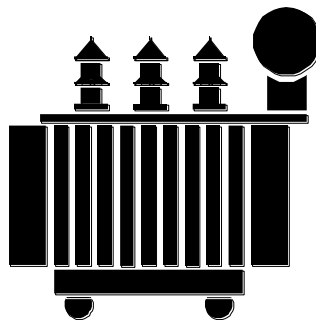


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**REGULATION ON THE PROCEDURE FOR INTERNAL REPORTING OF IRREGULARITIES AND THE
APPOINTMENT OF A CONFIDENTIAL PERSON**

for KONČAR - Distribution and Special Transformers Inc. for Production
Josipa Mokrovića 8, Zagreb

Prepared by: D. Lukenda	Approved by: On behalf of Management Board V. Burul	REGULATION ON THE PROCEDURE FOR INTERNAL REPORTING OF IRREGULARITIES AND THE APPOINTMENT OF A CONFIDENTIAL PERSON
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The Management Board of KONČAR - Distributivni i specijalni transformatori d.d. za proizvodnju, Josipa Mokrovića 8, Zagreb, OIB: 49214559889 (hereinafter: **the "Company"**), at the session held on 28.10.2025, adopted the following

REGULATION ON THE PROCEDURE FOR INTERNAL REPORTING OF IRREGULARITIES AND THE APPOINTMENT OF A CONFIDENTIAL PERSON

I. GENERAL PROVISIONS

Article 1

Subject of the Ordinance

1.1. This Ordinance regulates:

- the procedure for internal reporting of irregularities with the Employer
- procedure and method of appointing a confidential person and a deputy confidential person
- protection of whistleblowers and safeguarding of data received in the whistleblower report from unauthorized detection, and
- other issues relevant to whistleblowing and the protection of whistleblowers.

Article 2

Definitions

2.1. Certain terms from this Ordinance have the following meanings:

'Information on irregularities' means information, including reasonable doubts, about actual or potential irregularities that have occurred or are likely to occur or are likely to occur in the organisation in which the reporting person works or has worked or is about to start working or in another organisation with which the reporting person is in contact or has been in contact in the work environment; and attempts to cover up such irregularities.

"Public disclosure" is the disclosure of irregularities to the public.

The "competent authority for external whistleblowing" is the Ombudsman.

"Irregularity" means acts or omissions that are unlawful, or contrary to the aim or purpose of European Union regulations, which regulate the following areas:

- public procurement
- financial services, products and markets, and the prevention of money laundering and terrorist financing
- Product safety and compliance
- transport safety
- Environmental
- 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
- acts and omissions affecting the financial interests of the European Union
- Acts and omissions relating to the European Union's internal market

- acts and omissions relating to other provisions of national law, where such infringement also harms the public interest.

"Retaliation" is any direct or indirect action or omission in the work environment triggered by internal or external reporting or public disclosure that causes or may cause unjustified harm to the reporting person.

The "Employer" is KONČAR – DISTRIBUTIVNI I SPECIJALNI TRANSFORMATORI d.d. for production.

"Related persons" are whistleblower's helpers, relatives, colleagues and any other persons related to the whistleblower who could suffer retaliation in the work environment, legal entities owned by whistleblowers, for which whistleblowers work or with whom whistleblowers are otherwise connected in the work environment.

"Confidential Person" is an employee of the Employer appointed to receive reports of irregularities and conduct the procedure related to the report of irregularities.

A "whistleblower" is a natural person who reports or publicly discloses irregularities that he or she has become aware of in his or her work environment.

'Working environment' means professional activities in the public or private sector where, irrespective of the nature of those activities, persons acquire information about irregularities and where those persons may experience retaliation if they report such irregularities, including where the activity has ceased in the meantime or is imminent to be commenced.

"Internal whistleblowing" is the detection of irregularities to the Employer.

"External whistleblowing" is the detection of irregularities to the competent authority.

Article 3 ***Protection of whistleblowers***

- 3.1. Whistleblowers are entitled to protection if they had reasonable grounds to believe that the reported or publicly disclosed information on irregularities was true at the time of reporting or disclosure.
- 3.2. If persons report information on irregularities or publicly disclose information in accordance with this Ordinance and the law, they shall not be deemed to have violated any restriction on disclosure of information and shall not be liable in any way with respect to such reporting or public disclosure, provided that they had reasonable grounds to believe that the reporting or public disclosure of such information was necessary for the disclosure of irregularities under this Ordinance and the Protection Act whistleblowers.
- 3.3. Reporting persons shall not be liable with regard to the acquisition of or access to reported or publicly disclosed information, unless such acquisition or access constitutes a criminal offence in its own right.
- 3.4. The identity of the whistleblower and the reported persons, i.e. the data on the basis of which their identity can be revealed, and other data specified in the whistleblowing report are available only to the persons in charge of receiving such reports and their further processing, and they must remain protected, unless the whistleblower consents to the disclosure of such data.
- 3.5. The person to whom the whistleblower reports an irregularity, the whistleblower's assistant and any other person who participates in the procedure upon reporting irregularities is obliged to protect the information learned from the report and may not use or disclose it for purposes other than those necessary for proper further action.
- 3.6. The persons referred to in paragraph 5 of this Article shall sign the Confidentiality Statement.
- 3.7. The employer must not take revenge, try to retaliate or threaten retaliation against the whistleblower, related persons and the confidential person and his/her deputy for reporting irregularities or public disclosure.

II. APPOINTMENT AND DISMISSAL OF A CONFIDENTIAL PERSON AND HIS/HER DEPUTY

Article 4

Procedure for appointing a confidential person and his/her deputy

- 4.1. By calling the employee's official e-mail addresses and publishing them on the Employer's bulletin boards, the Employer will invite the employees to propose to the Employer a confidential person for internal reporting of irregularities.
- 4.2. Workers submit their proposal for appointment by signing the electoral list, which includes the name and surname of the candidate for the confidential person and his/her deputy.
- 4.3. Workers are allowed to sign only one electoral list.
- 4.4. After the expiry of the period of 15 days after the Employer has invited the employees to propose a confidential person, the Employer shall appoint a confidential person and his/her deputy at the proposal of at least 20% of the employees employed by the Employer.
- 4.5. In the case of more than one worker's proposal, priority will be given to the proposal that has greater support from workers, and in the case of proposals that have equal support from workers, priority will be given to the proposal that was received first.
- 4.6. If no deputy confidential person has been proposed on the electoral list that has gathered the greatest support of the workers, the Employer shall appoint a candidate for the confidential person from the list that follows immediately after the winning electoral list according to the number of collected signatures. If there was no other electoral list, the Employer shall appoint a deputy.
- 4.7. Exceptionally, the Employer shall appoint a confidential person and his/her deputy without a proposal of at least 20% of the employees employed by the Employer if such a proposal is not given.
- 4.8. The confidential person and his/her deputy must give their written consent to the appointment.
- 4.9. The employer shall, by a special decision, determine the amount, manner and conditions of payment of financial compensation to the confidential person and the deputy of the confidential person for the performance of tasks related to reporting irregularities.
- 4.10. The employer may not put the confidential person and/or his/her deputy in a disadvantageous position, as well as influence or attempt to influence when taking actions within their competence necessary for the protection of the whistleblower.
- 4.11. The confidential person and his/her deputy must perform their duties lawfully and conscientiously and must not abuse their powers to the detriment of the whistleblower.

Article 5

Procedure for dismissal of a confidential person and his/her deputy

- 5.1. The appointed confidential person and his/her deputy shall be dismissed by the Employer without delay on the basis of a proposal of at least 20% of the employees employed by the Employer.
- 5.2. The confidential person and his/her deputy may request the dismissal from the Employer in writing, in which case the Employer shall dismiss the confidential person and his/her deputy and inform the employees thereof.
- 5.3. The employer shall initiate the procedure for the appointment of the confidential person and his/her deputy no later than 30 days after the dismissal of the confidential person and his/her deputy. Until a decision is made on the appointment of a new confidential person, the duties of the confidential person shall be performed by his/her deputy, unless the circumstances indicate

that it is necessary to appoint a third party to temporarily perform the duties of a confidential person. The third person will be temporarily appointed by the Employer by a decision.

- 5.4. Upon termination of employment with the Employer, the status of a confidential person and his/her deputy shall also cease.

III. PROCEDURE FOR REPORTING IRREGULARITIES TO THE EMPLOYER AND ACTING ON THE REPORT

Article 6 ***Reporting irregularities***

- 6.1. The whistleblowing report contains:
- information about the whistleblower, unless the report is anonymous
 - details of the notified body or person, and
 - information about irregularities.
- 6.2. A report of irregularities can be submitted in writing or orally.
- 6.3. The written form of application includes any form of communication that provides a written record. If the application is submitted electronically, the application is submitted to the e-mail address: prijava.nepravilnosti.dist@koncar.hr. The application can also be submitted via the company's Intranet in the form of an electronic form.
- 6.4. Oral reporting is possible by telephone or other voice message systems and, at the request of the whistleblower, by physical meeting within a reasonable time.
- 6.5. If a telephone device on which an audio recording can be made or another voice message system on which an audio recording can be made is used to submit a report, the confidential person has the right to record an oral report, with the consent of the reporting person, in one of the following ways:
- audio recording of the conversation in a durable and accessible form, or
 - a complete and accurate transcript of the conversation.
- 6.6. If a telephone device on which it is not possible to make an audio recording or another voice message system on which it is not possible to make an audio recording is used to make a report, the confidential person has the right to record the oral report in the form of an accurate recording of the conversation.
- 6.7. If a person requests a meeting with a confidential person, the confidential person shall ensure, with the consent of the whistleblower, that complete and accurate records of the meeting are kept in a permanent and accessible form.
- 6.8. A confidential person has the right to record the meeting in one of the following ways:
- audio recording of the conversation in a durable and accessible form, or
 - accurate minutes of the meeting.
- 6.9. The confidential person shall offer the applicant the opportunity to verify and correct the transcript of the invitation referred to in paragraph 5 of this Article, the minutes of the interview referred to in paragraph 6 of this Article and the minutes of the meeting referred to in paragraph 7 of this Article, as well as the possibility of confirming the accuracy by signature.

Article 7

Internal whistleblowing procedure

- 7.1. A report of irregularities is submitted to a confidential person.
- 7.2. A confidential person is obliged to:
- receive the irregularity report and acknowledge receipt of the report within seven days from the date of receipt
 - take without delay the actions within its competence necessary for the protection of whistleblowers;
 - take action to investigate irregularities and provide feedback on the report to the whistleblower, as a rule, within 30 days, but not longer than 90 days from the date of acknowledgement of receipt of the report, or if the confirmation has not been sent to the whistleblower, after the lapse of seven days from the date of submission of the report;
 - forward the irregularity report to the authorities authorized to act on the content of the report without delay, if the irregularity has not been resolved with the Employer
 - inform the whistleblower of the outcome of the examination of the report in writing without delay
 - inform the competent authority for external reporting of irregularities in writing about the received reports and the outcome of the procedure within 30 days from the date of the decision on the report
 - protect the identity of the whistleblower and the information received in the report from unauthorized disclosure or disclosure to other persons, unless it is contrary to a special law
 - provide clear and easily accessible information on the procedures for reporting to the competent external reporting body and, where appropriate, to the institutions, bodies, offices or agencies of the European Union responsible for dealing with the content of the whistleblowing report.
- 7.3. If the report of irregularities does not contain all the information referred to in paragraph 6.1 of this Ordinance and/or contains such deficiencies that the confidential person cannot act on it, the confidential person shall invite the whistleblower to submit the report without deficiencies within 7 working days.
- 7.4. If the whistleblower fails to act in accordance with paragraph 3 of this Article or the report of irregularities still contains such deficiencies that the confidential person cannot act on it, the confidential person shall reject it without conducting an examination of the irregularity.
- 7.5. If the report of irregularities has been received by a person who is not competent to act on the report of irregularities, the Employer is obliged to forward it to a confidential person without delay and without changes, with the protection of the identity of the whistleblower and the confidentiality of the data from the report.
- 7.6. If the irregularity report contains all the information specified in Article 6.1 of this Ordinance, the confidential person shall form a file in which all documents, minutes and other documents related to the irregularity report shall be filed.

Article 8

Irregularity examination procedure

- 8.1. The confidential person may directly examine and decide on the merits of the whistleblowing report if the whistleblower has stated all the facts or submitted the necessary evidence on the basis of which the true state of affairs can be established, or if this state of affairs can be established on the basis of generally known facts or official information in the possession of the confidential person.

- 8.2. The Confidential Person shall conduct an investigation procedure when it is necessary to establish the facts and circumstances that are relevant to deciding on the merits of the reported irregularity, by examining all allegations from the irregularity report, taking care that the verification and examination procedure does not violate the rights of the whistleblower, as well as that it does not harm the Employer's business.
- 8.3. The confidential person is obliged to keep a record of the established facts and all actions carried out.
- 8.4. In the investigation procedure, the confidential person shall order the taking of evidence if he/she assesses that it is necessary to clarify the matter, and complete the facts and present evidence of facts that have not been previously presented or have not yet been established, and are necessary to establish the true state of affairs.
- 8.5. All persons participating in the procedure of examining the reported irregularity are obliged to cooperate with the confidential person in a way that ensures the timeliness and accuracy of the information provided.
- 8.6. In the event that the persons referred to in this Article of the Ordinance tacitly or explicitly refuse to cooperate in the procedure of examining the report of irregularities, which results in the impossibility of examining the reported irregularity, the confidential person is obliged to inform the Employer in writing without delay.
- 8.7. After the procedure, the confidential person makes a decision on the merits of the report, decides whether the irregularity can be resolved with the Employer or whether the report should be forwarded to external bodies authorized to act on the content of the report.
- 8.8. Notwithstanding the previous paragraph of this Article, if the report of an irregularity is well-founded, but the irregularity has already been eliminated, the confidential person shall state the same by a special decision.
- 8.9. If the irregularity can be resolved with the Employer, the authorized person is obliged, in agreement with the Employer, to undertake all actions to eliminate the irregularity and to act preventively so that the irregularity does not recur.

Article 9 ***Obligations of whistleblowers***

- 9.1. The whistleblower is obliged to conscientiously and honestly report an irregularity of which he/she is aware and which he/she considers to be true at the time of reporting the irregularity.
- 9.2. Abuse of whistleblowing is prohibited.
- 9.3. Abuse of reporting irregularities is committed by a person who:
 - Provide information that you know is not true
 - With the request for action in connection with the reporting of irregularities, he seeks unlawful benefit
 - undertakes other actions whose purpose is exclusively to cause damage to the Employer.
- 9.4. Abuse of reporting irregularities referred to in this Article constitutes a violation of work obligations.
- 9.5. In the cases referred to in paragraph 3 of this Article, the Employer as an injured party is authorized to initiate appropriate proceedings before the competent authorities against the person who abused the right to report irregularities.

IV. RECORDS, REPORTS, KEEPING DOCUMENTATION

Article 10

Records of submitted applications

- 10.1. The Confidential Person is obliged to keep a Record of Submitted Reports in which all received reports are recorded.
- 10.2. The records referred to in paragraph 1 shall contain:
- business application number,
 - the date of receipt,
 - List of supporting documentation with the application
 - Date and method of resolution
 - A note on whether the report of irregularities has been forwarded to the competent authorities and
 - notification to the Ombudsman.

Article 11

Report on identified irregularities

- 11.1. The Confidential Person shall report to the Management Board of the Employer on any irregularities identified during the examination of the report of irregularities and shall participate in the preparation and updating of internal acts related to the reporting of irregularities.
- 11.2. Reports on the work of a confidential person can be regular and extraordinary.
- 11.3. A confidential person shall submit regular reports to the Employer's Management Board once a year, in which he/she shall report to the Employer's Management Board on his/her work, the number and type of reports and the results of the examination of irregularity reports.

Article 12

Keeping documentation

- 12.1. All documentation collected on the occasion of reporting and investigating irregularities will be archived by the confidential person in accordance with the provisions of positive regulations and internal acts of the Employer.
- 12.2. Notwithstanding the previous paragraph of this Article, in the event of a dispute, the documentation shall be kept until the final conclusion of the dispute, i.e. until the expiry of the deadline set for the enforcement of the final decision.

Article 13

Application of personal data protection regulations

- 13.1. When processing the personal data of whistleblowers, all applicable regulations on personal data protection apply, including:
- 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 (General Data Protection Regulation)
 - Act on the Implementation of the General Data Protection Regulation,
 - Employer's Regulation on Personal Data Protection,
 - The Employer's policy on the protection of personal data.

V. FINAL PROVISIONS

Article 14

Notification of the Supervisory Board and the Chief Internal Auditor

- 14.1. The Management Board of the Employer shall submit this Ordinance and all its amendments to the Supervisory Board for approval.
- 14.2. The Management Board of the Employer is obliged to inform the Chief Internal Auditor of all received reports.
- 14.3. Once a year, the Management Board of the Employer is obliged to submit to the Chief Internal Auditor a statement that there have been no reported irregularities and that an internal irregularity reporting procedure has been established.

Article 15

Publication and entry into force

- 15.1. This Ordinance will be published on the Employer's intranet and advertising sites.
- 15.2. The Ordinance shall enter into force on the eighth day from the date of publication.

The regulation of the Administration is NOT a VALID document! Check the valid version in electronic form in the DMS system.

In Zagreb, _____

Form 2

In accordance with the Regulation on the Procedure for Internal Reporting of Irregularities and the Appointment of a Confidential Person, the Management Board of KONČAR - DISTRIBUTIVNI I SPECIJALNI TRANSFORMATORI d.d. for the production of the following ____ donosi

O D L U K U
ON THE APPOINTMENT OF A CONFIDENTIAL PERSON AND HIS/HER DEPUTY

Article 1

This Decision appoints a _____ as a confidential person for internal reporting of irregularities in the Company, who works on the tasks of _____.

Article 2

_____ shall be appointed at the proposal of at least 20% of the employees employed in the Company. (or another option in accordance with the Ordinance)

Article 3

On the proposal of the _____, a _____ shall be appointed as a deputy confidential person, who works on the affairs of _____.

Article 4

_____ shall be appointed at the proposal of at least 20% of the employees employed in the Company. (or another option in accordance with the Ordinance)

Article 5

The confidential person and the deputy of the confidential person are appointed with their prior consent.

Article 6

The confidential person and the deputy of the confidential person shall perform all the tasks stipulated by the Whistleblower Protection Act and the Regulation on the Procedure for Internal Reporting of Irregularities and the Appointment of a Confidential Person.

Article 7

This Decision is valid until revoked or amended.

For the employer

[name and surname, signature]

Form 3 - Statement of Acceptance of the Appointment of the Confidential Person and His Deputy

DECLARATION OF ACCEPTANCE OF APPOINTMENT

which I: Name and surname
 Address
 OIB

in accordance with the Act on the Protection of Whistleblowers and the Regulation on the Procedure for Internal Reporting of Irregularities and the Appointment of a Confidential Person,

I hereby declare that I accept the appointment as a confidential person/deputy confidential person with the employer, the company Končar - Distributivni i specijalni transformatori d.d. for production

I undertake to keep confidential the identity of the whistleblower and the reported persons, all information on the basis of which their identity can be revealed, and other information stated in the report of irregularities, and I will not use or disclose them for purposes other than those necessary for the correct further action on the report of irregularities.

[name and surname, signature]

**Form 4 - Records of submitted reports of irregularities in the company KONČAR - DISTRIBUTIVNI I
SPECIJALNI TRANSFORMATORI d.d. for production**

Ordinal	Business number of the irregularity report	Date of receipt	List of documentation accompanying the application	Date of decision	How to solve: Resolved in the Company/forwarded to the competent authority	Notification sent to the Ombudsman YES/NO and date

Confidential person