



**CODE OF  
CONDUCT**  
Conduct of  
Business Rules





## Purpose

We help people sense the world around them in a better, richer and more confident way. Experience the scent of the Earth, see the world of possibilities, feel good in your skin!

JGL. Sense the life.

## Mission

We improve the quality of life by taking care of your health..

## Vision

JGL aims to become a global pharmaceutical company specialised in the development and production of value-added sterile products in ophthalmology and ENT and the leader in using the benefits of seawater for health purposes.

# VALUES

## Teamwork

In order to achieve a common goal, we cooperate on all levels of the company. We exchange resources, communicate openly, directly, honestly, with respect and build long-lasting partnerships. We are consistent in implementing plans, we share responsibility and trust one another.

## Excellence

We have clear and high goals, as well as quality and performance-related standards. We are bold and determined in achieving results. We encourage each other to continually learn and grow, as well as to take responsibility and the initiative to achieve added value for both ourselves and our partners.

The key principles underpinning our relationships with our business partners (suppliers, representatives, agents and intermediaries) encompass respecting the law, implementing good business practices and ethical principles, as well as the standards of social responsibility, protecting the environment and corporate management.

We believe that our values and standards have always formed the basis for our success, which is why we make sure that our dedication and values are shared by our business partners.

## Closeness

We recognise the needs of our partners and meet them. We work for our mutual benefit, by taking diversity into account. We are open and warm in our communication. We fulfil our promises and contribute to the wider community by initiating activities for improving the quality of life.

**We achieve these goals consistently by protecting our integrity and applying the highest possible standards of business ethics and corporate social responsibility.**



# INTRODUCTION



Our vision for success is clearly defined. To achieve it, we all must consistently protect our integrity and persist in our dedication towards our co-workers, customers and users, as well as the community in which we live and work.

Our dedication to the highest ethical values and our mutual and individual respect for the rules and laws which regulate our activities are instrumental to our success, our reputation in the pharmaceutical industry, and key for a pleasant work environment at JGL.

These rules on the conduct of business give guidelines for business and cooperation with our buyers, suppliers, business partners, public and state authorities and our co-workers.

At JGL, we believe in the highest standards of conducting business. Every one of us plays an important role in respecting these highest of standards and creating an environment which, by applying these standards, protects the reputation of the company and ensures a solid base for its long-term success.

PRESIDENT OF THE BOARD OF DIRECTORS  
JGL d.d.

Ivo USMIANI, MPharm



# Conduct of Business Rules at JGL d.d. and Subsidiaries

## 1. Overview

The Board of Directors (hereinafter: the "Board") of JADRAN-GALENSKI LABORATORIJ d.d. (hereinafter: "JGL" or the "Company") has adopted the following Conduct of Business Rules ("Business Rules"). The Business Rules are applied to all subsidiaries of JGL (hereinafter: the Subsidiaries) and to each individual legal representative, executives, competent and responsible persons at all levels, and employees of JGL and Subsidiaries.

The Board is responsible for translating the Conduct of Business Rules to all official languages of Subsidiaries. JGL and Subsidiaries (JGL Group), hereinafter are jointly called JGL. JGL has additional regulations, rules, procedures and practices which add to, support and/or explain the regulations mentioned within these Business Rules (hereinafter: JGL Internal Acts).

No rules or regulations can predict every situation nor give final answers to all possible questions. Thus, the purpose of these Business Rules is to draw the attention of every legal representative, executive, competent and responsible persons at all levels (hereinafter: "Responsible Persons") and JGL employees to the area of ethical risk, give them appropriate guidelines, and help them recognise and resolve ethical problems by introducing mechanisms for reporting inappropriate behaviour and promoting JGL's values and business principles.

If you are unsure how to approach the best a certain situation, you can send your questions to your superior, a representative from the Human Resources Management Department ("Human Resources Department") or the Office of Legal Affairs and Intellectual Property ("Legal Affairs").





## 2. Responsibility of Responsible Persons

The culture of integrity and conformity within the organisation starts at the top. Responsible Persons must fulfil their duties of organising and supervision and are responsible for all employees to whom they are direct superiors. All responsible persons must attain respect through appropriate conduct. This, among other things, means that each Responsible Person must highlight the importance of ethical conduct and following the rules, apply them in everyday work, and promote them through their personal leadership. Each Responsible Person must also set clear, ambitious and realistic goals and lead by example.

**Responsible Persons must allow their employees as much personal responsibility and freedom as possible to do their work while at the same time clearly informing them that following regulations and laws is expected of them, at all times and in any circumstance.**

Responsible Persons must also be at the disposal of the employees if they wish to talk about following rules and laws, ask questions, or discuss problems of a professional or personal nature. These responsibilities of Responsible Persons do not release employees from their own personal responsibility. All of us need to work together to adhere to applicable laws and JGL policies. The responsibilities of Responsible Persons which are shown here give employees a framework on leadership and the support which they can expect from their superiors. It is the responsibility of all Responsible Persons to ensure no laws are violated in the area for which they are responsible and which could have been prevented with proper supervision.

The following duties relate especially to Responsible Persons:

- **They are responsible** for carefully selecting employees based on their personal and professional qualifications. The responsibility to properly choose employees increases with the significance of the task which the employee must carry out (responsibility of selection).
- **They are responsible** for giving binding instructions to employees that are as precise and complete as possible, especially in terms of conforming to the law (responsibility of giving instructions).
- **They are responsible** for providing opportunities to employees for additional education and training in accordance with the short-term and long-term needs of JGL (responsibility for developing careers).
- **They are responsible** for ensuring constant monitoring of conformity with the law (responsibility of monitoring).
- **They are responsible** for clearly imparting the message of the importance of integrity and conformity with the law to employees in everyday business. They are also responsible for imparting the message that breaking the law is unacceptable (communication responsibility).

Other than this, Responsible Persons, as well as employees, must not receive information on competitors using industrial espionage, bribery, theft or electronic wiretapping, or consciously spread false information on competitors and their products and services.



### 3. Conformity with Business Rules, laws and rulebooks

Responsible Persons are responsible for communicating the JGL Business Rules, introducing procedures for promoting and monitoring conformity with the Business Rules, and measures that need to be taken in the event of a violation. Although it is expected that Responsible Persons take a leading role in promoting the Business Rules, for them to be successfully carried out, cooperation and active engagement of each individual employee is key.

All employees need to familiarise themselves with the Business Rules which JGL will make available to all current employees and future employees when hiring them.

All employees must obey all laws, rules and regulations and it is expected that Responsible Persons will, on behalf of JGL, carry out their duties in accordance with these laws, rules and regulations and will refrain from illegal and unacceptable behaviour. Although it is expected that persons are familiar with all applicable laws, rulebooks and regulations, persons who have questions regarding possible illegal or unacceptable behaviour must, in particular cases, seek advice from a representative from Legal Affairs.

It is noted that the Rules on the procedure for appointing confidential persons and on internal reporting of irregularities is in effect at JGL and came into force on 29 December 2019. In case of contradictions between the Business Rules and the aforementioned Rules, the Rules on the procedure for appointing confidential persons and on internal reporting of irregularities is applied.

JGL encourages all persons who, in good faith, consider that an infringement of the aforementioned principles in the Business Rules has occurred to report said infringements. Information on applying the Business Rules and any possible or real infringements of the Business Rules will be kept secret unless disclosing them is required by law, rulebooks or regulations. JGL expressly prohibits any kind of retaliation against persons who report possible inappropriate conduct in good faith.



## 4. Confidentiality

Responsible Persons and employees are required to keep information and records confidential which are not of a public nature and which JGL entrusts to them, as well as the confidentiality of all data which they come across, from any source, when conducting their duties, other than in the event that disclosing said data is expressly approved or when their disclosure is required in accordance with the law, rulebooks, regulations and/or JGL Internal Acts.

In cases when a Responsible Person or employee does not know whether the information is of a confidential nature, they should assume that it is. Information created within JGL which represents a trade secret or is in any way confidential must not be publicly disclosed outside of JGL without proper authorisation and according to applicable laws, and neither Responsible Persons nor JGL employees may use or disclose them, directly or indirectly, to third parties, whether during or after the end of their employment at JGL. Responsible Persons and JGL employees are also responsible for respecting the confidentiality of data which they received from third parties.

## 5. Business opportunities, conflict of interest

At JGL, there is a complex and involved sequence of actions and a single person may find it difficult to evaluate whether or not a single action actively hinders the interests of JGL. Due to this, we expect everyone to seek advice to avoid any conflict of interest. At JGL, we respect the privacy of employees and are not usually interested in what they do outside of work hours. However, between JGL, their Responsible Persons, employees and other partners, there is a relationship of trust which may lead to a conflict of interests if the private activities of Responsible Persons and employees may influence their expected loyalty to JGL's interests.





A conflict of interests arises when personal interests, participating in outside activities and interests in some other business venture influence or are considered to have an influence on illegally influencing decisions. It is the responsibility of each Responsible Person and employee to make business decisions in the best interest of JGL and not based on their own interests. Employees must inform their superiors of any personal interest which they might have when conducting their professional tasks. Responsible Persons and employees are not permitted to use, for their own agreements or orders, companies with which they do business as representatives of JGL, if they could gain any advantage from such an agreement or order. This especially relates to cases in which an employee directly or indirectly influences, or is in a position to influence, the decision on whether that company will conclude an agreement with JGL. A conflict of interest might arise in the form of a business relationship with JGL's competitors or clients or participating in additional activities which prevent employees from fulfilling their duties and responsibilities towards JGL.

**It is important for Responsible Persons and employees to recognise and avoid conflicts of interest in everyday business, even in situations which may only appear to be such.**

**Responsible Persons and employees may not personally use opportunities for which they may assume could be of interest to JGL.** A business opportunity is an opportunity which might be of interest to JGL and (i) which has a direct and close link to the business or the type of business which is currently being conducted in some part of JGL or (ii) for which JGL has expressed public interest (or the Responsible Person or employee is famil-

iar with the fact that JGL shows such interest). Limited exceptions to this regulation may be explicitly approved only after a complete review of the facts and if such an exception does not represent an infringement of the Business Rules or regulations in force. In accordance with the corporate policy of JGL, all Responsible Persons and employees must act in the best interest of JGL, refrain from competing with JGL and avoid business or personal situations which might lead to a conflict of interests. No Responsible Person or employee may, based on their position in the company, whether directly or indirectly and in a way that is in conflict with the interests of JGL, strive to gain an advantage, whether for themselves or another person. Responsible Persons and employees need to avoid situations in which their private, financial or business interests might come into conflict with JGL's interests or with their responsibilities towards JGL. A conflict of interests might arise in a number of areas, including, without limitation, the situations mentioned below.



**Responsible Persons and employees may not, for example:**

- **act or have interests which hinder their objectivity and effective work for JGL**, have direct or indirect interests (except a smaller share in an enterprise which is in partial/complete ownership of state, regional or local authorities) in transactions in which JGL participates or may participate, ownership which JGL may attain or legal person with which JGL does business or may do business, other than in cases when JGL is aware of all the facts and if such an exception does not infringe upon these Business Rules or regulations in force,
- **have personal or family interests in a transaction with JGL**, in other words, achieve unacceptable personal gain, have interests (except a smaller share in an enterprise which is in partial/complete ownership of state, regional or local authorities), personal or by proxy of a family member, with a supplier, buyer, competitor or any of JGL's partners, directly or indirectly with a "stake" in such a company, influence the decision-making procedure in said company or the CEO or senior management in such a company,
- **directly or indirectly exert influence in a way which is detrimental to the interests of JGL**, on JGL's business with any supplier with which they have a personal, family or financial tie, work for buyers or suppliers or represent it in business,
- **accept an offer to buy preference shares which are not available to the public** (for example, share programmes for "friends and family") from a company that does business with JGL or

- **use the name, information, property, time or other resources of JGL for conducting business outside of the company**, such as additional work, volunteer work or work for the public good which JGL has not specifically approved or decided to sponsor. These activities must always be separated from work done for JGL.

## 6. Money laundering prevention

Money laundering is the process of concealing the nature and source of money linked to criminal activity—such as, for example, terrorism, the drug trade or bribery—by integrating "dirty money" into the business process and representing it as legitimate or in such a way that its source and owner cannot be identified.

**JGL's goal is to conduct business with clients, consultants and business partners of good reputation, which are involved in legal business activities and whose funds are drawn from legitimate sources.** We do not support money laundering. All Responsible Persons and employees must adhere to applicable laws on the prevention of money laundering. To avoid problems in this area, employees must follow and report suspicious activity from buyers, consultants and business partners. Employees must also follow the conditions of accounting, bookkeeping and financial reports which are applied in cash payments and payments linked to other transactions and agreements.



## 7. Fair dealing

The goal of JGL is to achieve success through honest and open competition on the market. JGL strives for superior results, but it never tries to achieve them through unethical or illegal business practices. Responsible Persons and employees must always strive for fair dealings with buyers, suppliers, competitors and employees. No one must use another person through manipulation, concealment or misusing confidential information or by the inaccurate presentation of important facts.

- **JGL respects trade secrets and proprietary information of other legal subjects.** Information from public sources is a legitimate source of information on competition, while a trade secret obtained through improper means is not.
- **If an employee is offered a trade secret or competitor proprietary information in a suspicious way** or if an employee has a question on the legality of use or attaining information on competitors, they are required to immediately report it to their immediate superior who is authorised to seek advice from Legal Affairs.
- **Sale of JGL products and services and the procurement of products and services from suppliers is done exclusively based on quality,** price and service, and never based on giving or receiving monetary benefits, gifts, representation or services.
- **Funds, property or information, including privileged information from JGL must not be used for illegal purposes.** Responsible Persons and employees must not buy privileges or advantages by giving bribes, through illegal donations in politics or other illegal payments and must not gift state officials any valuables which might influence their actions or decisions.
- **No secret or unregistered funds may be created.** No inaccurate or false information may, for any reason, be entered into the business books or records of JGL and no employee may be involved in actions which may result in such a forbidden act, even if instructed to do so by a superior.
- **No payment may be approved or carried out in such a way which implies an agreement or contract on the use of any part of the payment** for purposes not listed on payment documents.

## 8. Regulations on protection of competition

Responsible Persons and JGL employees are required to adhere to the regulations on protection of competition which are in force in all countries in which JGL conducts business. No JGL employee may behave or act in business in a way that goes against the principles of competition, and especially conclude agreements with the competition, consumers or suppliers on prices of products, market, or division of areas which might limit competition.

Parties which conclude prohibited agreements according to the rules of competition may be prosecuted, which may result in significant fines for JGL, as well as fines and prison sentences for responsible employees concerned.

Considering that this legal area is complicated and that fines for violations of the law are severe, seek counsel from Legal Affairs any time you have a question on applying the rules for protecting market competition in countries which do business with JGL.

## 9. Competition with JGL

**Responsible Persons and employees may not run or help a company which is JGL's competitor or act in other competitive activities.**

## 10. Additional work

Responsible Persons and employees may not participate in additional work which competes with JGL. Before they venture into any additional work for which they receive compensation, they must inform their superior and ask them for permission. Occasional written works, lecturing or comparable activities are not considered additional work. Permission will not be given if it is determined that this additional work may damage the interests of JGL and an issued permission may be rescinded if that work represents a conflict of interest with the responsibilities the employee has towards JGL.

Before conducting additional work, it is necessary to respect the Business Rules, and it is particularly important that employees do not work for, advise or in any other way help entrepreneurs/organisations that compete with JGL.



## 11. Protection and proper use of assets

Company assets, such as information, consumables, equipment, materials, intellectual property and facilities, along with other assets and JGL resources, represent valuable resources which are owned, under licence, or belong to JGL in another way and may only be used for corporate purposes. Thus, it is expected that all employees use/manage JGL assets appropriately and conscientiously for business purposes only, with the due care of a prudent businessman and act in a way that protects the completeness, integrity and security of JGL assets.

No one may use JGL assets for personal use or for achieving personal gain, unless this is defined by an individual employment contract or the Internal Acts or represents good business practice; JGL's assets and resources must not be gifted, sold or exchanged without appropriate approval.

Occasional and inconsequential personal use of resources such as computers or other equipment, phones and consumables and for other personal use in line with approved regulations/procedures represents permitted exceptions to this rule.

Employees who work in asset management, finance, and procurement are also required to conform to additional ethical principles of the specific professional standards, they must avoid all attempts at influencing objective and impartial decision-making, and in performing their jobs, they must act responsibly and with the due care of a prudent professional.



## 12. Environment, safety and health

Environmental protection and conservation of natural resources are high on JGL's list of priorities. Through responsible management and dedicated employees, JGL strives to conduct its operations in a way that does not harm the environment. **Research and development activities are conducted in a responsible way, in accordance with legal regulations and current ethical and scientific principles.**

Technical safety and health protection are our set goals, starting from the initial stage of product development and beyond. Both Responsible Persons and employees are expected to contribute to these goals with their conduct. JGL is obliged to ensure a safe and healthy work environment for all employees and other persons which find themselves in work areas, as well as conduct training and encourage awareness of responsibility towards protecting the natural environment, work safety and health.

In their work, employees are required to take care to minimise any possible negative impact on the environment.

The protection of health and safety at work are important priorities for JGL. JGL procures and maintains facilities, devices, equipment, tools, work areas and access to work areas and organises work in such a way as to ensure the protection of the lives and health of employees, in accordance with the Occupational Health and Safety Act, regulations which are derived from it and the nature of work being done.

**Responsibility towards employees demands the application of the best possible measures for the prevention of work-related injuries, professional illnesses, illnesses related to work and workplace accidents and relates to: technical planning of workplaces, equipment and processes; managing safety; personal behaviour at workplaces. All Responsible Persons and employees are obliged to continually take into account workplace safety.**



## 13. Public reporting and publishing

Responsible Persons and employees are responsible for the timely, accurate and complete reporting of the financial and other information within their field of responsibility. Reports and documents which JGL delivers, as well as other communication with the public, must contain complete, fair, accurate, timely and clear data.

Dishonest reporting within or outside of JGL, including entering incorrect and false information into books and records, is expressly prohibited. This relates not only to incorrect reporting but also to delivering information with the purpose of deception and misinformation.

## 14. Diversity and equal opportunity

JGL supports diversity at every organisational level and does not tolerate discrimination based on a person's age, special needs, faith, skin colour, gender, sexual orientation, or any other category defined by applicable laws, regulations and by-laws. In addition, any kind of workplace harassment, including, but not limited to, sexual harassment, harassment based on gender, sexual orientation, marital status, race, national or social background, religious or political beliefs, culture, age, physical fitness, as well as any kind of harassment which is not acceptable in society or the business community is in violation of the core values of JGL and will not be tolerated.

JGL is also committed to respecting labour laws in all locations in which it does business. Behaviour that contradicts the previously mentioned principles may result in appropriate corrective and/or disciplinary measures, including termination of employment in accordance with applicable laws.

The minimum age of employment must correspond to national legislation. Hiring underage persons for a position which is detrimental to their health and safety is prohibited.

**Responsible Persons and employees which have information on infringements of the aforementioned regulations or principles are obliged to report the event and the conditions under which it occurred to a representative of the Human Resources Department and/or superior, as well as submit a report on the breach of business ethics, in order to conduct a quick, impartial and confidential investigation.**

## 15. Freedom of association

Employees are free to, in accordance with the law, associate, negotiate and inform each other, in other words, participate in improving their work rights, work conditions and work environment.



## 16. Philanthropy and community engagement

While we improve the quality of life globally with our concern for health, JGL continually strives to be a reliable and responsible member of the community in which we live and do business. From our founding, we have recognised the importance of investing in community, which is why JGL is often involved in sponsoring, donating to and/or starting projects and initiatives which contribute to the development of a community environment, with special emphasis on the segments of education, health, sports, culture and environmental protection. Promotion is done through partnerships, monetary and non-monetary donations (products, equipment) and services. JGL does not make donations with the aim of gaining a business advantage. Donations are not approved for individuals, private accounts or persons, or organisations which might damage the interests and reputation of JGL.

## 17. Sponsorships

Sponsorships are considered one of JGL's communication instruments. In all sponsorship activities, we respect the laws and guidelines which fall under the promotional or marketing segment. Activities include sports, healthcare, education, as well as those activities which strengthen social responsibility. All sponsorship measures must comply with applicable legal regulations and rules for sponsorships. All activities related to sponsorships fall under provable communication and marketing services of organisers/partners and must be conducted transparently.

JGL supports the laws and regulations that promote transparency in relationships between healthcare companies, healthcare workers and healthcare organisations concerning transferring value, following the demands for transparency from the Code of Ethics of the European Generic and Biosimilar Medicines Association (EGA) in interactions with the healthcare community. The Code represents a group of regulations which bind all pharmaceutical manufacturers which are members of the EGA to publish data on payment and other transfers of value which are done to the benefit of healthcare workers (for example, registration fees for participating in professional conferences, as well as travel and accommodation costs linked to participating in professional conferences and so on) and the healthcare community (for example, holding professional conferences, donations, sponsorships and so on).

The transfer of value to healthcare workers and healthcare organisations is published transparently for each year on the official JGL website.





## 18. Political contributions

JGL does not donate money to political parties or elected representatives nor does it approve donations which have a monetary value higher than legally permitted.

Responsible Persons and JGL employees must not link their personal connection to political parties and/or politically exposed persons to their status in JGL.

## 19. Prohibition of retaliation

JGL prohibits retaliation against a person who, in good faith, reports an activity for which they believe represented an infringement of any law, regulation, rule or provision of these Business Rules. Retaliation and countermeasures against employees are considered an infringement of these Business Rules.

## 20. Personal data protection

In conducting usual business activities, JGL may collect personal data on individuals, including employees, clients and other physical and legal persons with whom it does business. JGL collects and keeps only that personal data which is justifiably needed for business, but also undertakes all adequate technical and organisational measures to ensure proper protection of such data.

Collecting and using personal data is important for our business, but illegal use and disclosure of such data could harm the person it is related to, our company and other stake-

holders. Therefore, using personal data for any other purpose other than for justified business activities of JGL represents a violation of our policies and, in some instances, the law as well.

JGL is committed to meeting all reasonable expectations in protecting private persons with whom we do business, including buyers, users and employees. In addition, we believe that using personal data responsibly is key in maintaining the trust in JGL's brand and faith in JGL respecting the right to privacy.

Employee personal data is collected, processed, used and delivered to third parties only if it is defined by law or if it is necessary to achieve the rights and obligations from or related to employment.

Employees must have the option of reviewing their personal data to which JGL has access to correct any possible errors.

## 21. Drug and alcohol abuse

The consumption of drugs and alcohol, or any substance abuse represents a serious threat to health and safety in the workplace; their consumption is expressly forbidden during work hours and represents a reason for terminating the employment contract.

In accordance with regulations and JGL's Internal Acts related to workplace safety, employees may be sent to be tested according to a random sample, when acting unusually, or if there is a reasonable likelihood that abuse of drugs or alcohol occurred. Testing for alcohol is done by qualified personnel within JGL using a breathalyser, while the drug test is done by an outside, qualified institution.

## 22. Using JGL's Information and communications technology (ICT) resources

Access to the internet is available to JGL employees for business purposes. When using said resources for personal use, they must be used in moderation and be governed by common sense. JGL limits the personal use of company resources if said use influences the productivity of individual employees or the total network availability and computer resources availability. If you are unsure if internet use is appropriate, discuss it with the IT Department.

JGL may monitor the individual use of all JGL information systems in accordance with the regulations in force and guidelines. Monitoring individual use also relates to individuals using their own computers for remote access to JGL's network.

**JGL's resources, including computers, mobile devices, telephones, fax machines and network resources should not be used to access the following content or for its dissemination:**

- sexually explicit content,
- insulting or defamatory content,
- threatening or disturbing messages or chain mail,
- any information which represents a violation of JGL's regulations and
- other content that may be deemed inappropriate.

Additional questions on computer use can be sent to the IT Department via the email: [IThelpdesk@jgl.hr](mailto:IThelpdesk@jgl.hr).



## 23. Procedure for determining violations of the Business Rules

Anyone may initiate the procedure for determining violations of the Business Rules when they determine behaviour that violates the Business Rules within JGL.

JGL applies the principle of confidentiality; the identity of the person who initiates the procedure for determining violations of the Business Rules, as well as information which is reported, will only be known to the person responsible for resolving the report, unless their disclosure is required in accordance with the applicable regulations, or if they are subject to the Rules on the procedure for appointing confidential persons and on internal reporting of irregularities.

The procedure for determining a violation of the Business Rules is initiated by reporting the violation to the immediate superior of the employee who is suspected of having made the violation.

In the event of a report, a panel will be set up to determine the violations of the Business Rules, which is composed of:

1. the department manager for the department in which the employee suspected of having violated the provisions of these Business Rules works,
2. the immediate superior,
3. a representative of the Human Resources Department,
4. a representative of the Legal Affairs Department.

During the hearing procedure, the employee suspected of having violated the provisions of these Business Rules will be heard and will be allowed to defend themselves, as well as employees who are suspected to have knowledge on the subject.

After the end of the hearing step, the executive director, at the recommendation of members of the panel, will make a decision on whether a violation of the Business Rules occurred. If a violation of the **Business Rules is established, appropriate corrective and disciplinary measures will be taken, which may include, depending on the severity of infringement, one or more of the measures listed below:**

- counselling and training,
- written warning sent to employee,
- changes which may include transferring the employee to a different position, changing their role and responsibility in the workplace,
- changing of authorisations and/or function.

Irrespective of the above steps, according to the provisions of Articles 83 and 84 of the Business Rules, violation of these Conduct of Business Rules is considered an especially severe infringement of the obligations of employment. Following this, JGL is authorised, based on the Labour Act and Business Rules, to take the appropriate steps in the event of the fulfilment of the described circumstances.

JGL will, as necessary, make changes to these Business Rules, JGL's Internal Acts and guidelines according to legislative requirements or business practices and will inform all parties to which it relates of the changes in a timely manner. All Responsible Persons and employees are obliged to conduct themselves in accordance with all the provisions mentioned here.

If an employee is unsure of how to act properly in a specific situation or has additional questions related to these Business Rules, they may ask their immediate superior and/or Legal Affairs.

In these Business Rules, expressions which have gendered meaning are used in a gender-neutral way and refer both to the female and male genders equally.

These Business Rules take effect on the 8 (eighth) day from the day of publication in a JGL notification and on the JGL noticeboard and are issued by the Board of Directors of JGL d.d.

In Rijeka, 25. 04. 2022.



