

Pursuant to Article 18 of the Whistleblower Protection Act (Official Gazette 17/19; hereinafter: "Act"), the company ERICSSON NIKOLA TESLA d.d., with headquarters in Zagreb, Krapinska 45, registered in the court register of the Commercial Court in Zagreb, under the Commercial court registration number (MBS): 080002028, PIN: 84214771175, represented by the Director Gordana Kovačević (hereinafter: "Employer"), on November 15, 2019 established the following

BYLAW ON INTERNAL REPORTING OF IRREGULARITIES

1. GENREAL PROVISIONS AND DEFINITIONS

Article 1

- (1) This Bylaw on internal reporting of irregularities (hereinafter: "Bylaw") governs the procedure of internal reporting of discovered irregularities to the Employer, the rights of the persons who report irregularities, Employer's obligations related to the report of irregularities, appointing the person of confidence for internal reporting of irregularities, as well as other questions that are important for the reporting of irregularities and the protection of the whistleblower.
- (2) For irregularities referring to budgetary funds and/or funds from the EU funds, this Bylaw shall, if necessary, be aligned with the regulations which govern the areas of managing irregularities related to budgetary funds and/or funds from the EU funds.
- (3) The following terms shall be used in this Bylaw:

Whistleblower	means any natural person who reports irregularities in relation to performing work at the Employer;
Irregularity	means violations of laws and other regulations, and mismanagement of public goods, public funds and EU funds, that represent jeopardizing the public interest, and which are related to performing works with the Employer;
Person of Confidence	means a person, i.e. an employee who is authorized to receive internal reports of irregularities, and decide on them;
Related Person	means marital or cohabiting partner, life partner or an informal life partner, direct relatives by blood, collateral relatives up to the fourth degree of relationship, relatives by alliance up to the second degree of relationship, custodian, partner - child custodian and adopter and adoptee, as well as other natural persons and legal entities that may, on other grounds and circumstances, reasonably be considered connected to the Whistleblower on the basis of interest.
Harmful Action	means any action, or the lack thereof, in connection to reporting irregularities, which jeopardizes or violates

the rights of the Whistleblower or Related Persons, i.e. puts them in an unfavorable position.

- (4) Other terms which are not here outlined shall be interpreted as defined by the Act.

Article 2

- (1) A Whistleblower shall not be put in a less favorable position for reporting an irregularity.
- (2) Placing in a less favorable position shall be considered any acting on behalf of the Employer as defined by the Act.

Article 3

- (1) A Whistleblower shall, conscientiously and truthfully, report irregularities of which he has knowledge of, and which he considers to be true at the moment of reporting.
- (2) It is forbidden to abuse the reporting of irregularities in a way that:
 - a Whistleblower delivers information for which he knows are false;
 - an unlawful benefit is asked together with reporting an irregularity;
 - other actions are undertaken with the sole purpose of causing damage to the Employer.
- (3) Abuse of reporting irregularities shall be considered a violation of commitments from employment or in relation thereto.

2. WHISTLEBLOWER'S RIGHTS

Article 4

- (1) A Whistleblower is entitled to protection of identity and confidentiality, except for a Whistleblower who abuses the reporting of irregularities.
- (2) The identity of the Whistleblower, i.e. data on the basis of which his identity can be discovered, and other data stated in the report of irregularity shall remain protected, unless the Whistleblower agrees that such data is revealed, or if, during the procedure, it is necessary to disclose the Whistleblower's identity, and in line with regulations that govern personal data protection.
- (3) Person of Confidence, to whom the Whistleblower reports an irregularity, and any other person taking part in the procedure on the report of irregularity, shall protect the data which he learns of in the report, in the way set out in this Bylaw and the Act.
- (4) A Related Person is entitled to protection as the Whistleblower is, if a Related Person deems probable that a Harmful Action is committed against her, due to relation to the Whistleblower.
- (5) In line with the Act, a Whistleblower is entitled to other protection, except for the Whistleblower who abuses the reporting of irregularities.

3. THE PROCEDURE OF REPORTING IRREGULARITIES AND ACTING ON THE REPORTING

Article 5

- (1) The report of an irregularity must include Whistleblower's data, the name of the Whistleblower's Employer, data about the person and/or persons to whom the report is referred to, date and a description of the irregularity which is being reported.
- (2) The Report can be made directly in writing, sent by mail, delivered in an electronic form or be orally stated to a Person of Confidence on the record, and all of the above stated by using the following data and/or addresses: "Dostava isključivo na ruke Povjerljivoj osobi, Ericsson Nikola Tesla d.d., Krapinska 45, PP 93, 10002 Zagreb," e-mail: povjerljivaosoba.etk@ericsson.com.
- (3) In case of submitting an incomplete report, and if possible, the Person of Confidence or the Person's deputy shall call for the Whistleblower to duly update the submitted report, and will, if necessary, teach him about the procedure of internal reporting as stipulated by the Act.

Article 6

- (1) The Employer shall:
 - ensure the possibility of internal reporting of irregularities;
 - appoint the Person of Confidence at the proposal of at least 20% of the Employer's employees;
 - protect the Whistleblower from Harmful Action and undertake necessary measures to stop Harmful Actions and eliminate the consequences thereof;
 - keep the data received in the report from unauthorized disclosure, unless this is contrary to law;
 - undertake measures to eliminate the determined irregularities.

Article 7

- (1) The Employer shall appoint a Person of Confidence through a separate decision.
- (2) When the Person of Confidence is appointed in a way set out in Article 6, Paragraph 1, point 2 of this Bylaw, the appointed Person of Confidence may be revoked by the decision of the 20% of employees.
- (3) The Person of Confidence has a four-year mandate. Once appointed, the Person of Confidence can be reappointed after the mandate expires.
- (4) In line with Article 6, Paragraph 1, point 2, if during the appointment process more candidates are proposed and each of them has more than 20% of the votes, the candidate with the highest percentage of votes shall be appointed.
- (5) The Employer shall appoint the Person of Confidence even when 20% of the employees have not reached a decision on the proposal of the Person of Confidence.
- (6) The Employer shall appoint the Deputy to the Person of Confidence at the proposal of the Person of Confidence.
- (7) A Person of Confidence and the Deputy to the Person of Confidence are appointed among the current Employer's employees.
- (8) The termination of employment of the Person of Confidence and the Deputy to the Person of Confidence with the Employer also terminates the function of the Person of Confidence, i.e. Deputy to the Person of Confidence.
- (9) The Person of Confidence and the Deputy to the Person of Confidence are appointed by the Employer with their prior consent.

- (10) In case of the decision from Article 6, Paragraph 1 point 2 of this Bylaw, the Employer shall revoke the appointed Person of Confidence and appoint a new Person of Confidence within a month following the decision on recall. Until the decision on appointing a new Person of Confidence is reached, the appointed Deputy is performing the duties of the Person of Confidence, unless circumstances imply it is necessary to temporarily appoint a third person to act as the Person of Confidence.
- (11) The Person of Confidence and the Deputy to the Person of Confidence are entitled to protection from Article 4 of this Bylaw, except for the protection of identity and confidentiality.

Article 8

- (1) The procedure of internal reporting of irregularities begins by delivering the report to the Person of Confidence.

Article 9

- (1) The Person of Confidence shall:
 - receive the report of irregularities;
 - examine the report within 60 (sixty) days from the date of receiving it;
 - without delay take actions from his competence, necessary to protect the Whistleblower if the Whistleblower made it probable that he is or could become a victim of Harmful Action due to reporting irregularities;
 - if necessary, include the assistance of other expert persons/departments within the Employer's organization that will help examining and solving the report;
 - forward the report to the bodies authorized to take action according to the content of the report, unless the irregularity is solved with the Employer;
 - notify the Whistleblower, at his request, on the course and actions undertaken in the procedure and enable him to access the file within 30 (thirty) days from the date the request was received;
 - notify the Whistleblower in writing on the result of the procedure, immediately after the procedure is finished;
 - notify the competent authority for external reporting of irregularities in writing on the received reports within 30 (thirty) days from the date on deciding on the report;
 - keep the identity of the Whistleblower and the data received in the report from unauthorized disclosure, i.e. disclosure to third parties, unless this is contrary to law.

Article 10

- (1) In line with the Act, the Employer shall not put a Person of Confidence and/or his deputy in an unfavorable position.
- (2) The Employer shall not influence or try to influence the procedure of the Person of Confidence and/or his deputy when they take actions from their competence that are necessary to protect the Whistleblower.

- (3) The Person of Confidence and/or his deputy shall perform their duties lawfully and consciously and shall not abuse their authority to harm the Whistleblower.

4. TRANSITIONAL AND FINAL PROVISIONS

Article 11

- (1) Cases not governed by this Bylaw shall be directly governed by the provisions of the Act, other legal regulations and sources that apply to the Employer.

Article 12

- (1) This Bylaw can be amended as prescribed by the Act and other regulations.
- (2) This Bylaw shall come into force on the eighth day following its publication on the bulletin board of the Company.

In Zagreb, November 15, 2019

For **ERICSSON NIKOLA TESLA d.d.:**
Gordana Kovačević, MSc, BEE
Director

This Rule Book was published on the Company's bulletin boards and the Intranet of the company ERICSSON NIKOLA TESLA d.d.