

# whistleblowing procedure of the elemental capital group



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## INTRODUCTION

In **the Elemental Capital Group**, in connection with the general rules introduced under the Code of Ethics, as well as legal requirements and general standards of sustainable development implemented within the Group, **the Whistleblowing Procedure** has been created and implemented, which defines who may report violations, their material scope, the procedure to follow and means of protection of persons reporting violations, including protection of their personal data. The **Whistleblowing Procedure** (hereinafter referred to as "**Procedure**") applies to all companies from the Group, which do not implement their own Whistleblowing Procedure agreed with the Compliance Department of Parent Company, regardless of the level of employment in a given company. Modifications of the procedure are allowed depending on the legal regulations applicable in a given jurisdiction to which the company from the Group belongs, to the extent specified by law.

This **Whistleblowing Procedure along with Annexes** is an essential part of the compliance system in the enforcement of applicable procedures and laws. Cases of violations affect proper functioning of the Group; they lead to distortions of competition, increase costs of conducting business activity, harm stakeholders' interests, and reduce investment activity. People every day facing situations in which irregularities might occur have more information, thanks to which more efficient identification and prevention of unfair or illegal practices is possible. That is why it is so important to put in place confidential, and secure reporting channels and to provide whistleblowers with efficient protection against retaliation.

According to generally accepted principles applicable in the Elemental Capital Group, all regulations, including this Procedure, are subject to mandatory review at least every two years and upon the entry into force of significant amendments to whistleblowing and personal data protection laws, or if such a revision is needed as a result of a change in or the introduction of another specific internal policy/procedure in the Elemental Capital Group, or in the event of any other important reason.

The following templates are annexed to this Procedure:

- a) **Annex No. 1 – template of Register of violation reports.**
- b) **Annex No. 2 – template of information clause.**

## DEFINITIONS

### § 1

Whenever this Procedure refers to:

1. **Associate** – it is understood as a person providing services to the Company based on any civil law contract, including persons representing the Company based on granted powers of attorney;
2. **Company** – it is understood as a company belonging to the Elemental Capital Group, to which this Procedure applies;
3. **Compliance Department** – it is understood as the internal Compliance department of a given Company and if there is no such department, the Compliance department of the Patent Company;
4. **Parent Company** – it is understood Elemental Holding SA (société anonyme) with its registered office in Luxembourg;
5. **Employee** – it is understood as a natural person employed by the Company under an employment contract;
6. **Ethics Officer** – an Employee or Associate of the Compliance Department appointed by the Parent Company, for a specific region in which the Group operates, authorized to receive and examine Reports;
7. **Feedback** – it is understood as providing information to the Reporting Person on planned or undertaken follow-up actions and reasons for such actions;
8. **Follow-up action** – it is understood as an action taken by the Company to assess justifiability of information contained in the Report and to counteract the violation of law that is the subject of Report and to implement corrective actions, such as, conducting an investigation, initiating an inspection, or closing the proceedings conducted in connection with the reported irregularity;
9. **Management Board** – it is understood as the Management Board of a given Company;
10. **Person assisting in making a report** – it is understood as a natural person who helps the Reporting Person in making the Report, an external report or a

public disclosure in a work-related context and whose assistance should not be revealed;

11. **Person associated with the Reporting Person** – it is understood as a natural person who may experience retaliation, including another Employee or Associate of the Company or the closest person to the Reporting Person, i.e. a spouse, ascendant, descendant, sibling, relative in the same line or degree, a person in an adoptive relationship and his or her spouse, as well as a person in cohabitation;
12. **Report** – it is understood as an internal notification made to the Company, under this Procedure, regarding a noticed violation in a given Company, which may be made by entities listed in § 3 section 1 of the Procedure, not constituting an external report or public disclosure referred to in § 9 of the Procedure;
13. **Reported Person** – it is understood as a natural or legal person or an organizational unit without legal personality granted legal capacity by separate regulations, named in the Report as an entity committing the violation, indicated in a Report, external report or public disclosure as the person who committed the irregularity or as a person with whom the person who committed the irregularity is associated;
14. **Reporting Person** – (also referred to as "Whistleblower") it is understood as a natural person, referred to in § 3 section 1 of the Procedure, who reports in good faith any irregularities noticed on the basis on this Procedure, external report or public disclosure in a work-related context;
15. **Retaliation** – it is understood as a direct or indirect action or omission in a work-related context that is caused by the Report, external report or public disclosure and that violates or may violate the Reporting Person's rights, or causes or may cause unjustified damage to the Reporting person, including groundless initiation of proceedings against the Reporting Person.

## GENERAL PROVISIONS

### § 2

1. This Procedure was introduced to standardize and organize the process of reporting any irregularities detected by Whistleblowers in the Group, so as to ensure full transparency of organizational processes and compliance by Employees, Associates or contractors of the Companies with the procedures and

policies in force in the Elemental Capital Group, to create proper attitudes by eliminating unethical behavior, ensuring at the same time full protection of the Reporting Persons.

2. Each of the Companies publishes the Procedure on its website and in other communication channels applicable and available in a given Company, and ensures that such a reporting path is properly communicated within its internal structures.
3. Group perceives Whistleblowers as persons significantly contributing to self-repair and improvement of the processes existing in the Companies, therefore this Procedure provides for both Report - revealing the identity of the Whistleblower and anonymous Reports as available channels of transmitting information that initiates the entire process specified in this Procedure and aim at eliminating unethical or illegal behavior in the Group.
4. This Procedure is adopted by each of the Companies as an internally binding document, taking into account modifications resulting from laws applicable in a jurisdiction in which the Company has its registered office.
5. The Management Board of a given Company is responsible for the introduction of this Procedure, its adaptation to local legal requirements applicable to the Company.
6. The Compliance Department is responsible for training in the scope of the principles resulting from the Procedure and for updating the Procedure.
7. This Procedure is kept in both electronic and/or paper versions.
8. The Annexes constitutes an integral part of this Procedure, and their changes does not require Procedure's amendment and could take place regardless of changes made to this document. The Annexes amendments shall be determined and approved by/with the Compliance Department of Parent Company.
9. The terms used and not defined in this document and not containing a reference to another procedure, policy or regulations, shall have the meaning given to them in the Code of Ethics of Elemental Capital Group.

PERSONAL SCOPE

§ 3

1. This Procedure applies to the Whistleblower making the Report described in § 4 below, who may be the following:
  - a) Employee;
  - b) Associate;
  - c) persons applying for a job in the Company;
  - d) persons whose employment/cooperation relationship has ceased in the Company;
  - e) member of the Management Board or other body of the Company;
  - f) stockholder or shareholder of the Company;
  - g) current or former business partner of the Company (including client, counterparty, contractor, subcontractor) or persons employed by or cooperating with such a party;
  - h) intern, volunteer or apprentice cooperating with the Company;
  - i) another natural person involved to some extent in cooperation with the Company or those status as a Whistleblower is granted by the general provisions of law applicable to a given Company.
2. Where appropriate, the protection measures provided to the Whistleblower shall also apply to:
  - a) Persons assisting in making the Report,
  - b) Persons associated with the Reporting Person, and
  - c) legal entity, in particular own or work with Reporting Person, which support or connect with the Whistleblower.
3. In relation to availability of reporting channels to reporting irregularities for persons outside from the Group, the Company, out personal scope indicated in section 1 above, allows for receiving reports from local communities affected by the Company's activities, provided that such persons do not have Whistleblower status within the meaning of this Procedure, as well as the deadlines and other regimes concerning the Whistleblowers, resulting from this document and applicable legal provisions, do not apply to such reports.

MATERIAL SCOPE

§ 4

1. The Whistleblowing Procedure applies to violations detected or disclosed in connection with the business activity carried out by the Company:

**i. in the scope arise from the binding provisions i.e.:**

- a) corruption;
- b) public procurement;
- c) financial services, products and markets;
- d) counteracting of money laundering and terrorist financing;
- e) product safety and compliance;
- f) transport safety;
- g) protection of the environment;
- h) radiation protection and nuclear safety;
- i) food and feed safety;
- j) animal health and welfare;
- k) public health;
- l) consumer protection;
- m) protection of privacy and personal data;
- n) security of network and information system;
- o) financial interests of the State in which the Company its registered, local government units and European Union;
- p) European Union internal markets including competition and state aid rules and corporate tax;
- q) constitutional freedoms and rights of persons and citizens – occurring in the relations of an individual with public authorities and not related to the areas indicated in points a) – p);

**ii. in the scope of other violations identified in the Company, i.e.:**

- a) violations of the principles set out in the Code of Ethics;
- b) failure to declare an existing conflict of interests;
- c) violation of sanctions imposed by, among others, the European Union, Great Britain or the United States;
- d) undertaking activities that cause or may cause damage to the reputation and image of the Company;
- e) misappropriation of property belonging to the Company;
- f) committing fraud, counterfeiting or alterations of internal documentation, including financial documentation belonging to the Company;
- g) violations of the principles of equality in employment, including all forms of discrimination;

- h) occurrence of any form of harassment or mobbing;
- 2. The material scope specified in section 1 applies to internal reports regulated in this Procedure. In the case of external reports or public disclosures, the scope indicated in section 1 point (i) above should be followed, i.e. resulting from the relevant legal regulations and information posted on websites of the competent public authorities.
- 3. Violations detected or disclosed in connection with the business activity carried out by a given Company, which go beyond the scope provided for in § 4 section 1, may be the subject of internal reports, but such reports are not covered by the rules set out in this Procedure. In particular, § 5 of the Procedure does not apply to such reports.

## WHISTLEBLOWER PROTECTION RULES

### § 5

1. Subject to the provisions of section 2 below, the Whistleblower who makes a Report, external report or public disclosure shall be protected from the moment it is made, provided that, in that time he or she has reasonable grounds to believe, that the circumstances he or she describes in the Report, external report or public disclosure are true and that the following conditions for granting protection are met:
  - a) was made in good faith;
  - b) was made according to the provisions of this Procedure or in the case of external report or public disclosure, in the manner specified in applicable law;
  - c) is not intentionally misleading, abusive or not serious;
  - d) is not intended to make a false accusation against the person or persons identified as responsible for the irregularity;
  - e) is not made to hide or divert attention from any other negative action that the Whistleblower has committed himself or herself.
2. The Whistleblower who has reported inaccurate information about violations as a result of an unintentional error will also be protected.
3. As part of the Report examining procedure, Companies provide Whistleblowers with the following protection measures:
  - a) full confidentiality of identity and other information based on which the identity of the Reporting Person can be directly or indirectly identified,

- unless the Reporting Person has consented to the disclosure of his or her identity or if disclosure of the Whistleblower's identity is a necessary and proportionate legal obligation in the context of investigations or judicial proceedings carried out by public authorities or other competent authorities, including in order to guarantee the right to defend to the Reported Person;
- b) access to the information provided in the Report only to the Committee dealing with the Report or other persons involved in the process under written authorization and commitment to confidentiality;
  - c) prohibition of undertaking, threatening or attempting to undertake retaliation actions specified in this Procedure;
  - d) systematic training for Employees and Associates to raise awareness of the rules in force in the Company, the rights of the Reporting Persons, and the protection measures available to them;
  - e) treating the disclosure of the information contained in such a Report, including the identity of the Whistleblower, by a person not authorized to read the Report as irregularity and taking relevant consequences after the end of the proceedings.
4. The Companies prohibit retaliatory actions, including attempts or threats to use them, in particular:
- a) refusal to establish an employment relationship or other cooperation agreement;
  - b) dismissal with notice or terminating the employment contract or the cooperation agreement;
  - c) reduction of remuneration, downgrading, suspension or omission from promotion;
  - d) unfavorable change in the place or time of performing work or duties;
  - e) negative assessment of work results or negative opinion about cooperation;
  - f) imposition or application of a disciplinary measure, including a financial penalty or a measure of a similar nature;
  - g) use of coercion, intimidation or exclusion;
  - h) mobbing or discrimination or other forms of unfavorable or unfair treatment;

- i) taking actions that impede finding a job in the future or establishing cooperation in a given sector or industry on the basis of informal arrangements/ agreements;
  - j) causing a financial loss, including economic loss or loss of income;
  - k) making other non-material damage, including violation of personal rights, e.g. damage of reputation, especially on social media;
  - l) blacklisting based on formal or informal agreement at a sector or industry level, which may mean that the person will not find future employment in a given sector or industry;
  - m) other retaliation actions specified in applicable laws, applicable to a given Company.
5. Intended or undertaken actions of the nature indicated in sections 4 (a) – (f) above are not considered as retaliation actions, if the Company can demonstrate that it was guided by objective and duly justified reasons, and in such a situation the Company is not limited in making decisions related to employment or conducting business activity.
6. A Whistleblower who has become the target of retaliation or suspects that he or she may become the target of retaliation should report the situation. Retaliation actions against the Whistleblower a violation and will be dealt with in accordance with this Procedure.
7. A Whistleblower, against whom retaliatory action has been taken has the right to compensation or damages in an amount determined in accordance with the provisions of generally applicable law.
8. A person who has suffered damage due to a conscious Report, external report or public disclosure of false information by a Whistleblower has the right to compensation or redress for violation of personal rights from the Whistleblower who made such Report, external report or public disclosure in accordance with the provisions of generally applicable law.
9. The provisions concerning the prohibition of undertaking, threatening or attempting to undertake retaliation actions specified in this Procedure shall apply mutatis mutandis to persons receiving and reviewing Report and conducting an investigation in the Company.
10. Persons who retaliate against persons considering the Report may be subject to civil liability and disciplinary actions - in accordance with applicable legal provisions and principles adopted in the Company.

## MEASURES OF PROTECTION AVAILABLE TO REPORTED PERSONS

### § 6

1. Companies belonging to the Elemental Capital Group ensure that the Persons named in the Report have the confidentiality of their identity protected at the stage of the Report investigation process.
2. Pursuant to applicable laws in connection with the investigation proceedings conducted by public authorities or judicial proceedings conducted by courts, the following protection measures are available to the Reported Person:
  - a) the right to an effective legal remedy and an impartial court;
  - b) the right to defend, including the right to be heard;
  - c) the presumption of innocence;
  - d) the right of access to case files.

## STATUS OF THE ETHICS OFFICER AND THE IRREGULARITIES COMMITTEE

### § 7

1. The Parent Company appoints an Ethics Officer for specific regions in which the Group operates, who cooperates with each of the Companies in the Elemental Capital Group. The Ethics Officer together with the Chief Legal Officer of the Parent Company, constitutes **Irregularities Committee** competent for the region for a given Ethics Officer, referred to in section 8 below, subject to sections 2 and 3 below.
2. A company that has established a Compliance Department or an ethics representative within its internal organizational structure, or has designated another person responsible for receiving and reviewing Reports, may review Reports within its own structures, subject to section 3 below. The provisions regarding obligations when reviewing Reports arising from this Procedure shall apply to the above-mentioned persons accordingly.
3. In the case referred to in section 2 above:
  - a) the ethics representative of the given Company or another designated person is obliged to provide the Ethics Officer with report on the recorded irregularities after the end of the given quarter in the calendar year in which the Reports were recorded;
  - b) in justified situations, i.e. in particular when the Report concerns:
    - i. a member of the Management Board of a given Company.



- ii. an irregularity resulting or likely to result in significant financial or image damage to the Company,
  - iii. cases with a high degree of sophistication/complexity, the ethics representative of the given Company or another designated person is obliged to forward the received Report to the Irregularities Committee and include it in the proceedings concerning the received Report, as well as cooperate with it during the consideration of the given Report. The Irregularities Committee may take over any Report for independent processing (i.e. without involving the ethics officer or other person designated in a given Company to receive Reports), regardless of the type and scale of the Report.
4. The Management Board of the Company cooperates with the Ethics Officer and the Irregularities Committee during the investigation proceedings in the process of considering Reports.
5. In the absence of the Ethics Officer, his functions are performed by the Chief Legal Officer.
6. The duties of the Ethics Officer include:
  - a) receiving Reports from Whistleblowers regarding irregularities noticed, made through the reporting channels specified in this Procedure;
  - b) making a preliminary analysis of the Reports and providing Feedback to the Whistleblower regarding further steps connected with the Report;
  - c) conducting investigation proceedings and cooperating with other members of the Irregularities Committee to clarify a specific case of violation, applying relevant disciplinary measures and implementing corrective actions;
  - d) ensuring confidentiality of the documentation collected when receiving and processing of Reports;
  - e) preparing, no later than by the end of the first quarter of the calendar year, a report for the previous calendar year and submitting it to the Management Board of the Parent Company specifying irregularities identified in the Group and the Companies in which these irregularities took place - this obligation applies only to the Ethics Officer appointed by the Parent Company;
  - f) organizing regular training in the field of whistleblowing procedures - during the training, case studies of the irregularities identified in the Group (anonymized) should be analyzed by reference to prevent similar situations in the future;

- g) performing and participating in all tasks and duties of the Irregularities Committee;
  - h) keeping the Register of Reports;
  - i) undertaking other activities that will be necessary in the implementation of the above-mentioned duties.
- 7. The Ethics Officer shall perform his or her duties independently, using his or her knowledge and experience, guided primarily by the interests of persons who should be duly protected in the light of fact described in the received Report.
- 8. The **Irregularities Committee** consists of the **Ethics Officer** and a **Chief Legal Officer**. Additionally, the Ethics Officer could nominate to Irregularities Committee a person associated with the area covered by the Report, designated by the Management Board of a given Company. In addition, members of the Irregularities Committee may decide to appoint further members to the Committee, however not more than two, for the purposes of a specific Report, especially relating to complicated issues or connected with persons holding managerial positions of the Companies. All persons appointed to the Irregularities Committee receive written authorization from the Company to process personal data and undertake to maintain confidentiality.
- 9. The following persons may not be involved in processing the Report:
  - a) the Reporting Person;
  - b) the Reported Person;
  - c) a person who is a direct subordinate or line manager of the Reported Person;
  - d) a person in a conflict of interest (defined subject to the priority of the applicable provisions of the law applicable to the registered office of the Company).
- 10. The fact of appointing additional members to processing the Report should be recorded in the documentation collected for the purposes of a given Report.
- 11. If the Report concerns members of the Irregularities Committee referred to in § 7 section 1, the Report should be addressed directly to the Management Board of the Parent Company. If the Report concerns the persons indicated in § 7 section 2, the Report is directed to the appropriate Ethics Officer.
- 12. In the case referred to in the first sentence of section 11 above, the Management Board of the Parent Company is obliged to apply the principles set out in this

Procedure regarding the consideration of Report, including the appropriate selection of the composition of the committee considering the Report, taking into account the provisions of section 9 above.

13. If the Report concerns a member of the Management Board of the Parent Company, the Report should be addressed directly to the President of the Management Board of the Parent Company, and if the Report concerns the President of the Management Board of the Parent Company or the entire Management Board, then the Report should be submitted to the Chairman of the Supervisory Board of the Parent Company. The President of the Management Board of the Parent Company and the Supervisory Board of the Parent Company (competent for reviewing reports concerning the President of the Management Board or the entire Management Board of the Parent Company) are obliged to apply the principles set out in this Procedure regarding the consideration of Reports, subject to the priority of the applicable provisions of the law applicable to the Parent Company.
14. As part of its proceedings, the Irregularities Committee has the right to:
  - a) access documents to the extent necessary to clarify the matter;
  - b) obtain information in oral or written form from managers, Employees, or Associates of particular units, as well as relevant representatives of business partners;
  - c) access data from video monitoring carried out in the Company to which the Report relates, taking into account the principles of personal data protection set out in relevant internal policies;
  - d) access relevant premises of the Company concerned by the Report to carry out an on-site inspection or take other actions necessary to clarify the matter;
  - e) consult the Management Board of the Company or the Management Board of the Parent Company to determine further remedies;
  - f) or consult external entities, including legal, tax, or ethics advisors.

#### PROCEDURE OF RECEIVING AND PROCESSING INTERNAL REPORTS

##### § 8

1. If the irregularity noticed by the Whistleblower can be effectively resolved as part of an internal procedure in force in the Company and when there is no risk of retaliation actions against the Whistleblower, it is recommended to submit reports according to this section.
2. The Ethics Officer is a party responsible for receiving Reports and in the case referred to in:

- a) § 7 section 2 – the ethics representative of the given Company or the designated person responsible for receiving and considering Reports in the Company;
- b) § 7 section 11, first sentence – Management Board of the Parent Company;
- c) § 7 section 13 – the President of the Management Board of the Parent Company or the Chairman of the Supervisory Board of the Parent Company, as appropriate.

The rules for receiving and considering internal reports by the Ethics Officer and the Irregularities Committee should be applied accordingly to the entities indicated above in this section.

3. The Whistleblower can report using the following reporting channels:
  - a) in a written form to the following address: Elemental Holding sa, 20 rue Eugène Ruppert, L-2453 Luxembourg, or to the Company's address with the annotation: *"To the Ethics Officer", "Report of violation", "Confidential - concerns irregularity", "Whistleblower - do not open"* – or other analogous statement indicating the confidentiality of the information contained in the letter, which should be addressed to the Ethics Officer;
  - b) in a written form, thrown directly into the alarm mailbox situated on the premises of the Company's workplace with the annotation specified in point a) above;
  - c) using e-forms available on the Company's website;
  - d) by e-mail to: [whistleblowing@elemental.biz](mailto:whistleblowing@elemental.biz).
4. Reports submitted in a written form, designated according to section 3 points a) and b) should be forwarded directly to the Ethics Officer, without first opening the envelope.
5. Reports may be anonymous or may reveal the identity of the Whistleblower. If the identity of the Whistleblower is revealed, this does not mean that this information is available to all other persons; it is known only to parties authorized by the Company, who are obliged to ensure confidentiality of the identity of the Reporting Person and the third party indicated in the Report.
6. Validity of the Report does not depend on using the form, although such a path is recommended, and in the case of not using form dedicated to reporting irregularities, the Report should provide information and describe issues covered by the content of the form.

7. If no comprehensive information is available, the Whistleblower may make a Report to the extent known to him or her. Lack of complete information is justified in Anonymous Reports if provision of additional information could result in the disclosure of the Whistleblower's identity.
8. When making anonymous Reports without using the e-form available on the website, which is submitted through an IT application ensuring the anonymity of the Whistleblower, The Report should be made in the way that prevents identification of the Reporting Person, e.g. not sent from a personal e-mail address.
9. Any attempts to establish the identity of the Whistleblower when processing anonymous reports is prohibited.
10. Upon receipt of the Report, the Ethics Officer enters it in the **Register of Reports**, referred to in §10 of this Procedure, carries out a preliminary verification of the Report, and then:
  - a) closes the proceedings if, on the basis of the Report received, he or she establishes that there is no irregularity referred to in this Procedure, as well as if the Report is obviously groundless, notifying the Whistleblower of the closure of the proceedings within 7 days from the date of receipt of the Report, as long as the Reporting Person has provided a contact address to which feedback should be sent; or
  - b) informs the Whistleblower on proceeding with the examination of the Report within 2 working days from the date of receipt of the Report, as long as the Reporting Person has provided a contact address to which the confirmation should be sent, and at the same time forwards the Report for examination by the Irregularities Committee to start investigation activities.
11. All Reports received by the Ethics Officer are treated with proper care and seriousness, ensuring confidentiality, and are subject to the principle of impartiality and objectivity, and people involved strive at establishing and taking into account all factual and legal circumstances.
12. The Irregularities Committee is obliged to ensure full confidentiality of identity of the persons indicated in the Report, as well as confidentiality of any other data and actions taken while examining a respective Report.
13. Investigation activities should be undertaken immediately, but no later than within 7 days from the date of receipt of the Report.
14. The Irregularities Committee, as part of the Report investigation activities, takes the following actions:

- a) analyzes the evidence and documents received with the Report, as well as available data from the IT system;
  - b) requests additional information and evidence, and communicates with the Reporting Person in this respect;
  - c) talks to Employees and Associates and other persons aware of facts necessary to investigate the Report;
  - d) where necessary, records, secures or makes notes, copies, or certified copies of the data<sup>1</sup>;
  - e) determines who is responsible for the irregularity;
  - f) if necessary and if the nature of the Report allows it, especially if there is a possibility of an amicable conclusion of the proceedings and if the Report was not an anonymous Whistleblower, refers the case to mediation under conditions set out in this Procedure.
15. If the information needed by the Irregularities Committee is confidential information of the Company, the Committee is obliged to apply to the Management Board of the relevant Company to release an Employee or Associate, or business partner from the obligation to maintain confidentiality of such information. The refusal of the Management Board of the Company should be justified in writing and is subject to assessment by the Management Board of the Parent Company.
  16. The Ethics Officer is obliged to describe all facts established during the investigation in the Register of Reports, in order to have a written report of all stages and evidence collected in the proceedings.
  17. Upon completion of the investigation, the Irregularities Committee prepares a report summarizing the findings made during the investigation, conclusions regarding justifiability of the Report, further remedial actions proposed, and recommendations for resolving the case.
  18. The report, together with a recommendation for further action, is submitted to the Management Board of the Company or the Management Board of the Parent Company if the matter concerns the Management Board of the Subsidiary, with the exception of matters relating to minor, less significant breaches, in which case the recommendations may be approved independently by the Irregularities Committee and appropriately forwarded for implementation.

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<sup>1</sup> These operations should be carried out in the presence of owners of the information that is being examined.



19. Based on the received Report, the Management Board decides on the actions to be taken in connection with the irregularity. Such a decision should be promptly taken by the Management Board, taking into account the time limit within which feedback should be provided to the Whistleblower. The Management Board is not bound by recommendations of the Irregularities Committee, however, in the event of a decision inconsistent with the recommendation of the Irregularities Committee, it is obliged to provide written explanations regarding the decision taken. Such a document is forwarded to the Irregularities Committee to be recorded in the Register of Reports and to implement corrective actions that fall within the competence of the Irregularities Committee.
20. The Ethics Officer provides the Whistleblower with feedback on the actions taken after the completion of the investigation and receipt of the information from the Management Board on further actions regarding the violation, within a period not exceeding 3 months from the date of confirmation of receipt of the Report, and in the case of failure to confirm, within 3 months from the expiry of 7 days from the date of submission of the Report, unless the Reporting Person has not provided a contact address to which feedback can be sent.
21. In case of exceeding or risk of exceeding the 3-month deadline for considering a given case resulting from the lack of a decision by the Management Board of the subsidiary Company, referred to in section 19 above, the Ethics Officer informs the Management Board of the Parent Company of this fact.
22. In cases concerning violation of ethical principles applicable in the Group, the Irregularities Committee may, after obtaining the consent of the Whistleblower and the Reported Person, organize a mediation meeting to facilitate and help in working out a common solution to the conflict situation. Mediation should be conducted by at least one member of the Irregularities Committee, in compliance with the principles of impartiality, in a place that ensures confidentiality of participants' identity and the course of the mediation arrangements. The mediation is followed by the drawing up of minutes, which should be signed by the participants. The result of the mediation is recorded in the Register of Reports.
23. In cases of minor importance or in which the parties have reconciled, also as a result of mediation, it is recommended that the person liable for the violation be instructed and obliged to refrain from committing violations in the future.



24. In the event of identifying damage, the Irregularity Committee may recommend the obligation to redress it on the terms set out in the settlement or pursuant to applicable laws.
25. If significant violations are identified, the Irregularities Committee may recommend the following:
  - a) initiating disciplinary proceedings and imposing a penalty on the terms set out in applicable laws, and with regard to Employees – on the terms set out in the provisions of labor law;
  - b) making changes or rotations in the positions occupied by persons committing violations;
  - c) omission when promoting or rewarding, limitation of authority.
26. If the Irregularities Committee finds that a violation was of a criminal nature in the light of applicable laws, the recommendation should contain an obligation to inform the competent authorities about the possibility of committing a crime.
27. In addition, the Irregularities Committee may, based on the considered Report, recommend the need to make changes to applicable internal policies and procedures, or the need to codify specific issues and processes occurring in the Group.
28. A Whistleblower who did not act in good faith when making the Report and thus failed to not meet the conditions set out in § 5 section 1 and 2 of this Procedure, does not have the rights specified in this Procedure, including the right to, and may be subject to disciplinary, civil and criminal liability pursuant to applicable laws. Such liability also applies to other persons who violate the confidentiality of information related to the submission of Reports and the process of examining them.
29. If the identified and confirmed irregularities also concern the activity of other companies belonging to the Elemental Capital Group, the Ethics Officer provides relevant information to the Management Board of the Companies concerned together with specific recommendations. The provisions of section 19 hereof shall apply mutatis mutandis.

## OTHER FORMS OF REPORTING IRREGULARITIES

### § 9



1. The recommended form of reporting irregularities is the internal reporting process described in § 8 of the Procedure. Each of the Companies is obligated effectively prevent irregularities, eliminate violations and, in justified situations, repair of damage.
2. There are other forms of reporting under applicable laws, such as:
  - a) external report and
  - b) public disclosure.
3. The Reporting Person may file an external report without the need to submit an internal Report as defined in § 8 of the Procedure.
4. An external report may be made directly to the competent authority in any of the following circumstances:
  - a) the infringement is of substantial importance for the public interest;
  - b) it is necessary to prevent or terminate the infringement as soon as possible because of the risk of serious damage;
  - c) persons having a managerial, employment, service or contractual relationship with the institution may themselves be committing or have committed an infringement;
  - d) the Report has been submitted through an internal whistleblowing channel but no response has been received or no action has been taken in response to the information submitted or the measures taken have been ineffective;
  - e) there are grounds for believing that the submission of the Report through the internal whistleblowing channel may not guarantee the anonymity or confidentiality of the person who submitted the Report, or may have the effect of concealing the notified infringement or of adversely affecting the Whistleblower who submitted the Report;
  - f) the institution does not have a functioning internal whistleblowing channel;
  - g) the Whistleblower is unable to use the internal whistleblowing channel because he/she does not have an employment, service or other legal relationship with the institution.

Whistleblower shall contact the competent authority a form approved by the Government of the Republic of Lithuania or an institution authorized by it, or a free form notification, stating that the notification is submitted in accordance with the Law on the Protection of Whistleblowers.

5. Public disclosure may be provided in order to report an imminent threat to human life, public health or the environment, where urgent action is necessary to prevent such a threat and time constraints do not allow the infringement to be reported in other ways or where the infringement has not been reported in other ways in a timely manner. Whistleblower who has made the public disclosure must apply to the competent authority in order to obtain the guarantees for whistleblowers provided for in the Law on the Protection of Whistleblowers.

## REGISTER OF REPORTS

### § 10

1. The Ethics Officer keeps a Register of Reports, which specifies and describes all cases of internal Reports received, as well as records the course of investigation activities and results and recommendations ending the proceedings.
2. The Register of Reports is kept in a manner consistent with the provisions on the protection of personal data, taking into account the obligation to maintain the confidentiality of identity of Whistleblowers, parties committing or probably committing violations, as well as persons against whom a violation was committed.
3. The Register of Reports shall be kept according to the template set out in **Annex No. 1** to this Procedure or may be kept within the IT system dedicated to receiving and processing notifications. The Register of Reports should contain:
  - a) internal Report number;
  - b) the date of filing of the internal Report;
  - c) personal data of:
    - the Whistleblower (if it is disclosed)
    - the Reported Person;
    - witnesses
  - d) designation of the form of the internal Report;
  - e) designation of the subject matter of the internal Report
  - f) information about all evidence and documents collected in the course of the investigation;
  - g) findings made as a result of the investigation, mediation and recommendations to the Management Board;
  - h) decision of the Management Board on the follow-up actions and information on putting them in place;
  - i) date on which the Whistleblower was informed of the action taken;
  - j) additional information/annexes;
  - k) date of completion of the case understood as the date of completion of the follow-up actions.

4. The data in the Register of Reports is stored for at least five years from the last decision made when examining this information; after this time it is deleted from the Register of Reports. The term for storing data in the Register of Reports can be extended by reasoned instruction of the competent authority.
5. The following persons have access to the Register of Reports:
  - a) Ethics Officer (or another person appointed in a given Company to receive and consider Reports within the scope of the Report Register maintained);
  - b) Chief Legal Officer of the Parent Company;
  - c) the Management Board of the Company to the extent that the Register relates to that Company, excluding access to matters relating to members of the Management Board of a given Company;
  - d) the President of the Management Board of the Parent Company, the Management Board of the Parent Company or the Chairman of the Supervisory Board of the Parent Company in the scope of considered Reports;
  - e) any other person involved in the process of substantive clarification of the Report, only to the relevant and necessary extent, authorised to process personal data, and after signing a confidentiality commitment.

Access to the Register of Reports is also granted to competent public authorities in connection with their proceedings and to the extent resulting from applicable laws.

## PRINCIPLES OF PROTECTION AND SECURITY OF PERSONAL DATA

### § 11

1. Companies and persons designated to receive and examine Reports are obliged to protect personal data contained in Reports, in particular personal data of the Whistleblower, the Reported Person, and witnesses, pursuant to applicable national law, Regulation (EU) 2016/679 of the European Parliament and of the

Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter referred to as the "**GDPR**") and on the basis of internally applicable data protection rules, in particular those included in this Procedure, the Personal Data Protection Policy and the Security Policy in force in the Group.

2. Each of the Companies provides relevant IT systems that guarantee the confidentiality of personal data in order to comply with the obligations set out in section 1 above, including relevant tools to ensure anonymous reporting of violations.
3. The Company acting as data controller ensures that all persons designated to examine Reports or involved in this process and are authorized to process data and are obliged to maintain confidentiality of all information covered by the Report and obtained while completing their tasks, as well as to would take measures to ensure protection of information against access by unauthorized persons and against their loss, damage and destruction.
4. Whistleblower's data is not disclosed in report of the Ethics Officer addressed to the Management Board of the Parent Company, referred to in § 7 section 6 item e). The Report describing the scope and subject matter of Reports submitted in a given calendar year, as well as any possible training materials developed by the Ethics Officer to train Employees and Associates so as to prevent similar situations in the future, are anonymized to the extent preventing identification of persons acting in any capacity in the Report examining procedure.
5. The Company to whose activity a given Report is related is the controller of personal data appearing in such Report.
6. The template of the information clause is attached as **Annex No. 2** to this Procedure.

## FINAL PROVISIONS

### § 12

1. This Procedure is an internal act in the Group as part of the collection of internally binding policies and procedures, but it does not exclude the application of generally applicable laws.



2. Violation of the provisions of this Procedure, e. g. by retaliating or obstructing the submission of a Report may result in consequences specified in applicable laws and/or disciplinary sanctions specified in internal regulations applicable in the Group.
3. As regards examination of internal Reports, in matters not regulated in this Procedure or the event of special situations requiring an individual approach, a decision, also in terms of derogations applied, is made by the Chief Legal Officer of the Management Board of the Company of the Group Company.
4. Any derogations from this Procedure applied when examining the Report require relevant annotations in the Register of Reports.
5. This Procedure enters into force 7 days after its announcement in the manner adopted by the Company and supersedes all other documents relating to the procedure of receiving and handling reports of irregularities in force in the Companies.



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