

**Directive on the establishment of the Compliance Manager position and
whistleblowing**

TABLE OF CONTENTS

Subject Matter and Scope of Application	3
Basic Concepts.....	3
Establishment of the Compliance Manager position	4
Notification Procedure	6
1. Contact Points	6
2. Notification Content	6
3. Processing of Notifications	7
4. Notifications Register	8
5. Submission of Notifications under the Whistleblower Protection Legislation to the Ministry of Justice of the Czech Republic and their Publication	8
Protection of Whistleblowers and Other Persons	8
Final Provisions	9

Subject Matter and Scope of Application

This Directive on the establishment of the Compliance Manager position and whistleblowing (hereinafter referred to as the "**Directive**") is valid and binding for **Future Farming s.r.o.**, company ID No: 07606150, registered offices at Vídeňská 188/119d, Dolní Heršpice, 619 00 Brno, company entered in the Commercial Register maintained by the Regional Court in Brno, file No. C 109074, **Future Farming Heršpice a.s.**, company ID No: 11813695, registered offices at Vídeňská 188/119d, Dolní Heršpice, 619 00 Brno, company entered in the Commercial Register maintained by the Regional Court in Brno, file No. B 8603, as well as all subsidiaries of these companies (each of these companies hereinafter referred to as the "**Company**"), employees of the Company, responsible persons of the Company¹, as well as persons acting on behalf of the Company, persons acting for the Company and persons otherwise similarly associated with the Company (each of these persons hereinafter individually referred to as the "**Employee**" or collectively the "**Employees**").

This Directive establishes the position of Compliance Manager at the Company, defines his/her scope of action and responsibilities, and also sets forth the rules for the submission of complaints, suggestions or other notifications (hereinafter also referred to as the "**Notifications**") to the Company regarding violations or suspected violations of laws or the Company's internal regulations and the rules for the protection of persons who make such notifications (hereinafter also referred to as the "**Whistleblowers**" and the "**Whistleblower**").

The Directive also incorporates the mandatory rules set out in the relevant legislation on the protection of whistleblowers reporting offences that are criminal offences, misdemeanours or breaches of the law (hereinafter referred to as the "**Whistleblower Protection Legislation**").

This Directive is linked in particular to the Company's Code of Ethics, the Company's Anti-Corruption Policy and the Company's Directive on the Rules for Giving and Receiving Gifts. The Directive is also consistent with all other internal regulations of the Company, which it follows, possibly refers to, and supplements. The Directive is part of a criminal compliance program that the Company has established.

Basic Concepts

Compliance

The term *compliance* means "*being in compliance with rules*". The aim of *compliance* is to ensure and control compliance of activities with generally binding legal regulations and internal rules. Generally binding legal regulations are e.g. laws, regulations or international treaties which the Czech Republic has committed itself to observe. The Company's internal rules are represented in particular by the Code of Ethics and related regulations.

¹ According to Act No. 418/2011 Coll., on the Criminal Liability of Legal Persons and Proceedings Against Them, as amended (hereinafter referred to as the "**Act on the Criminal Liability of Legal Persons**"), the responsible person of the Company means: 1) the statutory body or a member of the statutory body of the Company, or another person in a leading position within the Company who is authorised to act on behalf of or for the Company; 2) a person in a leading position within the Company who carries out management or control activities for the Company; 3) a person who exercises decisive influence on the management of the Company, if his/her conduct was at least one of the conditions for the occurrence of a consequence establishing the criminal liability of the Company.

Notifications

A notification may be a complaint, suggestion or other communication to the Company by a Whistleblower regarding compliance with, or suspected violations of, the Company's legal or internal regulations, including those acts that could give rise to criminal liability of the Company. A notification may also be a notification containing information about a possible illegal act that has the characteristics of a criminal offence or misdemeanour or a violation of a legal regulation governing the areas specified under the Whistleblower Protection Legislation², which the Whistleblower has become aware of in connection with his/her work or other similar activity³ (hereinafter referred to as the **"Whistleblower Protection Legislation Notification"**).

Whistleblower

A Whistleblower may be an Employee or a former Employee of the Company. The Whistleblower may also be any other individual who makes a Notification regarding compliance with, or suspected violations of, the Company's legal or internal regulations of which he or she becomes aware in connection with work or other similar activity for the Company, whether or not such individual works or has worked for the Company or is or has been in contact with the Company in connection with his or her work activities.

Establishment of the Compliance Manager position

The position of Compliance Manager of the Company is hereby established.

The Compliance Manager may only be a natural person who exercises integrity, is of legal age and fully competent.

² These areas are: 1) financial institutions, financial services, financial products and financial markets, 2) corporate income tax, 3) prevention of money laundering and financing of terrorism, 4) consumer protection and safety and compliance with product requirements under legislation, 5) safety of transport of persons and goods and of road traffic, 6) environmental protection, food and feed safety and animal protection, 7) radiation protection and nuclear safety, 8) public procurement, public auctions and competition, 9) the protection of internal order and security, life and health, 10) the protection of personal data, privacy and the security of electronic communications networks and information systems, 11) the protection of the financial interests of the European Union, or 12) the functioning of the internal market, including the protection of Union competition rules and State aid.

³ Work or other similar activity means: 1) employment; 2) service; 3) self-employment; 4) exercise of rights associated with participation in a legal person; 5) exercise of the function of a member of a body of a legal person who is elected, appointed or otherwise inaugurated to function; 6) administration of a trust fund; 7) volunteer activity; 8) professional practice, practical training; 9) exercise of rights and obligations arising from a contract, the subject of which is the provision of supplies, services, construction work or other similar performance; 10) applying for a job or other similar activity.

A person is not considered to exercise integrity of his/her action if he or she has been:

- 1) legally convicted of a wilful crime or criminal offence committed in connection with the performance of work or other similar activity, unless his/her conviction for those offences has been expunged or he/she is otherwise treated as if he/she had not been convicted; or
- 2) legally convicted of an offence of (i) refusing to accept a Notification or failing to assess its grounds, or (ii) failing to inform the Whistleblower of the outcome of the assessment of the Notification within a specified period of time within the last 5 years.⁴

The person acting as Compliance Manager is required to notify that he/she no longer meets the Company's integrity requirements within 10 days of the date on which this occurred. If the Company becomes aware that the person acting as Compliance Manager no longer meets the conditions of integrity pursuant to paragraph 2, it shall appoint another person as Compliance Manager without undue delay.

The Compliance Manager's responsibilities include:

- a) investigating, assessing the legitimacy of and dealing with Notifications regarding violations or suspected violations of laws or the Company's internal regulations under this Directive;
- b) performing specified activities related to the Company's criminal compliance program, including matters of conflict of interest, bribery and corruption, giving and receiving gifts, and the legality of a decision, approval or direction made by the Company or a superior Employee;
- c) performing other activities prescribed by law and the Company's internal regulations, including this Directive.

The Compliance Manager ensures a regular audit regarding the fulfilment of obligations associated with the Company's criminal compliance program, which also includes a review of obligations under the Whistleblower Protection Legislation, once a year.

The Compliance Manager provides regular training to Employees on the Company's criminal compliance program, which also includes the protection of whistleblowers under the Whistleblower Protection Legislation, once a year.

The Compliance Manager is obliged to maintain confidentiality of all facts that he or she becomes acquainted with in the course of his/her activities.

The Company will advise the Compliance Manager of his/her rights and obligations under the Whistleblower Protection Legislation and a record will be made of this.

The Company shall provide the Compliance Manager with the material conditions for the performance of his/her activities.

⁴ Such a person will not be considered to exercise integrity of action for other reasons as may be provided by law.

Notification Procedure

1. Contact Points

Notification can be made in the following ways:

- a) by e-mail to the following electronic address: incompliance@futurefarming.cz
- b) in writing or in person, if requested by the Whistleblower, or by telephone at:

Future Farming s.r.o.
Compliance Manager
Videňská 188/119d, Dolní Heršpice, 619 00 Brno

Phone: +420 725 816 748

- c) by using the electronic form on the Company's website.

Information on how to file a Notification, on the name, mailing address, telephone number and email of the Compliance Manager will be posted on the Company's website.

Notifications made via the electronic form on the Company's website may also be made anonymously.

A superior Employee who receives a Notification from a subordinate Employee, is required to forward the Notification to the Compliance Manager for processing immediately upon receipt.

If requested by the Whistleblower, the Compliance Manager shall accept the Notification in person within a reasonable period of time, which may not be longer than 30 days.

2. Notification Content

Where possible, the Notification shall contain in particular the following information:

- a) a description of the case with all relevant known facts (what happened, where, what specific actions have given rise to the reported suspicion, who is involved, etc.);
- b) whether there are other people involved in the case or whether there are witnesses;
- c) whether such a case has already happened or may happen in the future;
- d) whether the Whistleblower has any evidence to support his/her suspicions;
- e) the estimated amount (damage) involved;
- f) identification of the Company's organizational unit where the case occurred;
- g) whether the Whistleblower has discussed the matter with other persons, and if so, with whom;
- h) an indication of how the Whistleblower became aware of the incident or situation;
- i) the name and surname of the Whistleblower, including contact details (only in the case of a non-anonymous submission).

For the avoidance of doubt, it is noted that Notifications that do not contain the information listed above will also be dealt with in accordance with the procedure set out in this Directive if their content allows.

In the case of an oral Notification, the Compliance Manager will make an audio recording or transcript of the Notification. The Compliance Manager shall allow the Whistleblower to comment on the transcript; the Whistleblower's comments shall be attached to the transcript. Unless the Whistleblower consents to the audio recording or transcript, the Compliance Manager may not make such recordings. In such a case, they will make a record that faithfully captures the substance of the oral Notification. The Compliance Manager shall allow the Whistleblower to comment on the record; the Whistleblower's comments shall be attached to the record. A similar procedure shall be followed if it is not technically possible to make an audio recording of the oral Notification.

3. Processing of Notifications

The Compliance Manager is impartial in his/her decision-making.

The Compliance Manager is obliged to notify the Whistleblower in writing of the receipt of the Notification within 7 days of its receipt, unless:

- a) the whistleblower has specifically requested the Compliance Manager not to notify him/her of the receipt of the Notification; or
- b) it is clear that the notice of the received Notification would disclose the identity of the Whistleblower.

The Compliance Manager will assess the legitimacy of the Notification and notify the Whistleblower in writing of the assessment results within 30 days of receipt of the Notification. In factually or legally complex cases, this period may be extended by up to 30 days, but not more than twice. The Compliance Manager is obliged to inform the Whistleblower in writing about the extension of the deadline and the reasons for its extension before its expiry.

If the Compliance Manager determines, when assessing the legitimacy of a Notification, that it is not a Notification under the Whistleblower Protection Legislation (but, for example, a Notification relating to a breach of the Company's internal regulations), he/she shall notify the Whistleblower in writing without undue delay.

If the Notification is found to be substantiated, the Company's Compliance Manager will propose measures to prevent or remedy the violation. If the Company fails to take the action proposed by the Compliance Manager, it will take other appropriate measure to prevent or remedy the violation. The Company shall promptly notify the Compliance Manager of the action taken, who in turn shall inform the Whistleblower in writing without undue delay.

One of the measures taken may be to inform, without delay, the authority competent to receive a notification of an infringement under another legal regulation on the suspicion concerning committing an illegal act. The adoption of the measure must not defeat or jeopardise the purpose of criminal proceedings, misdemeanour proceedings or other proceedings concerning the conduct which displays the characteristics of an offence.

If the Notification is not found to be substantiated, the Compliance Manager shall, without undue delay inform the Whistleblower in writing that, on the basis of the facts set out in the Notification and all the circumstances known to him/her, he/she has not found any suspicion of illegal conduct, or has found that the Notification is based on false information, and instructs the Whistleblower on the right to file a Notification with a public authority.

4. Notifications Register

The Compliance Manager shall ensure that the Notifications are recorded and stored electronically for a period of 5 years from the date of receipt.

Records shall be kept in the scope including:

- a) the date of receipt of the notification;
- b) the name, or names, surname, date of birth and contact address of the Whistleblower, if known;
- c) a summary of the Notification contents and identification of the person against whom the Notification was directed, if known;
- d) the date of completion of the Compliance Manager's assessment of the legitimacy of the Notification and its outcome.

Only the Compliance Manager and the HR department have access to the Notification Register.

5. Submission of Notifications under the Whistleblower Protection Legislation to the Ministry of Justice of the Czech Republic and their Publication

Notification under the Whistleblower Protection Legislation may also be made to the Ministry of Justice of the Czech Republic in accordance with the Whistleblower Protection Legislation.

Under the conditions set out in the Whistleblower Protection Legislation, the Whistleblower may publish the Notification under the Whistleblower Protection Legislation.

Protection of Whistleblowers and Other Persons

The Company guarantees that the Whistleblower will not be subject to any sanction (retaliation) for submitting the Notification. None of the following persons will be subject to any sanction:

- a) a person who has provided assistance in discovering information that is the subject of the Notification, filing the Notification or assessing the legitimacy of the Notification;
- b) a person who is closely related to the Whistleblower;
- c) a person who is an employee or colleague of the Whistleblower or a person in a similar position;
- d) a person controlled by the Whistleblower;
- e) a legal entity in which the Whistleblower has an interest, which is a controlling person, a controlled person or a person controlled by the same controlling person;
- f) a legal entity whose elected body the Whistleblower is a member of, which is a controlling person, a controlled person or a person controlled by the same controlling person;
- g) the person for whom the Whistleblower performs work or other similar activity;
- h) a trust of which the Whistleblower or a legal person referred to in (e) or (f) above is the settlor or a beneficiary or in relation to which the Whistleblower or a legal person referred to in (e) or (f) above is the person who will increase the assets of the trust by contract or by acquisition in the event of death.

Any sanction that may cause harm to the person concerned, including termination of employment or non-renewal of fixed-term employment, reduction in salary, wages or

remuneration, or non-award of a personal allowance, discrimination, transfer or reassignment to another job or post, ostracism, alteration of working time patterns or interference with the right to protection of personality, is excluded for making the Notification.

A person who has knowingly made a false Notification cannot claim protection against sanctions.

The Compliance Manager will not provide information that could thwart or jeopardize the purpose of the Notification. Information about the identity of the Whistleblower and the persons referred to in (a) to (h) above may only be disclosed with their written consent, unless the Compliance Manager is obliged to disclose such information to the relevant public authorities under other legislation; this also applies to information about the identity of the person referred to in the Notification. If the Compliance Manager provides information about the identity of the Whistleblower to a public authority, he/she is obliged to inform the Whistleblower of this in advance, together with the reasons for which he/she is obliged to provide the information about the identity, and to give the Whistleblower the opportunity to comment on the provision of the information.

Final Provisions

1. The provisions of this Directive are without prejudice to the obligation to report an infringement to the authority competent to receive them according to another legal regulation, in particular the obligation to report a criminal offence pursuant to Section 368 of Act No. 40/2009 Coll., of the Criminal Code.
2. The Compliance Manager is responsible for the accuracy and updates of this Directive.
3. The Directive is periodically reviewed and updated in light of social developments and the needs of the Company and its Employees.
4. This Directive shall enter into force on the date of its signing and shall become effective on September 1, 2022.