a reporting relationship with a relative.
- Employees cannot be part of a hiring committee, when a relative is considered for the position.

We ask employees to report any relationship with a relative to HR, if employee find himself or herself in a reporting relationship with that relative or in a hiring committee that considers that relative for employment. If employee don't, employee may face disciplinary action.

If two employees who are in a reporting relationship become relatives in the course of their employment, one of the two must be transferred. We may give our employees time to discuss and choose which of them will be transferred, before management makes a final decision. Transfers will be discrimination-free. For example, the person being transferred must not always be a woman. This will violate our anti-discrimination policy.

We ask our employees to act professionally when working with a relative and seek counsel from their manager or HR if there are any problems.

Disciplinary Consequences

If a previously unreported relative relationship is discovered between a manager and a team member one of them will be transferred. If incidents of favoritism or conflict of interest have occurred, both employees will be subjected to disciplinary actions that range from reprimand to termination for cause.

6. EQUAL EMPLOYMENT OPPORTUNITY (EEO STATEMENT)

Our equal opportunity employer policy reflects our commitment to ensure equality and promote diversity in the workplace. This equal employment opportunity policy is the pillar of a healthy and productive workplace. Everyone should feel supported and valued to work productively so we are invested in treating everyone with respect and consideration.

Our equal opportunity employer policy applies to all employees, job candidates, contractors, stakeholders, partners and visitors. Equal opportunity is for everyone, but it mainly concerns members of underrepresented groups – they're the ones who are traditionally disadvantaged in the workplace. We don't guarantee employment or promotions for people in those groups, but we will treat them fairly and avoid discriminating against them either via conscious or unconscious biases.

Being an equal opportunity employer means that we provide the same opportunities for hiring, advancement and benefits to everyone without discriminating due to protected characteristics like:

- Age
- Sex / Gender
- Sexual orientation
- Ethnicity/ Nationality
- Religion
- Disability
- Medical history

What is an EEO policy?

We built our equal employment opportunity policy around preventive and affirmative actions to ensure fairness in all aspects of employment. These aspects include:



- Hiring
- Training
- Evaluating performance
- Administering compensation and benefits
- Terminating employees

We also want to make sure that equal opportunity applies to other instances. For example, we don't retaliate against employees and we are committed to prevent and resolve any kind of harassment against our employees, including sexual harassment.

Our HR department is responsible for assessing our company's processes and ensuring they are bias-free. Whenever we find biases interfering, we will act immediately to refine our processes, train our people to combat their biases and protect possible victims of discrimination. We will give everyone the chance to work in an environment where their rights are respected.

Actions

We will take additional actions to promote fairness and diversity as part of our equal employment opportunity policy. We will:

- Use inclusive language in all signs, documents and webpages.
- Modify structures and facilities to accommodate people with disabilities.
- Provide parental leave and flexible work arrangement policies.
- Hire, train and evaluate employees through job-related criteria.
- Allow employees to take religious or national holidays that aren't included in our company's official schedule.
- Train employees on communication and diversity.
- Implement open door practices so employees can report discrimination more easily.

Grievance Procedure

All supervisors and managers are responsible to use equal opportunity practices and make decisions based on objective, non-discriminatory criteria. Everyone should comply with our policy at all times.

If anybody in company see or suspect that our EEO policies are being violated, feel free to inform HR immediately. If employee suspect that someone is behaving in a wrong way but doesn't realize it, employee could also talk to HR directly.

Disciplinary Consequences

When someone discriminates, they will be subject to disciplinary action depending on the severity of their actions. For example, unintentionally offending a coworker might warrant a reprimand, but harassing someone systematically might result in demotion or termination.

7. CHILD LABOR

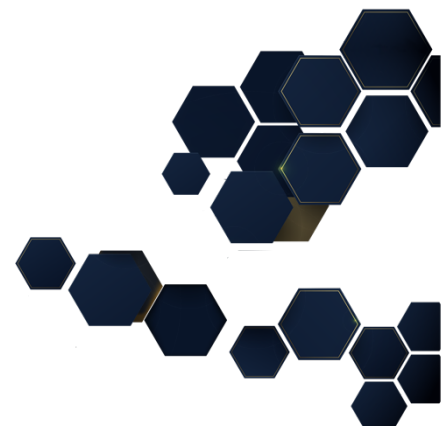
Our child labor policy is our position on employing minors and aims to ensure that our company, its subsidiaries and everyone we're connected with follows the law and cares for children's interests.

International, local and country child labor laws are stricter today than they were years ago. But millions of children are still forced to work in bad conditions all around the world, even in developed countries.

As an organization, we want to do business in a legal, ethical manner adding value to society and the environment instead of doing harm. Helping stop child labor is fundamental to us. We want to make sure that our organization doesn't take part in children's exploitation and also helps end it to the best of our ability.

This policy applies to our entire organization and those we do business or partner with including suppliers, vendors and contractors.

The International Labor Organization (ILO) and the U.N Convention on the Rights of the Child guide our policy on child labor. When it



comes to legal aspects, we always:

- Follow the stricter law if more than one laws apply (e.g. local and international).
- Require suppliers, partners and vendors to follow the stricter applicable laws and recognize children's rights. They must also require their own suppliers, subcontractors and stakeholders to do the same.

In this policy, we refer to "children" as people who are younger than 18 years of age. "Young children" are people younger than 14.

"Child labor" refers to work that deprives children of their childhood and affects their schooling, their potential and their dignity. It's work that's harmful to them mentally, physically and socially.

Young children

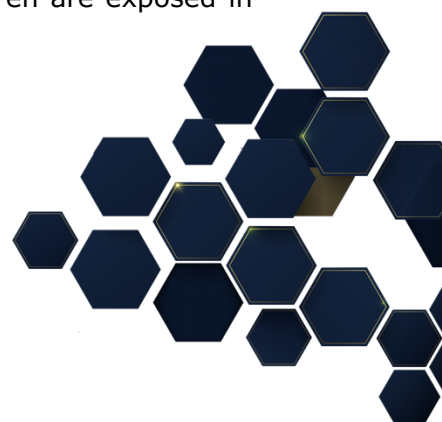
When it comes to young children (younger than 14), we don't want to stand in the way of their health, schooling or free time. That's why we don't and won't employ anyone younger than 15 years of age and require our subsidiaries to do the same, regardless of the country they're in.

We're also committed not to do business with any organization that employs children younger than 15. We'll include this condition in every contract we sign and reserve the right to break the contract without penalty if our stakeholder violates this condition and refuses to agree on or follow through with an elimination plan.

Legal exceptions

Parental employment. We might occasionally do business with family-owned businesses. Those businesses are usually allowed to employ the owner's young children as long as the work isn't too hazardous (e.g. mining, manufacturing). We accept this regulation, but we'll still dissolve our contract if it comes to our attention that these children are exposed in danger or are working consistently during school hours.

Occasional work. Sometimes, parents bring their children to work to teach them skills and introduce them to a work environment. They may also hand them some tasks to complete (e.g. a painter may ask his child to help with a painting job he's taken). This is an acceptable practice, as long as it doesn't deprive children of school on a consistent basis or puts them in any danger. (For example,



the painter shouldn't allow his son to inhale toxic paint or ask him to climb on scaffolding.)

Older children

When it comes to employing children, who are older than 15, we'll always follow the local and international laws. As a general rule, these children can have a job, but they should never do work that jeopardizes their health and safety or affects their schooling and development.

With this rule in mind, we may employ children older than 15 for light work such as delivering packages in short distances on bicycles, light cleaning duties etc. They will not use any heavy or dangerous equipment, chemicals or vehicles when working.

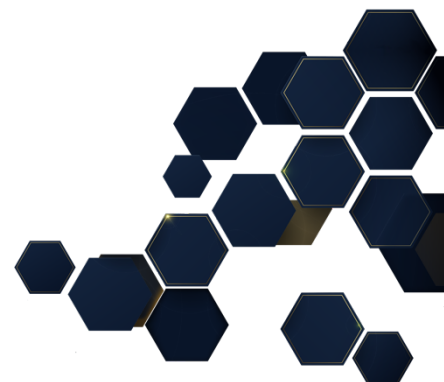
We'll determine their work hours and wage based on applicable laws. We won't employ children for more than the maximum weekly or daily hours allowed.

These are mandatory conditions when forming partnerships or other business relationships. We'll refuse to do business with anyone who employs children of any age in hazardous or exhausting jobs or doesn't follow applicable laws on working hours or pay. We also expect them to communicate and enforce the no child labor policy to their own contractors.

Actions and Implementation

To make sure we enforce this policy and help eliminate child labor, we're committed to:

- Working with governments and other organizations to end child labor. We may sponsor or organize actions to educate communities, build schools or find ways to ensure children won't be forced to work to support their families.
- Educating our staff on youth work laws and show them how to report child labor if they see or suspect it.
- Requiring hiring managers and HR to avoid hiring minors under the legal age for working. We also expect them to know and follow this policy and laws on wages and hours for older children.
- Keeping and validating documentation verifying our employees' age after they're hired. If we discover that we've hired a minor under the age of 18, we'll review applicable laws and adjust working hours accordingly. If we need to let the child go, we'll assess their situation and make sure to provide for them to the best of our ability (e.g. pay him or her their would-be salary for a couple of months) when necessary.



- Communicating our no child labor policy to organizations we're connected with and ensure our contracts have the right stipulations.
- Auditing suppliers and partners (especially those in industries with high child labor risk) periodically to ensure they aren't involved in child labor, possibly with unannounced onsite visits too. We'll require them to provide us with an updated list of all their business locations at all times. If we discover hidden business sites that employ children, we'll dissolve our contract immediately.
- Demanding and monitoring an elimination plan in cases where suppliers discover child labor in their business. We'll also work together with the stakeholder to create plans to support children, keeping their best interests in mind, and make efforts to involve them and their families in the process.
- Employing or consulting with experts on topics like child labor, health and safety standards or corporate social responsibility.

Children's welfare is everyone's business

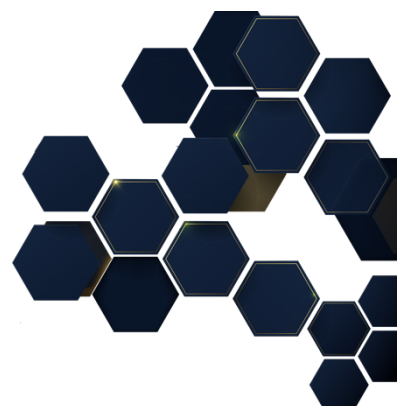
We want to grow and thrive as a business, but we're also committed to do good by the community we belong in. We ask all of our employees and partners to follow this policy, not just because we demand it as an organization, but because securing a bright future for children is everyone's duty.

8. WORK FROM HOME

We designed our work from home policy to make sure that working from home is beneficial to our employees and company. This company work from home policy applies to all our employees who prefer working from home.

Are employees allowed to work from home?

Employees are allowed to work from home only if their job duties permit it. For example, people who are obliged to come in direct physical contact with customers are not eligible to telecommute under this policy. But employees who carry out most of their work on a computer can occasionally work off-site.



Policy elements

Employees work from home or telecommute when they complete their work at a place located outside of our company's premises. They may work from home:

- Full-time
- On certain days
- Every day, dividing their schedule between being present at the office and working from a remote location.

Work from home arrangements can be occasional, temporary or permanent.

Reasons that could demand telecommuting include but are not limited to:

- Parenting
- Bad weather
- Emergencies
- Medical reasons
- Work-life balance
- Overlong commute

Other reasons for working from home depend on employees and managers' judgement.

How to determine whether an employee can work from home

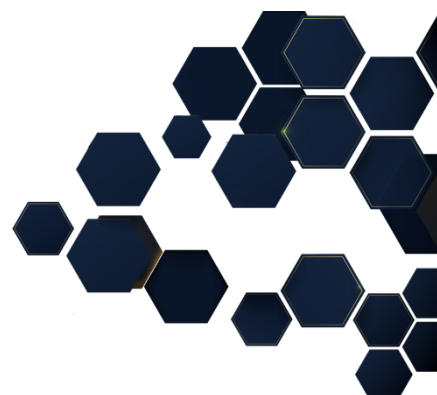
We advise both employees and managers to consider these elements before asking/approving work from home:

- Is the employee eligible by nature of their job?
- Are there any cybersecurity and data privacy concerns?
- Will collaboration with the employee's team become difficult?
- Do employees have the necessary equipment or software installed at home?
- What are the conditions of employees' home or alternative place of work (noise, internet connection etc.)

Requesting Work from Home Procedure

When employees plan to work from home, this procedure must be followed:

- Employees file a request through email at least 7 days in advance.
- Their managers must approve their request considering all elements we mentioned above.



- If the work from home arrangement spans for more than a week, managers and team members should meet to discuss details and set specific goals, schedules and deadlines.

Employees who need to work from home for unforeseen reasons (e.g. illness or temporary difficult commute) should file their request as soon as possible, so managers can consider and approve it.

Time Zone difference

Sometimes, managers and their team members are in a different time zone. When employees need to work from home for unforeseen reasons, they may not be able to get their request approved in time. In this case, they may stay to work from home and notify the HR department. We advise employees to check in with their managers as soon as their manager clocks in.

Compensation and benefits

Usually, work from home arrangements don't affect employees' employment terms. If working from home has any effect on compensation and benefits, then HR is responsible to create a new contract.

This OVERAX TECHNOLOGIES, a.s., CSR 2020 - EMPLOYMENT AND LABOR POLICY came into force on the day of issue.

In Prague, 1st July 2020

A handwritten signature in blue ink, appearing to read 'Richard Ficek', written over a horizontal line.

Richard Ficek
CEO and Managing Director

