



Frank Bold Society

a member of the Frank Bold group

2016 Annual Report



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About us

We are a civil association, founded in 1995. Gradually, we became the biggest non-governmental public interest law organization in the Czech Republic, with branches in Poland and Brussels and operations in several other European countries. We work to solve social and environmental problems and our team of lawyers together with law students provides free legal help to civil society at local, national, and EU level to protect environment and promote the rule of law and democracy.

Frank bold promotes freedom and fairness. We help individuals, companies and authorities to make good decisions.

Our work is divided into several programs, each of them is addressing different societal issues:

Responsible Companies

We develop and promote new business models that better integrate societal interests in corporate purpose, governance, and decision-making. In addition, in the business and human rights area, we aim to bridge the global governance gaps and strengthen access to justice.

Responsible Energy

We develop and promote legal initiatives contributing to a step-by-step transformation towards clean and decentralized energy production and consumption in EU countries.

Responsible State

We empower people to defend public interests and develop, promote, and enforce laws to prevent systemic corruption in the Czech Republic.

Service for Citizens

We systematically work to empower citizens and local communities in the Czech Republic and Poland by helping them to assert their rights and actively participate in public affairs. By providing support to active individuals and local initiatives, we aim to strengthen civic society, as the basis for the solution to systemic corruption.

Frank Bold Society is not-for-profit organisation. It is a member of the Frank Bold Group, that further consist of Frank Bold Advokáti (Frank Bold Attorneys), a purpose driven law firm whose mission is to support Frank Bold Society, and Frank Bold Kids, an organisation that runs forest kindergartens. Our operations in Poland are carried out by Frank Bold Foundation, registered in Poland.



Responsible Companies

We are the organizers of an international discussion whose aim is to outline a new system for corporate management—one based on long-term corporate prosperity in harmony with the needs of society, and not limited only to short-term shareholder interests and immediate profit maximization. We work to support these changes in practice and through legislation.

Achievements in 2016

The Purpose of the Corporation Project

This **project** provides a strategic, open-source platform for a global debate on the purpose of the corporation, the role of corporations in society, and the future of corporate governance.

In 2016, we completed our global roundtable series held in Belgium, France, the Netherlands, Norway Switzerland, the UK and the U.S. The series brought together more than 260 leaders in business management, investment, regulation, academia and civil society with the aim of identifying desired outcomes and principles of corporate governance fit for the challenges of the 21st century. We have collaborated with 14 academic institutions, business and law schools, NGOs and think tanks in order to organise these events.

We summarized the resulting recommendations in the study **Corporate Governance for a Changing World**. To present these recommendations, we organized the **Creating Sustainable Companies Summit** in September in Brussels. This conference saw the participation of—among others—European Commissioner Věra Jourová, British economist John Kay, Novo Nordisk vice president Susanne Stormer, and Steve Waygood, the Chief Responsible Investment officer at Aviva Investors. The conference program was dedicated to the key principles for how such a new corporate governance system would work:

- Anchoring the company's purpose and mission in its governance mechanisms.
- Adjusting directors' fiduciary duties so that they reflect the company's focus on creating long-term sustainable value.
- Strengthening the capabilities of the company's boards so that they can make decisions with a long-term outlook.
- Revising incentive structures for company's management.
- Engaging stakeholder in corporate governance.
- Supporting long-term and sustainable investment.
- Improving corporate reporting towards an integrated model.

Business and Human Rights

Over the course of 2016, we continued our support for and cooperation with the **European Coalition for Corporate Justice** (ECCJ), which we also help to steer. The goal of the ECCJ is to create a more effective framework for corporate responsibility, one that ensures protection for human rights and the environment in global supply chains and contributes to a level playing field for responsible business.

Last year, we completed the Human Rights in Business project, which was a cooperative effort by leading European academic institutions that study access to justice in the context of business and human rights. Our role within the project was to develop recommendations for the implementation of the UN Guiding Principles on Business and Human Rights in a company's duty of care under tort



law. Other parts of the project explored barriers preventing access to justice that arise from rules for determining international court jurisdiction, choices of applicable law in international disputes, and costs arising from limitations in procedural law, e.g. the unavailability of collective redress mechanisms. The results of this research, and our recommendations to the European Union and the member states of the EU, are available in the publication [Human Rights in Business: Removal of Barriers to Access to Justice in the European Union](#).

In May of 2016, we helped to organize the [EU Roadmap to Business and Human Rights](#) conference in Amsterdam in cooperation with the Dutch Presidency of the Council of the European Union and with European and Dutch NGOs. We moderated a plenary discussion concerning the state duty to ensure that companies have a responsibility to respect human rights, as well as a panel discussion on good corporate governance practices. Our lawyer Pavel Černý also spoke at a panel on the subject of human rights violations within the borders of the EU, where he presented the most common barriers preventing access to legal protection in cases concerning the environment.

The output from this conference fed into the Council of the European Union's [Conclusions on Business and Human Rights](#). Before the Conclusions were passed, we took part in a meeting of the corresponding working group of the Council at the invitation of the Dutch Ministry of Foreign Affairs.

During the rest of the year, we participated in European Commission consultations on the [Guidelines on the Implementation of the Non-financial Reporting Directive](#). We were also consulted by the EU Fundamental Rights Agency as a part of its preparations of its Opinion "Improving access to remedy in the area of business and human rights at the EU level" that was requested by the above-mentioned Council Conclusions. We also took part in the project for developing the [UN Guiding Principles Reporting and Assurance Framework](#), led by the organizations [Shift](#) and [Mazars](#). Specifically, the head of our Responsible Companies section, Filip Gregor, participated in the *Eminent Persons Group*, with which the organizations consulted the project's key steps.



Responsible Energy

We create and promote legal initiatives that help to bring about a gradual reorientation towards low-emissions energy production in the countries of the EU. We see the future of the European energy industry in decentralization and in minimizing energy production's environmental and human-rights burdens. We are accelerating the abandonment of coal energy, especially within CEE countries.

Achievements in 2016

Air quality and the right to clean air

Air pollution is one of the most serious environmental and health problems in Poland and the Czech Republic. The border region between the two states has long been one of the most heavily burdened in the EU. Binding pollution limits, especially for particulate matter, have regularly been exceeded for years. The European Commission, among others, has repeatedly pointed this out to both states, and calls for them to fulfill their duties—primarily the expedited introduction of effective measures to reduce this burden. In 2016, the Czech Ministry of Environment published strategic documents, its *air quality improvement programs*, which are to serve as a tool to help eliminate violations of air pollution limits. However, available assessments show that these programs must be considered inadequate to meet the demands of European legislation, and thus in the four most polluted regions—the Ostrava conurbation, the Ústí nad Labem region, Brno, and Prague—we have joined up with local initiatives to file suits against the ministry's approach.

We have worked to resolve the lack of effective strategies for a cleaner atmosphere in Poland as well. We have commenced, and are working with a local initiative to conduct, a pilot case in one of the most affected areas, the Lesser Poland Voivodeship. We filed a suit regarding the program for improving air quality in this region, which does not contain effective and sufficiently well-defined measures to achieve the needed changes.

Legal Aid to Citizens Under Threat From Coal Mining in Western Poland

We have long been engaged in the case of the giant Gubin lignite mine in western Poland—one of the largest mining projects in Central and Eastern Europe today. Building this mine would displace whole villages and irreversibly damage the entire Poland/Germany border region. Even though local inhabitants have already rejected this project in past referendums, the investor is still trying to push it through on both the local and regional levels. Our goal is to enable local inhabitants to express their opinions on the mine project. We have been providing them legal support to this end for the past five years.

Implementation of the Directive on Industrial Emissions in CEE

DIRECTIVE 2010/75/EU on industrial emissions is a key legislative document concerning the regulation of industrial facilities in the European Union. In 2016 we provided expert consulting for our partners in Poland, Romania, Bulgaria, Greece, and other countries, regarding measures related to the future operation of major industrial facilities. In the Czech Republic, we monitored the implementation of the *Transitional National Plan* and related changes to integrated permits for individual industrial facilities. We took part in permit proceedings and called attention to the relevant offices' obligations, especially as regards worsened air quality and related legal obligations.



The Responsible State

In 2016 we continued to lead the Reconstruction of the State project, which brought together over 20 Czech organizations and other partners so that they could, with public support, help to bring about the passing of a set of nine important laws that can reduce corruption and clientelism in the Czech Republic. This year saw the passing of two more of them. Another two, however, have stalled in the legislative process.

Achievements in 2016

Public Contracts Register

At the end of 2015, after several years of negotiations, we celebrated the passing of the Act on a national public contracts register in the Czech Republic. But our celebrations came a little too soon. Even before the act came into effect in July 1, 2016, MPs from the KDU-ČSL party proposed an amendment that was originally to provide an exception to the contract-publishing obligation for just one state company—Budějovický Budvar. As it journeyed through Parliament, however, around twenty other exception proposals were added—the largest one, for all state and city firms, would remove state purchases with an annual value of CZK 150 billion from the public eye.

Thus for a whole year, we strove to protect the law in its strongest, least-diminished form. During our summer Eclipsers campaign, we presented to voters in detail the MPs who had proposed the largest exceptions. We placed some of these presentations on billboards in those MPs' electoral districts. We analyzed all the MPs' proposals for new exceptions in detail, and prepared explanations for MPs as to which ones we considered well-founded, and which not. For voters, we prepared simple tools enabling them to write to their MPs requesting that they reject the exceptions that would nearly dismantle this law.

On February 22, 2017 the House of Deputies passed the Amendment Bill with extensive exceptions. We then concentrated on efforts to repair the controversial Bill in the Senate and eventually in the House of Deputies. We achieved huge success in the Senate—it rejected the original Bill and proposed removal of the two extensive exemptions for SOEs and MOEs and inserting the exemption only for Budvar. This version was not met with enthusiasm in the House of Deputies, but it eventually led to drafting new compromise Bill, which became widely accepted solution for us and for the most MPs and senators in the blocked political situation. This compromise Bill was signed by the Czech president on August 1, 2017. Thus the debate on the exceptions ended in a very satisfactory way. Meanwhile, the original Act on Register of Contracts came into full force on July 1st. "Full force" here means: including a sanction that invalidates unpublished contracts automatically.

Two More Laws Passed: Reform of Political Parties and Campaign Financing, and Declarations of Assets of Politicians On-Line

The year 2016 brought another major success. Thanks to persistent work by the organizations united in Reconstruction of the State, and likewise by our ambassadors and other citizens, the rules for party and campaign financing in the Czech Republic have seen their first changes since the 1990s. The largest change is that the law is now supervised not by politicians themselves (a parliamentary commission for party-finance supervision), but rather by a newly instituted independent office (the Office for Supervision of the Financing of Political Parties and Movements). The two passed laws newly require that every political party have a transparent account for campaign expenses and the



receipt of gifts. Limits have been established for gifts from individuals to political parties—thus business barons can no longer provide large-scale sponsorship to a single party. Parties and candidates also have electoral-expense limits for each election type. This should put a damper on the race to spend more and more on billboards, posters, and other campaign expenses. 2017 is also the end of the line for the legality of “unmarked” campaigns. Thus Czechs should no longer have to see anonymous anti-campaigns, which have been a sad part of nearly every recent election. All third parties intending to intervene in campaigns (including e.g. Frank Bold) will have to be registered with the Office and will have an assigned financial limit for their activities.

Negotiations towards an Act on Conflicts of Interest were also a major topic in 2016. Under the amended act on conflicts of interest, that was promoted by our platform, over five thousand people in public functions (MPs, senators, mayors, city councilors, steering-committee members, etc.) will need to provide declarations of their assets in a central on-line register, which will be easily available to all. The declarations will newly need to be provided as of the date of a person’s entry into a function—and so it will be possible to compare their assets starting from when they started in their function, rather than from the date of their first declaration. Unfortunately, the Act has weak enforcement mechanisms. Although we pointed this out repeatedly, only misdemeanor commissions in the places of residence of the given office-holders can demand the correction of defects in the declarations presented. Nevertheless, the Act has significantly strengthened public oversight, which can at least partially remedy the absence of effective official supervision.

Extension of Powers of the Supreme Audit Office and Expert Nominations to SOEs Supervisory Boards: Stalled in the Parliament

The bill to expand the powers of the Supreme Audit Office to audit municipal and state companies and regional administrations made it all the way to the Senate in 2016 for the second time. However, just like the first time, it failed—this time by just four votes. The Minister of Human Rights then adjusted the bill to reflect senators’ requests and presented it to Parliament again. So there was a chance it would be passed before the 2017 elections, but in the end, the ruling coalition had different priorities. This Bill has to wait for another election period (2017-2021).

Regulation of nominations (appointments) to the supervisory boards and other bodies of state-owned enterprises is probably a measure with the longest delay and least progress of all the “reconstruction bills”. Throughout 2016 we continued our discussion with the Ministry of Finance which is responsible for the preparation of the bill and pushed the issue further. On 9 November, the Ministry finally sent the prepared draft of the bill to the inter-ministerial comment procedure. However, since it took 3 long years, we feared that it might be too late for the governmental bill to go through the whole legislative process before the 2017 elections. Therefore we negotiated with the MPs to draft parallel bill, which might have gone through the Chamber of Deputies in a slightly faster way.

On February 22, 2017, the parliamentary bill was submitted to the Chamber of Deputies. The Czech Government took a neutral stance. Meanwhile, the governmental version of the bill was denied. Since the ruling coalition members had many other priorities and because after the political crisis it became increasingly difficult to push new bills in the legislative process, the bill had no chance to be passed before the parliamentary elections.



2016 Elections: We Delivered Candidate Evaluations to 1.2 Million Letterboxes

2016 was yet another election year—in autumn, regional elections took place, and a third of the senators had to defend their seats. We delivered detailed information to voters on how candidates fared in passing anti-corruption laws and how faithfully they kept their promises regarding them. We prepared a flyer for every region, and delivered flyers to over 1.2 million letterboxes nationwide. We also presented awards to the most active MPs in both houses—we gave “team jerseys” to the most active lawmakers, “most valuable players” in terms of their support of the anti-corruption bills . We also queried candidates for the Senate and for the seats of regional council presidents regarding their support for the anti-corruption laws that remain to be passed.



Legal Service for Citizens

Our legal service is a partner to active citizens in the Czech regions. We help citizens to obtain practical legal knowledge and skills and use them for long-term involvement in public affairs in defense of public interests. Through our support for active individuals and local initiatives, we aim to strengthen civil society.

Achievements in 2016

Free Legal Counselling Center

We provide free legal consultations to the public regarding a number of issues of general interest. In 2016, the center updated 10 legal guides, advisories, and manuals, and offered legal consultations and analyses concerning **a total of 624 queries**. These typically involved one of the following areas:

- Unlawful steps by municipalities' administrations in managing communal property; evaluating the legality of public tenders; conflicts of interest for municipal representatives; etc.
- How citizens can monitor the approval and implementation of publicly subsidized projects.
- Involvement of the public (associations) in construction permit processes.
- Public participation in changes to land-use plans and assessments of the legality of municipalities' actions.
- Steps to take against unlawful tree fellings.
- Protection of water sources—especially protected areas and forests.
- Provision of information under the Freedom of Information Act.

Legal Support for Active Grassroots Initiatives

We have set up long-term cooperation with associations and initiatives of active citizens who are taking part in local cases of public interest. Our basic advisory service includes a regular stream of legal advice and guides, and a chance to participate in trainings and peer-learning partner meetings. Above and beyond this, our lawyers and interns help associations with a number of legal matters, like legal analyses, drawing up contracts, lawsuits, commenting on draft regulations, and raising publicity for their cases. In 2016, we provided these partners with 368 hours of lawyers' services. Examples of successful cooperation between Frank Bold and partnered associations:

- We assist Sbor dobrovolných občanů (The Committee of Citizen Volunteers), an association in Náchod, with their participation in a land-use proceeding regarding the construction of a large shopping center in the downtown.
- We advised a civic association in Nalžovice regarding supervision of municipal finances and how citizens can proceed when a municipality manages public funds unlawfully.
- We advised Zdravý Rožnov (Healthy Rožnov) regarding a suit against a land-use decision on shopping-center siting; the regional court decided in their favor and annulled the decision.
- We helped Za zdravé a krásné Holešovsko (For a Healthy and Beautiful Holešov Region) to draft a memorandum on cooperation. This group has been fighting the siting of an industrial zone on a source of clean water for Holešov and its surroundings.
- For SOS Karviná, we prepared a legal filing against a decision to not grant a suspending effect for a suit regarding a mining permit.
- With our help, Chráníme stromy (We Protect the Trees), in Pardubice, has been preventing the felling of the city's valuable trees for years.



The Citizens 2.0 Network

We provided information and advice to a network of 3,700 “Citizens 2.0”: active citizens who are engaged in the events around them. They receive 12 Citizen 2.0 bulletins with information on current successful cases and 12 Advisor 2.0 mailings with legal advice and guides. Each Citizen 2.0 also has the option of participating in regular meetings with lectures and experience exchanges. The 2016 meeting was mainly focused on fighting corruption—on the register of contracts and public tenders.



Frank Bold's Employees in 2016

Eliška Bartošová
Petr Bouda
Markéta Cooman (maternity leave)
Vojtěch Dědek
Martin Fadrný
Pavel Franc
Pavλίna Gbelcová (maternity leave)
Petra Marie Giňová
Žaneta Goňová
Filip Gregor
Barbara Gregorová (maternity leave)
Michala Chatrná
Libor Jarmič
Josef Karlický
Jitka Kmošková
Lukáš Kraus
Jana Kravčíková
Stanislav Kutáček
Regina Macalíková
Eva Pavlorková
Lukáš Prnka
Olga Richterová
Veronika Sonnenscheinová
Hana Sotoniaková
Kristína Šabová
Jan Šrytr
Gabriela Vondrušová
Adam Wichera
Václav Zeman
Donika Zůbková



Frank Bold's Interns in 2016

Our law student internship program continued on in 2016. These students each work at Frank Bold under the leadership of an experienced lawyer and help in, among other things, the work of the above-mentioned legal consulting center.

2015/2016 School Year

Eliška Beranová
Vincenc Bouček
Vojtěch Dědek
Filip Dus
Michaela Garajová
Alena Chaloupková
Kristýna Kočí
Michaela Lysková
Barbora Marečková
Alexandra Mateášková
Filip Mazel
Daniela Petržilková
Petr Stejskal
Kristýna Zahálková

2016/2017 School Year

Martin Altmann
Vincenc Bouček
Vladimír Čadek
Laura Haiselová
Alena Chaloupková
Pavel Chodúr
Petr Kocmánek
Andrea Lančová
Simona Majdová
Barbora Marečková
Filip Mazel
Daniela Petržilková
Denisa Skládalová
Petr Stejskal
Michaela Svobodová
Martin Štípa
Kristýna Zahálková



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The Embassy of Canada to the Czech Republic



Deutsche Umwelthilfe



Dopravní federace



European Climate Foundation



European Commission DG Justice



European Commission DG Home Affairs



European Commission LIFE +



Friends Provident Foundation



International Visegrad Fund



Joseph Rowntree Charitable Trust



The Czech Ministry of Interior



The Open Society Fund Prague



The Environmental Partnership EEA and Norway Funds



The Orlický Family Charity Fund



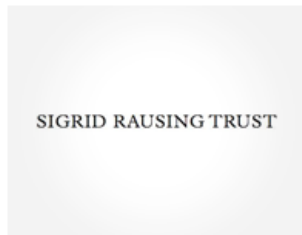
Novo Nordisk



NROS – EEA and Norway funds



Open Society Institute



Sigrid Rausing Trust



The Embassy of the
United States to the
Czech Republic



Wallace Global Fund



Charles Leopold Mayer
Foundation for the
Progress of Humankind



The Neziskovsky.cz
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our participation at an
international education
conference.



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Reconstruction of the State

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Václav Dejčmar
Martin Ducháček
Libor Winkler
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STUDENT AGENCY k.s.
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Y Soft Corporation, a.s.
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Legal Service for Citizens

Frank Bold advokáti s. r. o

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Reconstruction of the State

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Legal Service for Citizens

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Jan Angelovič, Daniel Arnošt, Aleš Bachtík, Vratislav Balík, Nikola Bandíková, Vladimír Bárta , Kristýna Bartoš, Petr Bartoš, Richard Benda, Leo Beneš, Klára Berg, Robert Berzkowitsch, Petr Běťák, Jan Bezděk, Miroslav Bielko, Adam Bílek, Vladimír Bílek, Antonín Bílý, Vojtěch Biskup, Jiří Blažek, Václav Bočan, Jiří Boudal, Roman Bouchner, Mandelinka Bramborová, Jan Brothánek, Fedor Bruoth, Jiří Brůžek, Ondřej Brynych, Jan Budař, Tomáš Budín, Pavel Burdych, Stanislava Burdychová, Jan Bureš, T C , Monika Cahová, Marek Cerman, Ondřej Cenciala, Jiří Cveček, Tomáš Čapek, Barbora Čechtická, Jan Čermák, Vojtěch Černý, Pavel Černý, Zdeněk Červený, Jana Česká, Jan Čurn, Karel Dásek, Martin Dekar, Roman Divacký, Roman Dlouhý, Tomáš Domes, Filip Dominec, Jiří Drda, Miloslava Drtinová, Adam Duraj, Michal Ďuríček, Jan Dusil, Olga Dvořáčková, Michal Dvořák, Radka Marta Dvořáková, Petr Dytrich, Jana Ecksteinová, Martin Eliášek, Martin Fajt, Jakub Farný, Luboš Fendrych, Ignác Ferenčík, Zbyněk Filipi, Jiří Glaser, Marcel Gotthard, David Gregor, Dušan Gregor, Nikola Guryca, Jan Gužík, Jan Hájek, Jakub Hájek, Jaroslav Halfar, Jana Hamanová, Jan Handl, Michal Hantl, Luděk Havel,
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Robert Havlíček, Eva Havlová, Zdeněk Havran, Martin Havránek, Richard Hazucha, Stanislav Hejda, Klára Hejduková, Jindřich Hemer, Tomáš Herle, Filip Hofer, Pavel Hok, Tomáš Hökl, Petr Holec, Miroslav Hora, Jan Hošek, Pavel Houdek, Filip Hráček, Jan Hrbek, Robert Hrdina, Iva Hrubá, Radka Hudcová, Marek Hudec, Marek Hudík, Jindřich Hujňák, Helena Hůleová, Martin Huml, Martin Huml, Jaroslav Humpolíček, Martin Huňka, Jakub Chour, Michal Illich, Miloš Jacko, Martin Jambor, Pavel Janda, Václav Janda, Martin Janík, Milan Jankových, Lukáš Janota, Jan Javorek, Lukáš Jemelík, Jakub Jermář, Karel Ježek, Jiří Ježek, Gabriela Jičínská, Martin Jung, Marek Juráň, Vít Jurásek, Jan Jůza, Michaela Kafková, Lenka Kahunová, Jaromír Kaláb, Ondřej Kaláb, Josef Kalčík, Miroslav Kalous, Robin Kamenický, Jan Kanyza, Žofie Kanyzová, Tomáš Kazmar, Zdeněk Kedaj, Markéta Kinterová, Ondřej Klípa, Miloš Klusal, Jan Kocián, Filip Kolář, Jiří Kolařík, Michael Konečný, Tomáš Kopal, David Kopecký, Daniel Kopic, Jiří Koptík, Jana Kosáková, Eliška Kosová, Jiří Košťál, Lukáš Koutný, Sebastian Kovačič, Vít Kovalčík, Jan Kovanda, Tomáš Kozelek, Jan Kozina, Filip Král, Maria Králová, Jiří Krejčí, Miroslav Krist, Pavlína Kršková, František Krtička, Ivana Křížková, Vladislav Kšír, Zuzana Kubešová, Adam Kubetta, Zdeněk Kubík, Zdeněk Kudrna, Jiří Kuchta, Ivan Kvasnica, Petr Lebeda, Renata Lederová, Tomáš Lénard, Jakub Loskot, Karel Machalíček, Petr Málek, Jan Malík, Lucie Málková, Pavel Mañas, Alexandr Mansurov, Ladislav Marek, Evžen Marek, Kamil Vavřinec Mareš, Jan Marian, Roman Martinek, Adam Martiník, Jakub Martinů, Karel Mařík, Lukáš Matuška, David Mayer, Jaromír Mazák, Kornel Mazur, Zdeňka Medřická, Jaroslav Meloun, Ondrej Mihályi, Petr Mikoška, Martin Milata, Michal Minárik, Benjamin Mlýnek, Jan Morávek, Tomáš Morcinek, Rostislav Moric, Josef Moudřík, Bogdan Mrózek, Michal Mühlpachr, Vladimír Müller, Lukáš Mužátko, mx mx, Jan Mynařík, Josef Nakládal, Jan Nápravník, Dan Navrátil, Barbora Němcová, Tomáš Němec, Jiří Němec, Zdeněk Němec, Ondřej Nezdara, Matěj Novotný, Aleš Nový, Lukáš Obdržálek, Michal Obrtel, Petr Osička, Roman Osvald, Edvard Outrata, Kamil Páral, Tomáš Pártl, Lubomír Pařil, Pavel Paták, Milan Pavlíček, Lukáš Pečinka, Libor Pečinka, Lukáš Pelikán, Hana Pernicová, Eva Pešková, Tomáš Peterka, Tomáš Petr, Erik Petrikovits, Ivan Peychl, Vojtěch Pikal, Jaroslav Písařík, Barbora Planková, Zuzana Pokorná, Jan Pomikálek, Adam Popel, Jan Procházka, Ondřej Prokop, Zuzana Prokopová, Tomáš Protivínský, Petr Prymus, Bronislav Přibyl, Martin Pulicar, Fredy Rada, Lukáš Rakušan, Markéta Richterová, Pavel Rothbauer, Ema Rousová, Jan Roztočil, Jiří Rozvařil, Martin Růžička, Luděk Rychetník, Jiří Řihák, Jiří Sadila, Jiří Sacha, Petr Sakař, Jan Sedláček, Vladimír Sedlák, Filip Sedlák, Milan Sedmihradský, Jiří Sehnálek, Anna Shavit, Blanka Schiffauerová, Antonín Schneider, Jana Skálová, Martin Skokan, Marek Skotnica, Jaroslav Skuhrovec, Jiří Slabý, Lukáš Smelík, Tereza Smrčková, Martin Snížek, Ladislav Sobotka, V Soška, Jan Soudek, Martin Srb, Magdalena Srbová, Michal Stasiak, Jindřich Stašek, Radek Stavinoha, Šimon Stiburek, Vítězslav Strnadel, Jiří Sutner, Josef Svatuška, Petr Svoboda, Martin Svoboda, Josef Svoboda, Justin Svoboda, Petr Synek, Marek Szeles, Tomáš Szkandera, Petr Šabata, Petra Šedivá, Jan Šedo, Jaromír Šeps, Filip Šetele, Václav Ševčík, Kamil Ševeček, Martina Šichanová, Pavel Šilhavý, Michal Šíma, Jan Šimbera, Karel Šimon, Milan Šimoník, Marek Šimoník, Ivo Šír, Jan Šlechta, Michael Šmarda, Filip Šrajer, Petr Štětina, Václav Šubrta, Boris Šuška, Iva Švarná, Alena Švaříčková, Martin Švec, David Švec, Martin Švejda, Petr Švorc, Jakub Talaš, Antonín Teichmann, Viktor Ter, Tomáš Tichý, Libor Toman, Petr Toman, Ondřej Tomášek, Vladislav Toulec, Pavel Trantina, Petra Trnková, Štěpán Trojáněk, Štěpán Turek, Petr Tvarůžek, Petr Tyc, Marie Týnová, Jarmila Tyrnerová, Vojtěch Umlauf, Josef Ungerman, Miloš Urban, Martin Urban, Jaroslav Urbář, Miroslav Vacek, Tomáš Václavík, Petr Vála, Eva Vaníčková, Marian Varga, Klaus Vater, Jan Vávra, Vojtěch Vavřín, Michal Vejlupek, Ondřej Veselý, Jan Višinka, Petr Vítek, Jan Vítů, Jan Vlček, Petr Vnenk, František Vnouček, Jiří Vohradský, Tomáš Vojáček, Michal Vokáč, René Volkmer, Marie Voslářová, Jiří Votoček, Veronika Vraná, Radovan Vrba, Tomáš Vrbický, Martin Všeticka, Martin Vybíral, Petr Vyleta, David Werl, Václav Wortner, Adam Zábranský, Martin Zahradník, Čeněk Zach, Martin Zachoval, Jan Zámečník, Petra Zedníčková, Kristýna Zemanová, Jindřich Zíka, Vít Zikmund, Jan Zimmermann, Jan Zmij, Miloš Zubal, Petr Žák, Jiří Žaloudek, Ondřej Žitek, Petr Žoček



Legal Service for Citizens

Roman Andres, Jan Balada, Pavel Balek, Pavel Bambásek, Petra Baranová, Jan Bechyně, Adam Blažej, Karel Bok, Vincenc Bouček, Vladimír Bouchala, Jiří Brádka, Václav Brožek, Josef Brůna, Ondřej Brynych, Leo Buchta, Zuzana Buraňová, Alexandr Čech, Pavel Černý, Jarmila Čeřovská, Libor Dachs, Saadatkan Daminova, Karel Ďásek, Aleš Doleček, Jiří Drábek, Hana Drlíková, Miloslava Drtinová, Marie Dvořáková, Vratislav Filler, Petr Firbas, Olga Fischerová, Daniel Fišer, Olga Flasarová, Jan Formánek, Eva Fraňková, Roman Gamanov, František Gemperle, Josef Gregor, Jiří Guth Jarkovský, Tomáš Hakr, Jaroslav Hamáček, Jarmila Hanáková, Petr Hanč, Miroslav Havel, Václav Havelka, Jan Haverkamp, Klára Hejduková (Lauritzenová), Petr Hlávka, David Hlisenkovský, Jan Hloušek, Dana Hniličková, Josef Horák, Alice Horová, Josef Houfek, Ivan Hrdý, Tomáš Husa, Pavel Chabr, Michala Chatrná, Martin Chmelař, Zdeněk Jahn, Nikola Jarosz, Bronislav Jašek, Lubomír Jedlička, Michal Jelínek, Jaroslav Jelínek, Michal Jeremiáš, Naděžda Johanisová, Ján Kačina, Petr Kadaník, Pavlína Kalandrová, Josef Kalčík, Petr Kalivoda, Adam Kantor, Daniel Kastner, Václav Kašpar, Lubor Kautský, Karel Khir, Petr Klápště, Lucie Klempířová, Ladislav Klimeš, Milan Knížek, Libor Kohut, Tomáš Kokoška, Alena Kološová, Jan Kořista, Jiří Kotek, Jan Kozina, Zbyněk Krejčí, Vladimír Krejčí, Petr Kubačka, Jiří Kubeš, Petra Kubíčková, Jana Kubištová, Petr Kurfürst, Stanislav Kutáček, Josef Kvapil, Jan Labohý, Ivo Lána, Monika Lavorenti, Monika Lavorenti, Jan Lenart, Petr Lepší, Martin Lhoták, Hana Librová, Petr Litschmann, Ivan Lukáš, Luděk Maděra, Přemysl Mácha, Jan Machač, David Mareček, Pavel Marek, Karel Melecký, Tibor Mészáros, Gabriela Micenková, Petr Miencil, Michal Moravec, Tomáš Morcinek, Jan Mourek, Markéta Mrázková, Kateřina Netíková, Jakub Noha, Jan Nohavica, Martin Novák, Miloslav Novák, Michal Osuský, Lenka Pagáčová, Jan Pánek, Kamil Páral, Radana Parmová, Daniela Partlová, Lubomír Pařil, Radim Pašek, Kateřina Pexidrová, Robert Plch, Marian Plucnar, Lukáš Pokorný, Karla Polydorová, Marta Popková, Veronika Prágerová, Tomáš Priečinský, Pro bono aliance, Pavel Ptáček, Luboš Raus, Ján Rausa, Hana Rejmanová, Miroslav Rochovanský, Čeněk Rosecký, Tomáš Rozsypal, Miroslav Řezníček, Michal Sadílek, Jiří Sedláček, Martina Seidlerová, Ondřej Sigmund, Richard Sladký, Ivo Slavík, Pavel Slavík, Marie Smejkalová, Jakub Snopek, Don Sparling, David Stanovský, Jakub Straka, Michal Stříž, Jaroslav Svoboda, David Svoboda, Antonín Sysel, Kateřina Ščudlíková, David Šebesta, Elsa Šebková, Jaroslav Šeděnka, Monika Šefferovalá, Martin Šestauber, Jiří Ševčík, Kateřina Šilhová Šafránková, Hana Škodová, Jan Šlechta, Přemysl Špicar, ml., Eva Štefková, Alena Švaříčková, Petr Švec, Karel Taft, Jiří Tesařík, The Prague Concert Co., s.r.o., Michaela Thelenová, Petr Tieftrunk, Pavel Tomeček, Jozef Trabalík, John Lindenthal Tregellas, Karel Turek, Michal Urban, Stanislava Urbášková, Václav Valášek, Rostislav Valvoda, Jan Vaněk, Lenka Vernerová, Matouš Vicher, Jan Višinka, Vojtěch Vlček, František Vojtek, Michal Vokáč, Tomáš Volovský, Gabriela Vondrušová, Petr Vopelka, Jan Votruba, Jiří Vyčítal, Lukáš Weiss, Miroslav Zeidler, Milan Zmátlo, Tomáš Znamenáček, Markéta Zouharová, Jan Zubatý, Michal Zwingery.



Frank Bold's Financing

Frank Bold Society, z. s. is a member of the Frank Bold Group. The Frank Bold Group's other Czech members include Frank Bold Kids, z.s., which operates the Sýkorka forest preschool program and the Frank Bold Advokáti, s.r.o. law office. The group also includes the Polish member Fundacja Frank Bold.

The Financing of Frank Bold's Individual Parts

- Frank Bold Advokáti is a law office financed through commercial projects.
- Frank Bold Kids is financed through member contributions, gifts, loans, its own income, and grants from public budgets.
- Frank Bold Society is financed from its own income and above all a number of grants, foundations, and private and corporate donors. The Frank Bold Advokáti law office is among these donors. It contributes financially and materially—the Society can freely utilize its infrastructure.
- The NGO Fundacja Frank Bold is financed through grants and its own income.

Each entity's financing is separate. The sole financial relationships between the entities are the mentioned gifts from Frank Bold Advokáti to Frank Bold Society and Frank Bold Kids. Frank Bold Society also occasionally orders the services of Frank Bold Advokáti for its projects.

Prevention of Conflicts of Interest Between the Associations and the Law Office

The activities of the law office and Frank Bold Society are separated. They are, however, governed by the same values and are not in conflict. The two entities coordinate their activities as much as is needed to prevent any conflicts of interest, for example any situation where Frank Bold Society would be aiding one side in a dispute and Frank Bold Advokáti would be representing the other.

Frank Bold Advokáti has a strict ethical codex, which also governs what orders it takes. It does not represent cases concerning corruption, the covering up of crimes, the legalization of money laundering, harm to the environment, or violations of human rights. This office's clients have no effect on the activities and priorities of Frank Bold Society.



Financial Report for 2016

COSTS	IN WHOLE CZK
office supplies	120,444
literature and periodicals	9,266
repairs and maintenance	0
travel	510,676
prestige (primarily food at the Society's events)	310,584
communication (including postage)	181,262
printing, copying, publicity	2,438,008
rent (incl. rent-related services and energy)	477,285
short-term rentals (primarily rentals of spaces for events)	268,779
legal services and fees	272,693
analyses and expert opinions	571,898
translations and interpreting	65,778
trainings and seminars	44,460
software	49,132
salary costs	8,211,639
taxes, welfare insurance, health insurance	1,866,738
gifts, membership contributions	72,669
banking fees	20,560
other (exchange losses, penalties, audits, other services)	367,435
TOTAL COSTS	15,859,306
REVENUES	
from our own activities	722,834
<i>grants from public and EU budgets</i>	
- The Environmental Partnership Foundation – EEA and Norway funds	211,959
- NROS – EEA and Norway funds	453,914
- European Commission - LIFE +	10,000
- European Commission - DG Justice	458,640
- European Commission, DG Home Affairs	164,303



- Czech Ministry of Interior	750,000
<i>grants from foundations and associations</i>	
- European Climate Foundation	950,884
- The Open Society Fund Prague	402,490
- Dopravní federace	20,000
- Novo Nordisk	120,239
- Open Society Institute	804,154
- The Orlický Family Charity Fund	137,257
- Deutsche Umwelthilfe	35,549
- The Embassy of the United States to the Czech Republic	142,451
- The Embassy of Canada to the Czech Republic	27,359
- International Visegrad Fund	19,608
- Friends Provident Foundation	795,447
- Wallace Global Fund	774,296
- Sigrid Rausing Trust	1,696,144
- Joseph Rowntree Charitable Trust	734,997
- Charles Leopold Mayer Foundation for the Progress of Humankind	396,499
gifts from physical and legal persons – Reconstruction of the State	5,864,623
gifts from physical and legal persons – other	1,456,393
interest from credit	531
other (exchange gains, pre-invoicing, funds)	82,945
REVENUE TOTAL	17,233,516
FINANCIAL OUTCOME – PROFIT	1,374,210

INDEPENDENT AUDITOR'S REPORT
on audit of financial statements as of 31 December 2016

of the company
Frank Bold Society, z.s.

Prague, 9 August 2017

INTRODUCTORY DATA

Audited entity

Company: Frank Bold Society, z.s.
Address: Údolní 567/33, Brno-město, 602 00 Brno
Company Identification No.: 653 41 490
Business activity:

- Organization of campaigns and petition activities for the protection of environment, cultural monuments, consumer's rights, human rights, protection against discrimination, as well as protection of other public interests;
- Participation on administrative and other proceedings where the interests of protecting the environment, consumer's rights and other public interests might be affected.

Recipient of report

Members of the association for negotiations with a statutory body

Subject of audit

Financial statements as of 31 December 2016 for the accounting period from 1 January 2016 to 31 December 2016

Term of audit

19 July 2017 – 9 August 2017

Audit performed and auditor's report executed by

22HLAV s.r.o.

Všebořická 82/2, 40001 Ústí nad Labem

The Chamber of Auditors of the Czech Republic license No. 277

Member of MSI Global Alliance, Legal & Accounting Firms (international association of independent professional firms)

Responsible auditor: Ing. Miroslava Nebuželská, The Chamber of Auditors of the Czech Republic license No. 2092

INDEPENDENT AUDITOR'S REPORT

Designated for the members of Frank Bold Society, z.s.

Report on audit of financial statements

Auditor's opinion

We have audited the attached financial statements of Frank Bold Society, z.s. (hereinafter referred to as the "Company"), which consist based on the Czech accounting standards of the balance sheet as of 31 December 2016, profit and loss statement for the year ending on 31 December 2016, and of the Annex to the financial statements containing the description of major applied accounting policies and other explaining information. The data about the Company is listed in clause 1 of the Annex.

In our opinion, the **financial statements provide a fair and true reflection of assets and liabilities of Frank Bold Society, z.s. as of 31 December 2016, of its expenses and revenues, and net income for the year ending on 31 December 2016**, in accordance with the Czech accounting standards.

Basis for the opinion

We performed the audit in accordance with the Act on Auditors, Regulation of the European Parliament and Council (EU) No. 573/2014, and auditing standards of the Chamber of Auditors of the Czech Republic, namely with the International Standards on Auditing (ISA), eventually supplemented and amended by relating application clauses. Our liability stipulated by these regulations is described in more detail in the section Auditor's liability for audit of financial statements. In accordance with the Act on Auditors and with the Ethics Code adopted by the Chamber of Auditors of the Czech Republic, we are independent on the Company and we have met also other ethical obligations arising from the mentioned regulations. We assume that the evidence we have collected provides a sufficient and suitable basis for the expression of our opinion.

Liability of the Company's committee for financial statements

The Company's committee is liable for preparing the financial statements which provide a true and fair view in accordance with the Czech accounting standards, and for such internal control system as it may consider necessary for the preparation of the financial statements free of significant (material) misstatements caused by fraud or error.

When preparing the financial statements, the Company is obliged to assess whether the Company is able to be operated constantly and, if relevant, describe in the Annex to the financial statements all the matters concerning its constant operation and application of a presumption of constant operation for the preparation of financial statements, except for the cases when the committee intends to dissolve the Company or terminate its activity, respectively when the committee does not have any other real possibility than to do so.

Auditor's liability for audit of financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements are free of significant (material) misstatements caused by fraud or error, and to issue an auditor's report containing our opinion. The reasonable level of assurance is a high level of assurance but it is not a guarantee that the audit performed in accordance with the above-mentioned standards reveals in all cases any eventual existing significant (material) misstatement. The misstatements may be caused by 22HLAV s.r.o., Company Identification No. 64052907, File No. C 10016 kept by the Regional Court in Ústí nad Labem, The Chamber of Auditors of the Czech Republic license No. 277, The Chamber of Tax Consultants certification, registered office: Všebořická 82/2, 40001 Ústí nad Labem, affiliate: Antala Staška 2027/77, 14000 Prague 4, tel.: +420 474745134, +420 230 234 554, email: info@22hlav.cz, web: <http://www.22hlav.cz>

frauds or errors and are considered as significant (material) if it may be assumed they, individually or collectively, might affect the economic decisions that the users of the financial statements adopt on their basis.

When performing the audit in accordance with the above-mentioned standards, our obligation is to apply an expert's opinion during the entire audit and keep professional skepticism. Furthermore, our obligation is to:

- Identify and assess the risks of the significant (material) misstatements of financial statements caused by fraud or error, suggest, and apply the auditing procedures reacting on these risks and gain sufficient and reasonable evidence to be able to express our opinion on its basis. The risk that we do not reveal any significant (material) misstatement caused by fraud is bigger than the risk that we do not reveal any significant (material) misstatement caused by error because the fraud may include secret agreements (collusions), falsifications, intentional omissions, untrue statements, or circumvention of internal inspections by the Company's Director and Chairman.
- Get acquainted with the internal control system of the Company, that is relevant for the audit, within such scope as to be able to suggest the appropriate auditing procedures with respect to the specific circumstances and not to express our opinion on the effectiveness of the internal control system.
- Assess the suitability of the accounting principles applied, the reasonability of accounting estimates made and information stated by the Company's Director and Chairman in this connection in the Annex to the financial statements.
- Assess the suitability of using the presumption of constant operation when preparing the financial statements and assess whether there is any significant (material) uncertainty with respect to the gathered evidence, arising from the events or conditions that may doubt significantly the Company's ability to be operated constantly. If we come to the conclusion that there is such significant (material) uncertainty, our obligation is to pay attention in our report to the information stated in this connection in the Annex to the financial statements. If this information is not sufficient, we are obliged to express a modified opinion. Our conclusions concerning the Company's ability to be operated constantly are based on the evidence we gained till the date of our report. Nevertheless, the future events or conditions may lead to the fact that the Company loses its ability to be operated constantly.
- Assess the overall presentation, division and contents of the financial statements including their Annexes, and assess whether the financial statements show the transactions and events in a manner that provides a true and fair view.

Our obligation is to inform the Director and Chairman and the Supervisory Board among others of the planned scope and schedule of the audit and of the significant findings we made during the audit, including the found significant insufficiencies of the internal control system.

22HLAV s.r.o.

Member of MSI Global Alliance, Legal & Accounting Firms (international association of independent professional firms)

Všebořická 82/2, 40001 Ústí nad Labem

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The Chamber of Auditors of the Czech Republic license No. 277

In Prague, on 9 August 2017

signature illegible

Ing. Miroslava Nebuželská

License No. 2092

The Chamber of Auditors of the Czech Republic,

License No. 277

22HLAV s.r.o. (2)

The report was discussed with the Company's statutory body and submitted in accordance with the contractual terms and conditions:

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An integral part of this report are the following Annexes:

1. Balance sheet as of 31 December 2016
2. Profit and loss statement for the period from 1 January 2016 to 31 December 2016
3. Annex to the financial statements for the period from 1 January 2016 to 31 December 2016