

**REGULATION ON THE PROTECTION OF
PERSONS REPORTING IRREGULARITIES
HARBURG-FREUDENBERGER BELIŠĆE d.o.o.**

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Pursuant to Article 20 of the Act on the Protection of Persons Reporting Irregularities (Official Gazette 46/22, hereinafter: „the Act“, the Company Harburg-Freudenberger Belišće d.o.o., adopted on April 25, 2022 the following

REGULATION ON THE PROTECTION OF PERSONS REPORTING IRREGULARITIES

I. GENERAL PROVISIONS

Article 1.

(1) The objective of the Regulation on the Protection of Persons Reporting Irregularities (hereinafter: Regulation) is to ensure available and reliable manners of reporting irregularities due to violations of legal regulations, internal acts of HARBURG-FREUDENBERGER BELIŠĆE d.o.o. (hereinafter: the Employer), jeopardizing the public interest related to the performance of work at the Employer, which the persons reporting irregularities found out at the Employer, which also includes ensuring effective protection.

Article 2.

(1) Specific terms in the context of this Regulation have the following meanings:

1. irregularities are actions or omissions that are illegal and refer to the area of application and regulations covered by Article 4 of the Act or are contrary to the goal or purpose of such regulations.

2. information on irregularities are information, including reasonable doubts, about real or possible irregularities that have occurred or are very likely to occur in the organization in which the reporter of irregularities works or has worked or is about to start working or in another organization with which the Reporting Person is in contact or with whom he was in contact in the work environment, and about attempts to conceal such irregularities.

3. reporter of irregularities is any natural person who reports or publicly discloses irregularities acquired in his or her work environment (hereinafter: Reporting Person).

4. report or reporting is the oral or written communication of information about irregularities.

5. the work environment are professional activities in the public or private sector where, regardless of the nature of such activities, the persons gain information on irregularities and within which such persons may experience retaliation of the reporting on such irregularities, including the situation when the activity has stopped in the meantime or is about to or should have started.

4. employer is a public authority, natural or legal person according to the law regulating labour relations and a public authority, natural or legal person where the Reporting Person performs professional activities in the work environment.

5. public authorities are determined by the provisions of the law governing the right to access to information.

6. related/connected persons are assistants of the Reporting Person, relatives, colleagues, and any other person connected to a Reporting Person that may suffer retaliation in the work environment, legal entities owned by the Reporting Person for whom the persons reporting irregularities work, or with whom the Reporting Persons are otherwise connected in the work environment.

7. retaliation means any direct or indirect act or omission occurring in a work environment and prompted by an internal or external reporting or by public disclosure which causes or may cause unjustified detriment to the person reporting irregularities.

8. Person of Confidence is a natural person employee of the Employer, or a third natural person appointed by the Employer, for the purpose of receiving reports on irregularities, the communication with the Reporting Person and conducting the protection procedure with regard to the reporting on irregularities.

(2) Gender-specific expressions used in this Regulation are used neutrally and refer equally to both the male and female genders.

Article 3.

- 1) Preventing or attempting to prevent the reporting of irregularities is prohibited.
- 2) The provisions of the Employer's general or specific acts and the legal transactions denying the rights of reporting irregularities have no legal effect.
- 3) It is forbidden to initiate malicious proceedings against the Reporting Person, related persons, the Person of Confidence, or their deputy.

Prohibition of retaliation

Article 4.

- 1) The Employer may not retaliate, attempt to retaliate, or threaten to retaliate against the Reporting Person, related persons, Person of Confidence and their deputy for reporting irregularities or public disclosure.
- 2) Retaliation is any direct or indirect act or omission occurring in a work-related context and prompted by internal or external reporting or by public disclosure which causes or may cause unjustified detriment to the Reporting Person.
- 3) Retaliation referred to in paragraph 2 of this article is particularly considered to be the following actions:
 - temporary suspension/removal from work, employment dismissal, discharge, or equivalent measures
 - degradation or denial of opportunities for advancement
 - transfer of duties, change of the place of work, reduction in salary, change in working hours deprivation of the opportunities for training and education
 - negative performance evaluations or employment reference
 - imposing or issuing disciplinary measures, rebuke, or other sanction, including financial sanction
 - coercion, intimidation, harassment, or isolation
 - discrimination, and disadvantageous or unfair treatment
 - denial of an offer to enter into an indefinite term employment agreement for which the legal conditions were met, if the employee had a reasonable expectation that it would be offered to him
 - failure to enter into a successive fixed-term employment agreement in accordance with the provisions of national law in the field of labour relations, or an early termination thereof
 - causing damage, including damages to a person's reputation, especially on social media, or a financial loss, including the loss of business and income

- negative labelling based on an informal or formal sector or an industry-wide agreement, which may mean that a person will not be able to find a job in that sector or industry in the future
 - early termination or cancellation of an agreement for goods or services
 - cancellation of a licence or permit
 - referrals for psychiatric or medical assessments
- 4) Provisions of the Employer's general or specific act and legal works by which the Employer retaliates against the Reporting Person or a related person for reporting irregularities or public disclosure have no legal effect.

II. RIGHTS, PROTECTION AND OBLIGATIONS OF THE REPORTING PERSON

Right to protection

Article 5.

- 1) Persons reporting irregularities have the right to:
 1. Protection of their identity and the confidentiality of their report
 2. Court protection
 3. Indemnity for the damages they might have suffered
 4. Primary free legal aid in line with the provisions of the special law regulating the provision of free legal aid
 5. Emotional support
 6. Other protection provided for in the procedures laid down by the Act

Obligation to protect identity

Article 6.

- 1) The identity of a Reporting Person and the information revealing his identity and all other information stated in the report shall be available exclusively to persons authorized for receipt of the reports and their further processing, and they must remain protected, unless the Reporting Person agrees to their disclosure.
- 2) By way of derogation from paragraph 1 of this article, the disclosure of identity of the Reporting Person and all other information in paragraph 1 of this article may only be disclosed in cases where this is a necessary and proportional obligation set out by EU or national law within the framework of investigations conducted by national authorities or in the context of court proceedings, such as for the purpose of protecting the rights of the defence of the reported person.
- 3) Disclosures made due to exception provided for in paragraph 2 of this article are subject to appropriate protective measures based on the applicable rules of the European Union and national legislation. The authority disclosing the identity of a Reporting Person will inform the Reporting Person in writing before disclosing her identity, including an explanation of the reasons for the disclosure of this information, except if such information would jeopardize the related investigations or court proceedings. When notifying, the competent authorities shall send a written notification to the Reporting Persons stating the reasons for the disclosure of confidential information.
- 4) The provisions of paragraph 1 of this article, referring to the identity protection of the Reporting Person, also apply to the identity of the reported persons (persons concerned).

Personal data processing and protection of confidentiality

Article 7.

- 1) Any personal data processing conducted in accordance with the Act, including the exchange or transfer of personal data to the competent authorities, must be carried out in accordance with relevant EU regulations and national law governing the protection of personal data.
- 2) Personal data which manifestly are not relevant for the handling of a specific report shall not be collected, or if accidentally collected, shall be deleted without undue delay.

Article 8.

The person to whom the Reporting Person reports the irregularity, Reporting Person's assistant and any other person participating in the procedure following the irregularity report must protect the data they learn from the report and may not use or disclose it for purposes other than those necessary for the correct further handling.

III. PROCEDURE FOR THE REPORTING OF IRREGULARITIES AND ACTING ON THE REPORT

Reporting irregularities

Article 9.

- 1) The report on irregularities must contain information on the Reporting Person, information about the person being reported, and description or information of the irregularity being reported.
- 2) The irregularity report shall be submitted in writing or orally. The written form includes any means of communication that provides a written record. Submission of the orally report is possible by telephone or through other voice messaging systems, and, upon request by the Reporting Person, by means of a physical meeting within a reasonable timeframe.

Article 10.

- 1) The Person of Confidence and their deputy keep records of every received report of irregularities.
- 2) Reports must be kept in a durable form in accordance with the national law governing the protection and processing of documentation.
- 3) Where a recorded telephone line or another recorded voice messaging system is used for reporting, subject to the Reporting Person's consent, the Person of Confidence and their deputy shall have the right to document the oral reporting: by making a recording of the conversation in a durable and retrievable form or a complete and accurate transcription of the conversation made by the persons responsible for handling the report.
- 4) Where an unrecorded telephone line or another unrecorded voice messaging system is used for reporting, the Person of Confidence and their deputy shall have the right to document the oral reporting, in the form of accurate minutes of the conversation written by the person responsible for handling the report.
- 5) If a person requests a meeting with a Person of Confidence for the purpose of submitting a report, the Person of Confidence ensures, subject to the Reporting Person's consent, that complete and accurate minutes of the meeting are kept in a durable and retrievable form.

- 6) The Person of Confidence has the right to document the meeting in one of the following ways: by making a recording of the conversation in a durable and retrievable form or an accurate transcription of the conversation made by the person responsible for handling the report.

Employer's obligation

Article 11.

- 1) The Employer will make this Regulation available, in an appropriate manner, to all persons involved in the work environment together with all the information relevant for the submission of reports on irregularities.
- 2) The Employer shall appoint a Person of Confidence and their deputy on the proposal of
 1. the works council or trade union commissioner with all the rights and obligations of the works council;
 2. at least 20% of the employees, if no works council or trade union commissioner with all the rights and obligations of the works council have been set up at the Employer.
- 3) The Employer shall appoint a Person of Confidence and their deputy without a proposal of the works council or a trade union commissioner with all the rights and obligations of the works council, or at least 20% of the workers employed by the Employer if no such proposal has been made.
- 4) The Employer shall without delay revoke the appointed Person of Confidence and their deputy upon proposal from the works council or the trade union commissioner with all the rights and obligations of the works council, or at least 20% of the Employer's employees.
- 5) The Employer shall initiate the procedure for the appointment of a Person of Confidence and their deputy no later than within 30 days the Person of Confidence and their deputy have been revoked. Until the decision on the appointment of a new Person of Confidence is made, the tasks of the Person of Confidence are performed by their deputy, unless the circumstances indicate a need for appointment of a third person to temporarily take over the duties of the Person of Confidence.
- 6) The Person of Confidence and their deputy need to provide their prior written consent for the appointment.

Article 12.

The Employer is obliged to protect the Reporting Person from retaliation and to take measures necessary for the discontinuation of retaliation and consequences thereof, to protect the information received in the report from unauthorized disclosure, unless otherwise prescribed by the national law, to ensure conditions for keeping records on reports in accordance with the provisions of this Regulation, and to take measures to eliminate the determined irregularities.

IV. IRREGULARITY REPORTING PROCEDURE

Internal irregularity reporting procedure

Article 13.

- 1) The internal reporting on irregularities is reporting to the Employer.

- 2) The procedure of internal reporting of irregularities is initiated at the moment of delivery of the report to the Person of Confidence.
- 3) A Person of Confidence is obliged to:
 1. receive the report of irregularities and confirm receipt thereof to the Reporting Person within seven days from the day of receipt;
 2. without delay take actions within their competences, necessary for the Reporting Person's protection;
 3. take actions to investigate irregularities and provide the Reporting Person with the feedback information on the report within 30 days, but not later than 90 days from the date of confirmation of receipt of the report, or if such confirmation was not sent to the Reporting Person, after seven days from the date of delivery of the report;
 4. immediately forward the irregularity report to the authorities who are authorized to act depending on the nature and the content of the report, if the irregularity have not been resolved with the Employer;
 5. immediately inform the Reporting Person, in writing, of the outcome of the report investigation;
 6. inform the external reporting authority, in writing, of reports received and the outcome of the procedure within 30 days from the decision on the report;
 7. protect the Reporting Person's identity and the information/data received in the report from unauthorized disclosure, or publication to other persons, unless this is contrary to a special law;
 8. provide clear and easily accessible information on the procedures for submitting reports to the external reporting authority and, where appropriate, to the EU institutions, authorities, offices, or agencies competent for dealing with the report depending on the content of the irregularity report.
- 4) The Employer shall not influence or try to influence the procedure of the Person of Confidence and their deputy when taking actions within their competence that are necessary for the protection of the Reporting Person.
- 5) The Person of Confidence and their deputy shall perform their duties lawfully and consciously and shall not abuse their authority to harm the Reporting Person.
- 6) If the irregularity report at the Employer has received a person not competent to act on the irregularity report, she must forward it without delay and without changes to the Person of Confidence while protecting the identity of the Reporting Person and the confidentiality of information from the report.

External irregularity reporting

Article 14.

The Reporting Person may report an irregularity to the authority competent for external irregularity reporting after first submitting the report through the internal reporting system or directly to the authority competent for external reporting.

Public disclosure of irregularities

Article 15.

Public disclosure of irregularities means the disclosure of irregularities to the public.

- 1) The Reporting Person who publicly exposes an irregularity has the right to protection according to the Act if one of the following conditions is met:
 1. The person first submitted the report through the internal and external reporting system, or directly to the competent authority for external reporting, but within the period provided for in the Act (30 to 90 days) or if appropriate measures were not taken in response to the application within the period.
 2. If the Reporting Person has justified grounds to believe that the irregularity may pose an immediate or obvious danger to the public interest, such as in the case of a crisis situation or the risk of irreparable harm or in the case of external reporting there is a risk of retaliation or the chances are low that the irregularity will be effectively removed due to the special circumstances of the case.

Court protection

Article 16.

- 1) Reporting Person can also seek court protection in a special procedure initiated by a lawsuit for the protection of the Reporting Person.
- 2) The procedure is urgent.
- 3) Claim: finding that retaliation was taken against the person who reported irregularities, to prohibit taking and repetition of retaliation and to eliminate the consequences; compensation for property and non-property damage and publication of the verdict in the media.
- 4) The Reporting Person is exempted from the payment of court fees.
- 5) In proceedings for damage suffered by the Reporting Person, it is assumed that the damage was caused by retaliation for the report or public disclosure.
- 6) The possibility of imposing temporary measures, on which the court will decide within eight days from the day of receipt of the proposal.

V. TRANSITIONAL AND FINAL PROVISIONS

Article 17.

The internal reporting system, and the information on it, needs to be made available to all persons involved in the work environment, understandable and effective to encourage the primary use of the internal reporting system.

Article 18.

- 1) This Regulation cannot reduce the scope of rights or deny any right from the Act to the Reporting Person.
- 2) If any provision of this Regulation is not in line with the Act, it has no legal effect.

- 3) Failure to comply with the provisions of this Regulation constitutes a serious breach of an obligation from the employment relationship.

Article 19.

The Employer shall appoint a Person of Confidence and their Deputy as set down in Article 11 of this Regulation no later than three months from the date of entry into force of the Act.

Article 20.

(1) This Regulation shall enter into force on the eight-day following that of its publication on Company's bulletin board.

(2) The Regulation shall be available in physical form in the Human Resources department and with the Person of Confidence.

Article 21.

Questions not governed by this Regulation shall be directly governed by the provision of the Act on the Protection of Persons Reporting irregularities.

Belišće 25 April 2022

For the Employer:



Z. Uranjek
Mec Zoran Uranjek, mech.eng.
Management Board member

S. Foder
Sanja Foder - Procurator

Pursuant to Article 150 of the Labour Act, and before the adoption of this Regulation, the Employer consulted with the Union of Metalworkers of Croatia, who confirms this with his signature.

V. Kolarić
Vladimir Kolarić – trade union commissioner

