

# WHISTLEBLOWING PROCEDURE

FEBRUARY 2014

## TABLE OF CONTENT

1	Why SMARTRAC developed this Whistleblowing Procedure	3
2	To Whom this Whistleblowing Procedure applies	3
3	When should you blow the whistle?	3
4	How should you blow the whistle?	4
5	To whom should you speak?	4
6	What information should you provide?	5
7	What about confidentiality?	6
8	No retaliation for reporting!	6
9	What is the difference between whistleblowing and making a complaint?	7

## 1 WHY SMARTRAC DEVELOPED THIS WHISTLEBLOWING PROCEDURE

SMARTRAC conducts its business based on principles of integrity, fairness, honesty, openness, decency and respect. SMARTRAC's Whistleblowing Procedure (the "Procedure") is developed to provide a mechanism to enable all employees to voice concerns internally in a responsible and effective manner when they discover information which they believe to be improper or illegal. This Procedure reinforces the value SMARTRAC places on its employees to be honest and respected members of their individual professions. It provides a method of properly addressing concerns that employees within the company may have, while offering whistleblowers protection from retaliation.

This Procedure is intended to assist employees who believe they have discovered impropriety or illegal actions. This Procedure is not designed to reconsider any matters which have been investigated under SMARTRAC's disciplinary policies and procedures. Such complaints will continue to be administered and reviewed by SMARTRAC's Human Resources Department.

## 2 TO WHOM THIS WHISTLEBLOWING PROCEDURE APPLIES

This Procedure applies to every employee, manager, member of Management and Supervisory Board of SMARTRAC N.V. and all affiliated and related companies ("SMARTRAC").

Third parties such as suppliers, customers, service providers, external consultants, etc. may also use this Procedure to report improper and illegal conducts or activities of SMARTRAC employees, Management and Supervisory Board Members.

## 3 WHEN SHOULD YOU BLOW THE WHISTLE?

You should blow the whistle if you suspect or have proof of any past, current or potential conducts or activities that you believe to be improper and/or illegal ("Breach"), such as:

- ▶ Unlawful doing, e.g. acts of fraud;
- ▶ Breach of company policies, procedures and other regulations;
- ▶ Questionable accounting;
- ▶ Irregular performance of internal accounting controls and/or audits.

## 4 HOW SHOULD YOU BLOW THE WHISTLE?

There is no single way to blow the whistle. You could report your suspicions by whichever mechanism is suitable to you such as regular mail, e-mail, fax, phone, or in person.

## 5 TO WHOM SHOULD YOU SPEAK?

You may raise a concern through any of the following channels:

1. You can contact your supervisor.
2. If reporting to your supervisor is not possible or uncomfortable for you, you can raise your concern directly to the Chief Compliance Officer.

### **CHIEF COMPLIANCE OFFICER**

Dr. Benedict v. Saint André

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3. If you wish to remain anonymous, you can contact SMARTRAC's External Counsel.

#### SMARTRAC EXTERNAL COUNSEL

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SMARTRAC's External Counsel is an independent external lawyer located in Germany and bound to professional discretion, guaranteed confidentiality, and complete anonymity. Employees are assured that SMARTRAC's External Counsel is not allowed to disclose their identity even if SMARTRAC asks for it.

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THIRD PARTIES MAY ALSO USE THIS PROCEDURE  
TO REPORT A BREACH.

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## 6 WHAT INFORMATION SHOULD YOU PROVIDE?

Employees should provide as much information and detail as possible to assist SMARTRAC to conduct its investigation. The report should contain as much information as possible about the Breach, the person(s) involved, any witnesses, and any other supporting information relevant to the case. It should be noted that employees should not seek to obtain evidence to which they do not have a right to access either legally or in accordance with company policies.

## 7 WHAT ABOUT CONFIDENTIALITY?

All reports of a Breach and subsequent investigation procedures are handled in a strictly confidential manner and to the fullest extent possible.

The Chief Compliance Officer provides reports to the SMARTRAC Management Board of suspected Breach, while protecting the identity of the whistleblower during all stages of the investigation.

Employees are encouraged to refrain from any form of external or internal publicity concerning any Breach they might want to report or have already reported. To protect confidentiality of the whistleblower and the investigation proceedings, employees are advised not to discuss the matter with friends and colleagues. SMARTRAC is not accountable for maintaining anonymity of whistleblowers who choose to tell others of the alleged Breach.

## 8 NO RETALIATION FOR REPORTING!

Any employee reporting a Breach which the employee reasonably believes to be true (“in good faith”) is provided full protection against any type of retaliatory action.

This protection means that SMARTRAC will not dismiss, demote, suspend, threaten, harass or in any manner discriminate against any employee. SMARTRAC does not tolerate any form of threat, retaliation or other action against an employee who has reported a Breach or assisted in making a report in good faith. Any observances of such threat, retaliation or similar action should immediately be reported to the Chief Compliance Officer.

## 9 WHAT IS THE DIFFERENCE BETWEEN WHISTLEBLOWING AND MAKING A COMPLAINT?

In practical terms, whistleblowing occurs when you raise a concern about danger or illegality that affects others (e.g. clients or your employer). The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, whistleblowers rarely have a personal interest in the outcome of any investigation into their concerns.

As a result, whistleblowers should not be expected to prove their case; rather they raise concerns so others can address them. This is the difference from a complaint. Somebody complains when feeling personally poorly treated. This poor treatment could involve e.g. a breach of their individual employment rights or bullying and the complainant seeks redress or justice for himself. Persons making complaints therefore have a vested interest in the outcome of the complaint, and, for this reason, are expected to be able to prove their case.