



HOW TO REPORT BREACHES HANDBOOK of "KAOLIN" EAD

This Handbook is issued under the Protection of Persons Who Report or Publicly Disclose Information on Breaches Act, promulgated in the State Gazette, issue No 11 of 02.02.2023, in effect since 04.05.2023 (the “**Protection of the Reporting Persons Act**”).

This Handbook is to inform you of the terms and conditions under which you may report breaches, including reasonable suspicions of actual or potential breaches, **at or affecting KAOLIN EAD** (the “**Company**”).

1. WHO CAN REPORT?

You can and should report if, in the course of your employment or official duties or in any other work-related context, you become aware of information about a breach at or affecting the Company. Our reporting channel is open not only to our employees, but to all persons who have information about breaches at or affecting the Company received in a work context.

2. WHAT KIND OF BREACHES CAN YOU REPORT?

You can report if you believe that you have information about breaches of Bulgarian and European legislation, which fall within the scope of Art. 3 of the Protection of the Reporting Persons Act and are in connection with or arising from the Company's activities and which threaten or damage the public interest.

Attention! You should not be concerned if you do not have sufficient knowledge to identify the breach, but you have reliable information or a reasonable suspicion that it may have been committed or is very likely to be committed. Please notify the Company as set out below in any such case.

Please note that the Protection of the Reporting Persons Act seeks to protect the public interest. No claims, reports or other requests, irrespective of their titles, which seek to protect solely personal rights, which by definition are linked to a personal and direct legal interest, without indication of a hindered public interest, as well as such concerning interpersonal relationship, irrespective of whether arisen in a work context or not, are not processed under the rules set out in the Protection of the Reporting Persons Act and this Policy.

You may report if you have information or suspicions about the following breaches at or affecting the Company:

- ✓ Corruption/bribery
- ✓ Breaches of competition law, state aid and public procurement rules
- ✓ Conflicts of interest
- ✓ Theft, damage, fraud, embezzlement, or misuse of Company's assets
- ✓ Breaches of proper bookkeeping, accounting, and financial reporting
- ✓ Breaches of tax, anti-money laundering and anti-terrorist financing legislation
- ✓ Breaches of product safety regulations or other product-related legal regulations

- ✓ Breaches of personal data protection regulations, leakage of company secrets, business secrets or other confidential information, breach of security of networks and information systems
- ✓ Cases of verbal, physical or sexual harassment, bullying, discrimination, or violence at work
- ✓ Violations of human rights, privacy violations, consumer rights violations
- ✓ Violation of the rules for payment of outstanding public, state and municipal account receivables, or of legislation relating to the performance of public service
- ✓ Breaches of occupational safety and health regulations, public health, radiation protection and nuclear safety, environmental protection, transportation safety rules
- ✓ Other labour law violations
- ✓ Other general offences of which the person has become aware in a work context.

3. HOW CAN YOU REPORT?

You can report in one or both of the following methods:

- ✓ through the Company's internal reporting channel, or
- ✓ to the Commission for Personal Data Protection (CPDP), at the following address: 1592 Sofia, 2, Prof. Tsvetan Lazarov Blvd., email: whistleblowing@cpdp.bg, website: www.cdpd.bg, or

We encourage you to prioritise reports via the internal reporting channel of the Company so that they can be handled promptly and efficiently.

The Company has undertaken to provide timely and adequate processing of a report submitted via the internal reporting channel, so choosing this method would not hinder or delay in any way the actions for curing the breach, if such is ascertained.

Apart from the reporting methods set out above, you may publicly disclose the information about the Breach, subject to the conditions laid down in the Protection of Persons Who Report or Publicly Disclose Information on Breaches Act.

4. HOW CAN YOU USE THE INTERNAL CHANNEL OF THE COMPANY?

You may report a breach by submitting your report to the following employee who have been appointed by the Company to be responsible for the handling of reports ("**Contact Person**"):

Mr Teodora Ivanova, General Counsel in one of the following ways:

- 4.1 **by email**, to the following email address for reports: compliance@kaolin.bg, or
- 4.2 **by post**, to the address of the Company in Sofia, as follows: **city of Sofia, 1504, 43, Oborishte Street**, with a note on the envelope stating that the item is “private” to the attention of the Contact Person, or
- 4.3 **by calling** the following telephone number of the Contact Person: +359 2 4893 691, or
- 4.4 **through a personal meeting or a teleconference** arranged with the Contact Person.

Verbal reports (by telephone and by arranging a meeting) can be submitted during Company business hours; written reports (by email or post) can be submitted at any time.

When submitting a written report, please complete the Report Form, approved by CPDP, which can be downloaded from [HERE](#). You can also submit a written report in free form. When submitting a free-

form report, please provide your contact details so that we contact you to clarify the information in the report and to inform you of the progress and action taken on your report.

If you have reason to believe that a conflict of interest could arise in the handling of a particular report by the Contact Person, you may submit a report to **Dr. Thomas Pütter, Compliance Officer at Quarzwerke**, postal address: Kaskadenweg 40, 50226 Frechen, Germany, email address compliance@quarzwerke.com and telephone number: +49 2234 101-800. If you are an employee of the Company or of another company of the Quarzwerke Group, you have also the possibility to submit a Report to the Compliance Officer at Quarzwerke also at the Confidential Hotline at Quarzwerke Intranet. If the Report is sent to the Compliance Officer at Quarzwerke, it must be submitted in German or English language. If sent by post: with a note on the envelope “**persönlich vertraulich**”.

If you have doubts that a conflict of interest may arise in the handling of a particular report by the Contact Person, you may also chose to submit your signal to **Mr. Krasimir Logofetov, Senior Internal Auditor** (contact details: tel. +359 899 696 842, e-mail: logofetov.krasimir@kaolin.bg, address: 1504 Sofia 1504, 43 Oborishte Str.).

Your report must be as **complete, truthful, objective, and unbiased as possible** and contain **sufficient specific information** to allow verification. The report must contain specific details of the breach or of a real risk of it being committed; the place and time of the breach; a description of the act or the circumstances and such other circumstances as **far as they are known**. You may attach to your report any documents or information to support your allegations, and you may also refer to persons who could confirm the data reported by you or provide additional information.

We encourage you to report a breach **as soon as** you become aware of it or have established it so that we can act on it as promptly and effectively as possible. We will not consider reports relating to breaches committed more than two years ago unless they are serious breaches.

If you have decided report **anonymously**, you may use the Company's internal channel. In principle and according to the Publicly Disclose Information on Breaches Act anonymous report are not considered. Nevertheless, if the anonymous Report contains sufficient information to allow verification, the Company at its sole discretion may carry out verification and follow up where necessary to stop or prevent the breach.

5. WHAT HAPPENS AFTER YOU REPORT A BREACH?

Where you report a breach through the Company's internal channel which falls within the scope of the Protection of the Reporting Persons Act and the report is not anonymous, the Contact Person will notify you within 7 days after receipt of the report that the report has been received.

The Contact Person will verify reports that are truthful. Reports that contain clearly false or misleading statements shall be returned to you with instructions to rectify the statements and inform you of your liability for making false accusations. The report will be returned to you if it does not contain the necessary information for verification and you have not rectified the irregularities within the additional time limit allowed.

The Contact Person will get in touch with you if you have to provide further information for the purpose of verification of the report. In addition, we will inform the Person Concerned, which has allegedly performed the breach and will request information from him or her in order to verify the Report.

If your report falls within the scope of the Protection of the Reporting Persons Act, no later than three months after the acknowledgment of receipt of the report, the Contact Person will provide feedback to

you on the actions taken in relation to your report. The information will be provided irrespective of whether the verification has been completed or is still ongoing. You may at any time request information from the Contact Person regarding the report you sent. Upon completion of the verification, you will be informed of the final result of this verification.

6. WHAT PROTECTION DO YOU HAVE IF YOU REPORT A BREACH?

When you report a breach which falls within the scope of the Protection of the Reporting Persons Act, the report is not anonymous and you had grounds to believe that the information on the breach in the report was correct at the time of its submission, you are guaranteed the **following protections**:

6.1 Confidentiality

Your identity will be kept confidential and will not be disclosed to others, either during or after the completion of the verification of your report, unless absolutely necessary or with your written consent.

6.2 Protection from retaliation

You will be protected from any retaliation, threats or attempts to retaliate in connection to your report. If, as a Reporting Person, you become the target of such retaliation, please notify the Contact Person so that you can be immediately assisted.

6.3 Exemption from liability for obtaining, accessing and disclosing the information

You will not be held liable for obtaining or accessing the information reported unless it constitutes a criminal offence. You will not be held liable for the disclosure of information, provided that there were reasonable grounds for you to believe that the information was true, and that reporting was necessary to reveal the breach.

Attention! Please bear in mind that your actions may not be frivolous and the protection under the Protection of the Reporting Persons Act is not limitless. You may bear disciplinary administrative-penal or other liability in accordance with applicable law, as well as liability for the damages caused by you as a result of submitting a Report or public disclosure of information, if you have knowingly submitted or announced untrue information.

7. WHERE TO FIND MORE INFORMATION?

If you have any questions on how to report breaches and the protection of Reporting Persons, please get in touch with the Contact Person listed in section 4 above.

Information on the reporting of breaches through external channels can be obtained from the website of the Commission for Personal Data Protection, as follows: www.cpdp.bg.

Kaolin EAD