



COMPLIANCE MANAGEMENT AND REPORTING UNETHICAL AND UNLAWFUL ACTION

2 JCP a.s., Company Number: 47286393, having its registered office at Račice 126, 411 08 Štětí, a company entered in the Commercial Register maintained at the Regional Commercial Court in Ústí nad Labem, file B 330

(hereinafter referred to as the “Company”)

Date of approving internal regulation: 21.02.2022

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The regulation was approved and issued by the board of directors of the Company.

Preamble

The Company adopted a CODE OF ETHICS, which established a comprehensive system of internal Company measures and methods to prevent, detect, and subsequently respond to unethical and, as the case may be, unlawful action in order to protect the reputation of and transparency at our Company and to contribute with a positive example to the ethical corporate culture in the Czech Republic and abroad.

This regulation is issued to follow on from the CODE OF ETHICS at the Company, for the purpose of setting the operation of what is known as Compliance Management and to set the rules for reporting/whistle-blowing and bringing attention to suspicions of unethical action or unlawful activity which could occur within the Company.

This document therefore serves the employees of the Company, and other persons, as a sort of guideline of how to act if they suspect that unethical action or unlawful action is occurring or has occurred at the Company, and establishes a system of feedback.

Article I.

Compliance Management

1. The Company has established what is known as Compliance Management (hereinafter referred to as “**Compliance Management**”) in order to prevent unethical or unlawful action, check adherence to the internal rules and values of the Company, and in order to receive reports of possible unethical or unlawful action at the Company, investigate it, and resolve it.
2. Compliance Management consists of three (3) members. **The members of Compliance Management are as follows:**
 - a. Ing. Vojtěch Křenovský, Operations Director
 - b. Jan Vrňák, Q+HSE+EMS Manager
 - c. Mgr. Kristýna Štorková, HR Manager



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3. Compliance Management is primarily authorised:
 - a. to receive and assess the justification of a report of suspicion of unethical or unlawful action;
 - b. to investigate and evaluate the facts stated in the report of suspicion of unethical or unlawful action;
 - c. to propose to Company management and to the Company measures to rectify or prevent unethical or unlawful action and the situation following on from a submitted report of suspicion of unethical or unlawful action;
 - d. to propose to Company management the modification and supplementation of internal documentation, in particular for the purpose of making the system and procedures of prevention and reaction to unethical or unlawful action more effective;
 - e. to attend and lead what are known as exit interviews with employees when their employment relationship comes to an end.
4. Compliance Management is under obligation:
 - a. to maintain confidentiality regarding the facts of which it learns when conducting its activity;
 - b. to proceed impartially in the execution of its activity;
 - c. to proceed in accordance with the obligations laid down by the relevant laws and this regulation;
 - d. to adhere to the time limits for handling reports according to the relevant laws and this regulation;
 - e. to regularly, according to the current situation at the Company, although a minimum of twice a year, compile what is known as a Compliance Report for Company Management, as containing at least the number of reports of suspicion of unethical or unlawful action received, the number of reports dealt with, proposed or taken resolutions of those reports, evaluation of the functioning of the compliance programme and, depending on the situation at the Company, proposals for its modification.
5. Members of Compliance Management may not be punished for execution of their activity according to the relevant laws and this regulation.

Article II.

Reporting unethical or unlawful action

1. When an employee or another person (in particular an Obligated Person according to the CODE OF ETHICS) is a witness to the unethical conduct or unlawful action of another person, or learns of such conduct or action, whereby it may be considered that such action or conduct has actually occurred or should or might occur, each employee of the Company or other person (in particular an Obligated Person according to the CODE OF ETHICS) is under obligation to proceed actively and to do everything to prevent such action or conduct or to avert the consequences of such action or conduct, and in particular to report such a situation to Compliance Management. Reporting/whistle-blowing is possible either in writing or verbally.



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2. A verbal report may be given directly to the members of Compliance Management. A written report is primarily submitted by sending it to the electronic address **ethics@2jcp.cz**.
3. Should the whistle-blower request as such, members of Compliance Management are obliged to receive a report of suspicion of unethical or unlawful action in person, not later than within 30 days of the delivery of a request to report. A request may be delivered to Compliance Management in writing to the e-mail address specified in the preceding paragraph or may be communicated to the members of Compliance Management in person.
4. In the case of a verbal report of the suspicion of unethical or unlawful action, the relevant member of Compliance Management takes an audio recording or written transcription of the report with the whistle-blower. The whistle-blower must be allowed to make a statement on the transcription, in that this statement shall be appended to the transcription as an attachment. If the whistle-blower disagrees with the taking of an audio recording, the members of Compliance Management may not take such an audio recording.
5. Compliance Management is obliged to inform the whistle-blower in writing of having received a report of suspicion of unethical or unlawful action within seven (7) days of receiving it. Compliance Management is not obliged to inform the whistle-blower within seven (7) days of receiving a report of suspicion of unethical or unlawful conduct if the whistle-blower has expressly stated in the report that he/she does not wish to be informed of receipt of the report.
6. The members of Compliance Management are obliged to assess the justification of a report of suspicion of unethical or unlawful action and to inform the whistle-blower in writing of the results of this assessment within 30 days of the date of receiving the report. In factually or legally complicated cases, this time limit may be extended by up to 30 days, a maximum of twice. Compliance Management is obliged to inform the whistle-blower of extending the time limit in writing.
7. If the report of suspicion of unethical or unlawful action is assessed as being justified, the members of Compliance Management shall inform the whistle-blower of this and of the measures taken.
8. If the report is not found to be justified, the members of Compliance Management shall inform the whistle-blower in writing and communicate to him/her the reasons for not finding suspicion of unethical or unlawful action to be justified, and at the same time shall inform the whistle-blower of his/her right to file a report with a public authority.

Article III.

Recording and storing reports

1. Compliance Management keeps a record of data about received reports to the following extent:
 - a) the date of receiving the report;
 - b) the first name, surname, date of birth, and contact address of the whistle-blower, if this information is known;
 - c) a summary of the content of the report and identification of the person against whom it has been made, if his/her identity is known;
 - d) the date of evaluation of the justification of the report and the outcome.

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2. Compliance Management is authorised to store a report of suspicion of unethical or unlawful action for a period of five (5) years from receiving it.

Article IV.

Knowingly false report

1. Any form of reprisals against or repression of whistle-blowers is forbidden.
2. In the case of a knowingly false report, such action may be considered by the competent state bodies to be an offence for which it is possible to impose a penalty of up to CZK 50,000 on the whistle-blower.

Article V.

Declaration

All employees or other Obligated Persons according to the CODE OF ETHICS undertake to familiarise themselves with and adhere to this internal regulation.

On behalf of 2 JCP a.s.

Ing. Marek Palička

Jan Pačes

