

	Procedure for reporting violations and protecting whistleblowers	Compiled by:	Resnik, A.	Doc. No.: 25-4-ESG-PAX-W
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Procedure for reporting violations and protecting whistleblowers

INTRODUCTION

This "Procedure for Reporting Violations and Protecting Whistleblowers" has been adopted by PAX svečarna Stele d.o.o. in order to guarantee protection measures against whistleblowers. The procedure applies in particular in cases of violations and breaches of rules, values, procedures and laws, as well as internal regulations at PAX svečarna Stele d.o.o.

§1

Procedure drawn up on the basis of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons reporting violations of Union law.

[Definitions]

1. Whenever the Procedure refers to:

- a) Violations Committee - means the body functioning at PAX svečarna Stele d.o.o. that conducts investigations into Infringements,
- b) Violation - it shall be understood as: unlawful or unethical behaviour violating the provisions of generally applicable law, internal acts in force at PAX svečarna Stele d.o.o. and violating ethical standards, in particular, harming human and employee rights and the interests and image of the Company or its business partners,
- c) Procedure - means this Procedure for reporting violations and protection of whistleblowers at PAX svečarna Stele d.o.o.,
- d) Company - means PAX svečarna Stele d.o.o.,
- e) Whistleblower - means a person who reports or discloses through the internal reporting channel established in this procedure or to the public information about a Breach, in a context related to his/her work or cooperation with the Company or another entity. The submitter may be, in particular:

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1. Employee or former employee,
 2. A candidate applying for a job who has received information about a violation of the law in the recruitment process or pre-contract negotiations,
 3. A person providing work on a basis other than employment, including under a civil law contract (contractor),
 4. Entrepreneur,
 5. Shareholder or shareholder,
 6. Member of a body of a legal entity,
 7. A person performing work under the supervision and direction of a contractor, subcontractor or supplier, including under a civil law contract,
 8. Intern or Trainee,
 9. Volunteer.
- f) Board of Directors - means the Board of Directors of PAX svečarna Stele d.o.o.,

§2

[Scope and addressees]

1. The purpose of the Procedure is to create a special independent channel for reporting Violations to support the Company's efforts to:
 - a) prevent Violations involving, among other things:
 - i.violations of the law,
 - ii.violations of intra-company regulations;
 - iii.misappropriation of assets;
 - iv.falsification of financial and accounting documents;
 - v.formation of corruption links;
 - vi.use or disclosure of confidential information,
 - vii.activities that cause the Company to lose its reputation;
 - viii. neglect of duties resulting in material or immaterial consequences for the Company, etc...;
 - b) mitigate legal and financial consequences in the event of early detection of a Violation;

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- c) continuously raise the level of employee loyalty to PAX svečarna Stele d.o.o.;
- d) reduce the Company's reputational risk;
- e) strengthen the Company's image as an ethical and transparent company;
- f) eliminate possible cases and risks of violating the law.

2. All employees of the Company are required to comply with the provisions of the Procedure.

§3

[Ethical Principles]

1. PAX svečarna Stele d.o.o. guarantees compliance, within the framework of its operation, with generally applicable laws, norms and standards within the company, accepts and supports among its employee's behavior based on personal culture, ethics, morality, respect for human and employee rights, honesty, principles of social coexistence and responsibility.

[Whistleblowers Activities]

1. In order to properly perform the obligations referred to in Paragraph 3(1) above, each Recipient of the Procedure is obligated in particular to:

- a. report violations of ethical, professional, legal norms set forth in generally applicable laws, intra-company regulations and violations of the provisions of the Procedure;
- b. report immediately situations that may meet the prerequisites of corruption or bribery;
- c. refrain from activities that may meet the conditions of corruption or bribery, and to report cases of discovery or suspicion of such violations;
- d. guard and not use for private purposes the Company's confidential information, including, in particular, trade secrets, and to report the discovery or suspicion of such violation;
- e. avoid negative statements about the Company, its employees and business partners in the public space and to report instances where such violations are found or suspected;

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- f. refrain from negative behaviour based on violence, aggression, intimidation and the use of threats, mental or physical pressure against any person, and to report the discovery or suspicion of such violations;
- g. report other cases of Violations.
- h. Violations shall be reported in accordance with the procedure referred to in § 5 below.

§4

[Whistleblowers Protection]

1. The rules for the protection of Whistleblowers reporting a Breach or suspected Breach within the Company have been adopted in order to protect such Whistleblowers from potential consequences that they could face for reporting a Breach.
2. Information on Whistleblowers is classified and subject to confidentiality. Information in this regard shall remain for the exclusive information of the respective parties: Members of the Board of Directors, the Violations Committee, selected employees, selected official employees involved in the process of substantive clarification of reported Violations cases, insofar as the transfer of data on the Whistleblower would be necessary for the possibility of clarification of the case, and in special cases, Members of the Company's Supervisory Board to the extent that they have access based on the authority under this Procedure.
3. Service employees involved in the process of substantive investigation of Infringement cases and Members of the Infringement Committee are required to sign a statement on maintaining confidentiality of information and the course of cases received by these persons in connection with the implementation of the Procedure.

§5

[Submission and acceptance of reports]

1. The person responsible for receiving reports of a Violation or the possibility of a Violation is the Manager of the Board Office and the Manager of the HR Department or other persons designated by the Board. Such people handle the e-mail box: pax@pax.si, receiving information provided in cases

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of Violations. The person responsible for receiving violation notifications shall confirm to the person making the violation notification the acceptance of the violation notification within 7 days of receipt. Violations may also be reported in paper form to the Company's address, with the notation "Violations" or "Management". If the Whistleblower provides a return address, the person responsible for accepting violation notifications shall confirm to the signatory the acceptance of the violation notification within 7 days of its receipt, with the postmark date being the decisive factor.

2. The Board of Directors shall each time appoint a Violations Committee to investigate and handle cases of Violations. The Committee shall consist of the persons indicated in paragraph 1 as permanent members of the Committee, and in the event of their unavailability, persons appointed by the Board of Directors, and members appointed by the Board of Directors for individual cases after reviewing the type and scope of the violation notification. As a rule, the variable members of the Committee will be the managers of the departments affected by the violation notification or their supervisors. The committee should be composed of at least three people each time.

3. If the violation notification concerns Members of the Company's Management Board, it should be addressed to the Company's Supervisory Board. In such a case, the violation notification shall be considered by the Company's Supervisory Board bypassing the Violations Committee, whereby the Company's Supervisory Board may entrust a designated person to conduct an investigation.

4. In the case where the report is for the business employees designated to receive reports and Members of the Violations Committee, the hand report shall be accepted by one of the Company's Board Members. The reported person may not participate in the work of the Violations Committee until he is cleared of the charges. If the allegations are confirmed, such person may not be a Member of the Violations Committee.

5. The investigation is held in camera.

6. Notifications should be filed using a specially prepared "Violation Notification Form", which includes items and sections to be completed, as described in detail in paragraph 7 below. The current version will be available in the personnel department and on the Company's website; however, violation notifications sent in other forms, provided they contain sufficient information (paragraph 7 and paragraph 8), will also be considered.

7. Subject to paragraph 8 below, the Whistleblower, if in possession of such information, should, to the extent possible, include the following information in its submission to ensure a fair and objective investigation of the case:

- a) the name of the reporting person, whereby the name is not obligatory; the reporting person

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may report the Violation anonymously;

- b) the department to which the violation notification relates;
- c) a description of the case with an indication of the relevant facts relevant to the case;
- d) what internal regulations or laws the Whistleblower believes have been violated;
- e) an indication of whether the case has already happened, whether there are known cases of other such violations in the past, or whether it is expected to happen in the future;
- f) an indication of how the notifier learned about the case;
- g) an indication of persons connected with the case or possible witnesses;
- h) an indication, if possible, of persons, if any, with whom the Whistleblower has been in contact on the matter;
- i) an estimate, if possible, possible losses and risks (tangible and intangible, including loss of the Company's reputation), related to the case;
- j) supplementary information, if any.

8. If it does not have the full information referred to in paragraph 7 above, the Whistleblower may make a notification to the extent of the information it has. The investigation will also be carried out if incomplete information is included in the notification, if the analysis of the notification is deemed sufficient to initiate an investigation.

9. The Board of Directors or a member of the Supervisory Board of the Company, if the report concerns a Member of the Board of Directors of the Company, shall be obliged to file a notice of suspicion of a criminal offense with the competent authority in any reasonable case where it believes that the Violation meets the characteristics of a criminal offense.

10. The Violation Reporting Procedure should not be used to bypass the standard means of reporting Violations, in particular by reporting a Violation or suspected Violation to a supervisor. The procedure should be used only if there is suspicion that the use of traditional communication channels may be inappropriate or ineffective.

11. It is forbidden to use the rules for reporting Violations in a derogatory manner to an employee of the Company and in bad faith, in particular for intentional or deliberate harm to colleagues.

12. The reporting procedure set forth in the Procedure is not used to report incidents involving the private lives of PAX svečarna Stele d.o.o. employees or their labour conflicts, if these do not directly relate to the Company's business and do not result in a Violation.

13. All reports of Violations shall be treated with due seriousness and diligence, with objectivity and

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full confidentiality, in particular concerning the data of the Whistleblower and the persons concerned.

14. The investigation shall be conducted with respect for the dignity and good name of the employees and persons concerned.

15. During the investigation, all information indicated in the violation notification is checked and objectively evaluated.

16. A person whose negative acts are merely the subject of suspicion cannot be disciplined, and any action against such a person, in connection with the incident reported, is reprehensible and unethical.

17. Submissions should be processed in the order of receipt, unless the importance and nature of the case, and in particular circumstances indicating that by conducting the proceedings promptly it will be possible to prevent damage or damage to the interests of the Company, warrant giving special priority to the case.

18. The Company is obliged to provide feedback to the Signer within a period not exceeding three months from the acknowledgment of receipt of the notification or, if no acknowledgment is sent, within three months from the expiration of 7 days from the notification. The above obligation does not apply to anonymous submissions made in any form other than by e-mail.

§6

[Investigation]

1. After the violation notification is received, it is initially reviewed by the Violations Committee, and in special cases indicated in § 5 (3) by the Supervisory Board.

2. An investigation shall be initiated immediately, but no later than within 7 days from the date of receipt of the notification, unless the initiation of the investigation in a shorter period is necessary to prevent damage or the possibility of violating the legitimate interest of the Company.

3. Within 7 days of the notification, the notifier receives information on the e-mail address from which the notification was sent or by letter, as described in §5 (1), whether the notification is eligible for follow-up. In the case of follow-up, the notifier, within 3 months, shall be informed of the results of the conducted proceedings or, if by that time the proceedings cannot be completed, information on the expected date of transmission of the results of the proceedings. The above obligation does not apply to anonymous submissions made in any form other than by e-mail.

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4. In the event of a positive preliminary verification as referred to in paragraph 1 above, proceedings shall be initiated by the Violations Committee or the Supervisory Board of the Company.

5. The investigation procedure shall not be initiated in the event of a notification:

- a) that is manifestly unfounded;
- b) that is not applicable to a Violation;
- c) that is transmitted in a way that makes it impossible to conduct the proceedings due to the extent of the information provided in it, and it is impossible to supplement it;
- d) the circumstances of which indisputably indicate that the Whistleblower acted in bad faith;
- e) that does not fall under the scope of the subject matter or entity of the Procedure.

6. The investigator informs the Whistleblower of the stage of the investigation initiated and reports the results of the investigation.

7. Subject to the situation described in § 5.3, after collecting preliminary materials confirming the likelihood of a Violation, the case is forwarded to the Violations Committee for consideration. If at least one of the conditions referred to in paragraph 5 above applies, the Violations Committee shall not initiate an investigation, while the report itself, together with the reasons for the refusal to initiate an investigation, should be registered in the "Violation Notification Register".

8. Insofar as the nature of the circumstances of the case permits, in particular where:

- a) the nature of the case does not indicate that there has been a grave violation of the principles of social intercourse and the emergence of material damage or violation of the legitimate interest of the Company;
- b) the case referred to in paragraph 13 below does not occur; in the course of the proceedings and adjudication, the Violations Committee applies the principle of the primacy of settlement seeking reconciliation between the parties.

9. The Violations Committee, acting as a consultative body, adjudicating a case, makes recommendations to the Board of Directors on the resolution of the case.

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10. The Board of Directors of PAX svečarna Stele d.o.o. is not bound by the recommendations of the Violations Committee. If the Board of Directors makes a decision that is inconsistent with the Committee's recommendation, the Board of Directors shall submit the reasons for its decision to the Infringement Committee and the parties to the proceedings in question.

11. If a Violation is found, the Violations Committee may recommend one of the actions described in paragraphs 12 - 14 below, or may limit itself to recommending to the Board of Directors that the person be instructed and obligated for the future to refrain from Violations.

12. If damage is found to have been caused, the Violations Committee may recommend an obligation to repair the damage under the terms of a settlement between the parties or under the terms of the Civil Code.

13. The Violations Committee may recommend the initiation of disciplinary action against an employee or the imposition of a disciplinary penalty on an employee in the event of a finding of serious misconduct.

14. In the event that the Violations Committee determines that the employee committing the Infringement is suspected of committing a criminal act against other employees of the Company, third parties, the Company or other entities, the Violations Committee may recommend that the Board of Directors notify law enforcement agencies.

§7

[Violation Notification Register]

1. The Head of the Management Office or other persons referred to in § 5 (1) shall maintain the Register of Notifications of Violations.

2. The Violation Notification Register shall be maintained in a manner consistent with data protection principles.

3. The Violation Notification Register comprises all cases of making reports on the commission or possibility of committing a Violation, regardless of the subsequent course of proceedings.

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4. The Violation Notification Register includes:

- a) the date on which the Breach was reported;
- b) the case number;
- c) the department to which the violation notification relates;
- d) the category of violation notification (specifying the type of case and its nature);
- e) description of the violation notification (including but not limited to the indication of the documents provided or information related to the violation notification);
- f) an indication of the further course of the proceedings, in particular, whether the notification was initiated, whether the case was given a course of action before the Violations Committee, together with the reasons;
- g) in the case of failure to initiate proceedings, despite the notification of the Violation, to indicate the basis for such a decision;
- h) the course of the investigation;
- i) the decision of the Committee;
- j) the date of termination of the case.

5. Access to the Violation Notification Register shall be granted exclusively to:

- a) the Board;
- b) the Supervisory Board;
- c) permanent members of the Violations Committee;
- d) other confidentiality-obligated business employees involved in the process of substantive clarification of cases of violations - but only to the extent of the cases in which they participated (access to the extract from the register),
- e) other confidentiality-obligated employees designated by the Board of Directors.

6. Access to the Violation Notification Register is also granted to law enforcement agencies in connection with their activities arising from common law.

7. Data in the Violation Notification Register shall be kept for 5 years from the time of notification. After this time, submissions are subject to erasure from the Violation Notification Register.

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§8

[Protection from retaliation]

1. From the date on which PAX svečarna Stele d.o.o. becomes aware of the Violation or the possibility of its commission, PAX svečarna Stele d.o.o. provides protection to the Whistleblowers and the victims of the Violation against potential retaliation.
2. All forms of retaliation against Whistleblowers are prohibited, including but not limited to: threats of retaliation and attempts to retaliate, including in particular retaliation taken in the following forms:
 - a) dismissal not reflected in objective reasons and following the reporting of the Violation;
 - b) dismissal resulting from the apparent elimination of a job position that has no expression in objective and substantive reasons;
 - c) a change of job or workplace resulting in inferior working conditions or employment not reflected in objective reasons and following the notification of the Violation;
 - d) bullying, persistent mental and physical harassment as a result of Violation reporting, coercion, intimidation or exclusion;
 - e) suspension, forced unpaid leave or equivalent measures;
 - f) demotion or withholding of promotion;
 - g)
 - h) transfer of duties, change of work location, reduction of salary, change of working hours, withholding of training;
 - i) negative performance appraisal or negative job opinion;
 - j) imposition or violation notification of any disciplinary measure, reprimand or other penalty, including financial;
 - k) discrimination, unfavourable or unjust treatment;
 - l) failure to convert a fixed-term employment contract into an indefinite employment contract when the employee may have had a reasonable expectation that he would be offered permanent employment;
 - m) non-renewal or early termination of a fixed-term employment contract;

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- n) damage, including damage to a person's reputation, especially on social media, or financial losses, including economic losses and loss of income;
- o) being "blacklisted" on the basis of an informal or formal sector or industry agreement, which may result in a person not finding future employment in a particular sector or industry;
- p) refusal to establish an employment relationship;
- q) referrals for psychiatric or medical examinations;
- r) causing financial loss, including economic loss or loss of income;
- s) infliction of other intangible damage, including violation of personal property, in particular the good name of the applicant.

3. The Company's actions or omissions indicated in paragraph 2 above may not be considered retaliatory when they have objective and factual justification and are not directly or indirectly related to the filing of the Infringement.

4. This Procedure does not grant protection to persons and employees who report Violations or the possibility of their perpetration in bad faith, in particular resulting from low motives aimed at deliberate slander through the certification of untruths, or other negative behaviour aimed at putting a person at a disadvantage. The whistleblower should have reasonable grounds for believing that the reported infringement information is true at the time of reporting and that such information constitutes an infringement.

§9

[Final Provisions]

1. The procedure is available in the Human Resources Department, the Management Office, the HRM violation notification and on the Company's website.
2. The Board of Directors is responsible for implementing and updating the Procedure.
3. Compliance with this Procedure is the responsibility of the Company's employees.
4. Violation of the provisions of the Procedure may be subject to the sanctions set forth in the Labor Law and the Labor Regulations.
5. The annexes to the Procedure are:

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- a) Violation notification form
- b) Statement of confidentiality and impartiality

6. This version of the Procedure was adopted on 23.4.2025.

Kamnik, 23.4.2025	PAX Svečarna Stele, d.o.o. 1241 Kamnik, Bakovnik 3 tel&fax: 01 8392-339 stamp	 Sandro Terzić, director
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