Whistleblower Protection Policy

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1. Objective

The term “whistleblowing” describes a disclosure by an employee or another person of suspected wrongdoing within the company. It is essential that the Reporting Persons or whistleblowers feel safe and report their suspicions in the early stages of the potentially illegal activity. **PRECIOSA ORNELA, a.s**. supports its employees in reporting matters that are deemed to contravene the rules and/or values upheld by PRECIOSA ORNELA, a.s.

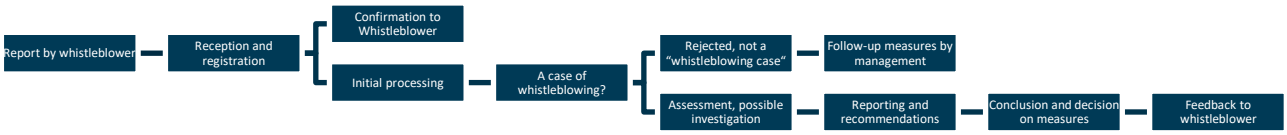
The purpose of this document is to define procedures that enable compliance with common minimum standards set by whistleblower protection legislation; and implement channels for filing of Reports and provide a high level of protection for the Reporting Persons. Those reporting channels may be operated internally or externally by a third party.

2. Fundamental principles of Reports processing

Fundamental principles of Reports processing are as follows:

- Every report is taken seriously.
- All reports are processed in time.
- All reports are processed while maintaining confidentiality and protecting the identity of the Reporting Person.
- Anonymous reports are processed once the identity of the Reporting Person becomes apparent (unless the person in question states otherwise)
- Reporting channels are designed to ensure Reporting Persons’ anonymity and as such they may be used without fear of undesirable consequences or reprisals.
- Reporting Persons receive confirmation of the receipt of their respective Reports where possible.
- Reporting Persons receive timely feedback following the conclusion of the investigations of their respective Reports where possible.
- Only Competent Person can be consulted about notifications.

The chart below shows the main steps of processing of Reports – from their receipt to the conclusion of the investigation and provision of feedback to the relevant Reporting Person.



3. Personal data protection

All channels available for the filing of Reports must be designed, established and operated in a way that ensures the protection of the identity of Reporting Persons and prevents unauthorised access to personal data contained in Reports.

PRECIOSA ORNELA, a.s. will ensure that the identity of Reporting Persons is not disclosed without their prior consent to any person other than the Competent Person authorised to receive Reports or manage Reports in the subsequent processes of assessment and investigation. This provision applies to any other information from which the identity of Reporting Persons could be directly or indirectly inferred. The identity of Reporting Persons and/or any other information can be disclosed to third parties only where required by law.

Processing of personal data as per this directive, is conducted in compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), Act No. 110/2019 Coll., on the processing of personal data and the internal regulations of PRECIOSA ORNELA, a.s..

When filing a Report via the Ethics Line portal, using a dedicated telephone line or in person, Reporting Persons are asked to provide in particular the following information:

- relationship between the Reporting Person and PRECIOSA ORNELA, a.s. (employee, intern, etc.),
- description of the reported matter including specification of time and place of occurrence,
- names of persons who may have witnessed the matter or may possess additional information related to the Report (any of the named persons may be contacted during the investigation stage),
- any other information and evidence that may be of use in the investigation of their Report.

Personal data clearly irrelevant to the processing of a particular Report is not collected.
No information related to wrongdoings that contains trade secrets and/or other confidential information may be used or disclosed beyond the scope of what is necessary for the proper realisation of any subsequent steps.

4. Record keeping

Competent Person keep records of every received Report in compliance with the above specified requirements of personal data protection. For record keeping, an application is used to receive and manage notifications.

If a Report is filed by telephone, the Competent Person documents the call by means of a transcript. Competent Persons must offer to the Reporting Person the option of reviewing, correcting and approving the transcript.

If a Report is filed during a meeting in person with the Reporting Person, the Competent Person records the Report by means of a written record of the interview. Information regarding received Reports must be retained for at least five years from the date of receipt. After expiration of this period, information regarding received Reports will be retained only if necessary and reasonable for purposes of ensuring compliance with applicable legal regulations and purposes of protecting the rights and legitimate interests of PRECIOSA ORNELA, a.s..

5. Filing and accepting reports

PRECIOSA ORNELA, a.s. reporting channels allow reports to be submitted:

- in writing
    - via the Internet application -**Ethics Line portal**: ***https://ethicshotline.eu/cs/home/?client=28712226***
    - e-mail ***whistleblowing@preciosa-ornela.com***,
    - or by post sent to the company's registered office and addressed as for the attention of the Competent Person
- orally by telephone +420 488 115 385
- or in person.

In addition to the aforementioned options, it is also possible to file a report via the portal of the Ministry of Justice of the Czech Republic which is available online at ***https://oznamovatel.justice.cz/***

Natural persons who perform work or any other similar activity that constitutes dependent work in basic employment relations, voluntary activities, work experience or an internship for PRECIOSA ORNELA, a.s. and individuals applying for any such work or other similar activity (all these individuals are hereafter simply referred to as "employees") can likewise file a report.

These individuals include:

- employees of PRECIOSA ORNELA, a.s. in employment relations or individuals undertaking work for PRECIOSA ORNELA, a.s. on the basis of work agreements outside employment relations and applicants for employment at PRECIOSA ORNELA, a.s.
- volunteers or interns active under the auspices of PRECIOSA ORNELA, a.s. (and applicants for these activities)

PRECIOSA ORNELA, a.s. excludes the option of reports being filed using its internal reporting system by individuals who do not perform dependent work in basic employment relations, volunteer activities or internships for PRECIOSA ORNELA, a.s. (and are not applying for this type of work or other similar activities).

Persons whose legal relationship with PRECIOSA ORNELA, a.s. is yet to begin are subject to those procedures only to the extent that the information reported was obtained as part of a pre-contractual meeting, e.g. during the recruitment and selection of staff.

The Competent person shall ensure that the incoming Report is registered and assigned a unique case number (ID).

If the Report concerns an imminent threat to health and safety or other circumstances that require immediate action or action, the Competent person shall inform the management of PRECIOSA ORNELA, a.s. without undue delay.

The Competent Person shall ensure that the Reporting Person receives written acknowledgement of receipt of the Report no later than 7 days after receipt of the Report.

6. Initial processing

The main purpose of the initial processing is to:

- Determine whether the information relayed demands an immediate response.
- Determine whether the reported facts fall within the legal framework of whistleblower protection
- Identify the persons to participate in further processing of the Report, including an assessment of legal requirements applicable to such participation and rules governing conflict of interest.
- Determine subsequent steps in further processing of the Report.
- Assess the risks of retaliatory measures targeting the Reporting Person and propose suitable measures to mitigate any such risks.
- Ensure the necessary control and supervision of management and the Competent Person and discuss the above mentioned facts in order to ensure proper evaluation of the Report.

Below is a list of categories of Reports accepted by PRECIOSA ORNELA, a.s. using its internal reporting system and granted protection in compliance with whistleblower protection legislation. The categories include breaches of EU law, suspected misdemeanours with the hereafter stated minimum fines and offences.

Categories of violations of EU law that are treated in compliance with whistleblower protection legislation are as follows:

- Public procurement.
- Financial services, products and markets, and prevention of money laundering and financing of terrorism.
- Product safety and compliance.
- Transport safety.
- Environmental protection.
- Radiation protection and nuclear safety.
- Food and feed safety, animal health and welfare.
- Public health.
- Consumer protection.
- Protection of privacy and personal data, and security of network and information systems.
- Breaches affecting the financial interests of the Union as referred to in Article 325 of the Treaty on the Functioning of the European Union and as further specified in relevant Union measures.
- Breaches relating to the internal market, as referred to in Article 26, paragraph 2, of the Treaty on the Functioning of the European Union, including breaches of Union competition and State Aid rules, as well as breaches relating to the internal market in relation to acts which breach the rules of corporate tax or to arrangements the purpose of which is to obtain a tax advantage that defeats the object or purpose of the applicable corporate tax law

Reports will also be treated in accordance with whistleblower protection legislation if the information contained in such Reports indicates that a:

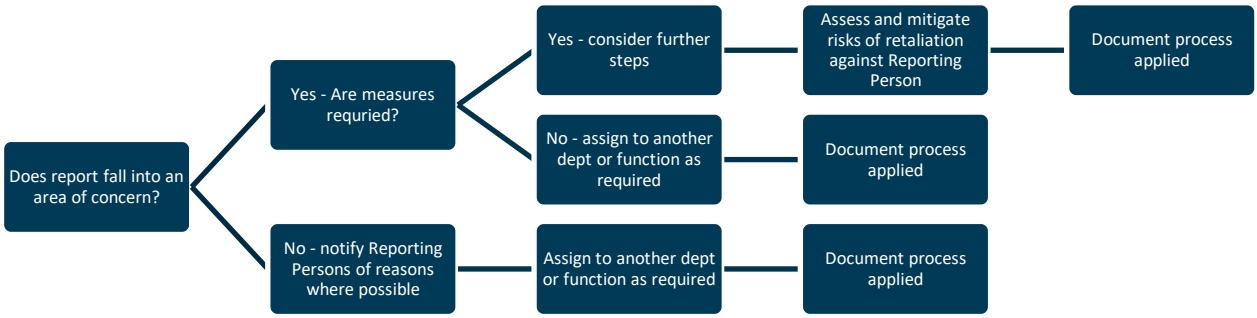
- misdemeanour, for which the law sets a fine with an upper limit of at least 100,000 CZK, or
- criminal offence

may have been committed.

In cases where the reported facts fall clearly outside the categories described above, PRECIOSA ORNELA, a.s. is not required to process such Reports in compliance with whistleblower protection legislation. In these cases, the Competent Person submit the Report to the appropriate body or suggest the reporting person address a different authority with their report. If a Competent Person determines that a case is not to be processed in compliance with whistleblower

protection legislation, the relevant Reporting Person should be notified, where practicable, of the reasoning behind the decision.

The chart below describes the assessment process designed to determine whether a Report is to be treated in compliance with whistleblower protection legislation.



The Competent Persons notify contact person about all received Reports and their assessments and if necessary then also the management of PRECIOSA ORNELA, a.s..

The Competent person shall keep records in the web application concerning the assessment of Reports received, including the conclusions of this assessment and proposed recommendations to eliminate deficiencies or mitigate the identified risks.

7. Protection of Reporting Persons

Reports must be processed in a way that contributes to the protection of Reporting Persons. Trust in a functioning system of whistleblower protection is conducive to Reporting Persons sharing information with PRECIOSA ORNELA, a.s. about undesirable activities and so contributes to improved corporate risk management. The protection of Reporting Persons is achieved with the assistance of various measures, including:

- Availability of alternative reporting options.
- Acceptance of anonymous reports.
- Transparent procedures for acceptance, administration and investigation of Reports.

- Measures ensuring compliance with demands placed on Competent Person, including impartiality, objectivity and integrity.
- Measures ensuring information security and protection of personal data.
- Measures related to protection from retaliation against Reporting Persons and other persons who may be subject to retaliation.

Reporting Persons are entitled to protection in accordance with whistleblower protection legislation provided that they:

- had reasonable grounds to believe that information about the reported wrongdoings was correct at the time of reporting and that the information falls within the scope of whistleblower protection legislation or the scope of protection granted by PRECIOSA ORNELA, a.s. (see above),
- had filed their Report in accordance with whistleblower protection legislation.

The same protection is available to persons who report wrongdoings anonymously and are subsequently identified, provided they meet the conditions specified above.

Any form of retaliation against a Reporting Person, a person close to a Reporting Person, their colleague or persons who may have assisted ascertaining information related to a Report, is prohibited as is the threatening of, or attempts at, retaliation. This applies, but is not limited to, the following forms of retaliation:

- Termination of employment or allowing a definite-term employment to lapse.
- Demotion from a management position or withholding promotion.
- Transfer of duties, change of location of work, reduction of salary or other remuneration, or change in working hours.
- Hindering of professional development including withholding of training.
- Unfavourable performance assessment or review.
- Imposition or administering of any discipline, reprimand or other penalty including a financial penalty.
- Coercion, intimidation or harassment.
- Discrimination, ostracising, disadvantageous or unfair treatment.
- Demanding of a medical review.

8. Protection of persons affected by a Report

Persons affected by the investigation of a Report are entitled to fair treatment during the course of the investigation. This includes the unbiased and objective assessment of relevant facts, prohibition of discrimination and the protection of personal data as stipulated by applicable legal regulations.

9. Evaluation of Reports

The initial steps taken upon the receipt of a Report include in particular the following:

- Identification of the Report's subject-matter (classification).
- Assessment of the nature and gravity of the Report.
- Proposal of steps that may lead to clarification of the reported matter.
- Evaluation of whether the Report is justified and requires the implementation of specific measures.

Reports are evaluated and investigated by Competent Person. The chart below describes the main steps of Report evaluation.



The processing of a case may include an investigation necessary to clarify information in the Report and to ascertain the impacts of established facts. It may be beneficial for such an investigation to acquire relevant documentation and/or conduct interviews.

The Competent Person may use the available system of confidential communication with the Reporting Person to obtain additional information as necessary. The Competent Person may also request a meeting with the Reporting Person as an opportunity for the latter to explain their suspicions in detail and provide any available evidence. The Reporting Person is not obliged to agree to such a meeting.

Steps leading to the acquisition of available evidence may include the following:

- Acquisition and review of relevant documentation.
- Review of e-mail communication and other information available to employees.
- Acquisition of data from external sources.
- Interviews.

The Competent Person must assess the justification of a Report and notify the Reporting Person, where possible, of the outcome of such assessment within 30 (thirty) days from the receipt of the Report. This period may be extended

in complicated cases by up to 30 (thirty) days, no more than twice. The Competent Person must notify, where possible, the Reporting Person in writing of any extension of the period, prior to the expiry of the previous period.

10. Reporting and conclusion of assessment

The report on the assessment of the notification is processed by the Competent Person in writing within the web application. Such a written account usually contains a summary of key points of the Report's subject-matter, the description of the matter as ascertained by the Report assessment, and conclusions of the Report assessment. Where suitable, the written account also includes proposed recommendations for the rectification of any identified shortcomings and/or the mitigation of any identified risks. The account must not contain the Reporting Person's personal data unless approved by the Reporting Person.

The written account is submitted to any member of the company's Board of Directors.

Decisions regarding the implementation of any measures recommended is the responsibility of the senior management at PRECIOSA ORNELA, a.s..

The company's Board of Directors (or any individual so charged by the Board of Directors) may also decide on:

- Closure of a case.
- Returning of a case to the Competent Person for additional investigation.
- Requesting of measures and/or other steps from persons within PRECIOSA ORNELA, a.s.
- Submission of information to relevant public authorities.

11. Provision of feedback to Reporting Persons

Feedback regarding the conclusion of an assessment of a Report should be provided to the Reporting Person within 30 days from receipt of the Report. In complex cases, this period may be extended by up to 30 days, but not more than twice.

Within the period specified, the Competent Person must inform the Reporting Person as to whether their Report was assessed as justified or unjustified. Feedback must not contain any specific information regarding the course of the investigation.

Information must be provided to the Reporting Person in a manner that precludes retaliation against them.

Information is usually shared using the web Tool.

12. Obligations of employees

PRECIOSA ORNELA, a.s. employees have a duty to cooperate with the Competent Person investigating Reports. Employees contacted by a Reporting Person shall ask the Reporting Person to file their Report using the Ethics Line portal, which can be found under the following link: ***https://ethicshotline.eu/cs/home/?client=28712226.***

PRECIOSA ORNELA, a.s. employees must maintain confidentiality of all information learned in connection with the receipt and investigation of any Report. They must especially protect the identity of Reporting Persons. This duty remains in force after termination of the employment relationship. The duty of confidentiality does not apply to providing information to Competent Person or third parties where required by law.

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