

MODULIGHT CORPORATION

WHISTLEBLOWING POLICY

1. STATUS, OWNERSHIP AND APPLICABILITY

This Policy has been approved by the Board of Directors and is a part of Modulight Corporation's (the "**Company**") policies. Other whistleblowing related instructions shall be in line with the content of this document.

The CFO is the owner of this document and oversees that other policies and other operational guidelines, such as the Code of Conduct are aligned with this document and shall propose any necessary changes to them. Any changes to this document shall be approved by the Board.

2. BACKGROUND AND OBJECTIVES

The Company's brand, public image and reputation are among its most important competitive factors. We are committed to conducting business with honesty and integrity. The Whistleblowing Policy supports responsible behavior and compliance with laws, regulations and our values through establishing requirements and procedures in relation to the reporting of violations. The Company's Whistleblowing Channel provides an alternative and anonymous way to raise concerns of non-compliance with the Company's values, ethical norms, laws and regulations.

3. REPORTING VIOLATIONS OR SUSPECTED VIOLATIONS

We encourage all employees and the Company's business partners, suppliers, stakeholders or any person affiliated with the Company to report suspected fraud or other violations. Employees do not need evidence or complete assurance of a violation to make a report. It is enough that you have a strong suspicion and that you make the report sincerely.

The following are examples of types of activities that should be reported:

- An employee believes that a manager, executive or employee has engaged in questionable accounting or auditing practices.
- A vendor or supplier offers an employee, and the employee accepts an inappropriate gift or money.
- A manager or executive requests employees to falsify Company data.
- An employee falsifies payroll or expense reimbursements.
- An employee engages in money laundering to legitimize proceeds of crime by disguising their true origin. A proceed of crime is any financial benefit obtained from criminal activity.
- An employee uses corporate property, information or his/her position for improper personal gain.
- An employee competing with the Company directly or indirectly. it is prohibited for the Company to participate in any agreements or procedures which are intended to limit competition between the Company and its competitors. Abuse of dominant position is forbidden.
- An employee's private interest interferes in any way with the interests of the Company.
- An employee, or members of his/her family, receives improper personal benefits as a result of his/her position at the Company.

- An employee discloses non-public information that might be of use to competitors or harmful to the Company.
- An employee is involved in theft of the Company's property and assets. The theft of company assets may take several forms including embezzlement, which means that the employee has had the right to hold the assets, but he/she then uses them for unintended purposes.
- An employee disclosing of proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.
- The Company cheats customers, suppliers or others who have a financial interest in it.
- Antitrust or competition law violations.
- A company superior asks employee to engage in activities they consider illegal or questionable.
- The offer or acceptance of cash gifts by any employee.
- An employee steals cash, merchandise or other Company's assets.
- Environmental violations are committed by an employee or the Company.
- Any type of harassment, including racial or sexual harassment (the location procedure for resolution of this type of concern shall be utilized first for addressing these issues).
- Any other activity that may violate applicable laws, regulations or company values.

We recommend that an employee would first contact their Manager, member of HR or other member of management. In most cases, an employee's manager is in the best position to address an area of concern. If the employee feels he/she cannot discuss the matter with anyone in line management, the whistleblowing system provides an anonymous, confidential alternative reporting process.

4. WHISTLEBLOWING CHANNEL, REPORT HANDLING AND INVESTIGATION PROCESS

The Company's Whistleblowing Channel is organized internally. The Whistleblowing Channel is designed to protect a whistleblower's identity when a report is made. If the whistleblower does not disclose his/her identity when making the report, he/she will stay anonymous throughout the whole process. The Company will not attempt to find out his/her identity in any way. When a report is made, the whistleblower receives a personal ID number and password, to use in report related communications, anonymously, confidentially and securely.

Reports sent through the Whistleblowing Channel will be sent from Intranet pages at whistleblowing@modulight.com email address, received by the CEO and CFO and processed confidentially by CEO, CFO and an independent board member.

The company can continue discussing the case anonymously with the whistleblower if the whistleblower is willing to do so and provides an anonymous personal email address. Management can conduct severity assessment and preliminary inquiries in order to assist them to decide on further action for the Company.

If the Company decides that investigation will not be carried out, the CFO or the CEO closes the case. The reported incident is recorded in case similar accusations will be brought forth later. If there are reasonable grounds to suspect fraud or other form violation has taken place based on the assessment, the CFO or CEO will decide to conduct an investigation. The Board of Directors is also informed, if needed.

The amount and nature of all whistleblowing reports will be recorded bi-annually for reporting purposes. The CFO or CEO shall report annually to the Board of Directors on this policy and his or her activities under it.

5. WHISTLEBLOWER PROTECTION

The Company takes the accusation of violations very seriously. Therefore, it is our policy that:

- The Whistleblowing Policy is intended to encourage and enable employees and others to raise serious concerns within the Company prior to seeking resolution outside the company.
- We trust that all the Company's employees will make the right decision and report any violations of the Company's values, guidelines, ethical norms or applicable laws and regulations to the appropriate personnel.
- No one shall suffer adverse employment consequences, harassment, be discriminated against or retaliated against for making a claim in good faith of a violation of the Company's values, guidelines, ethical norms or applicable laws and regulations.
- An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment or summary dismissal.
- However, any employee who is found to have intentionally made a false claim of violation of the Company's values, guidelines, ethical norms or applicable laws and regulations will receive disciplinary action as deemed necessary, up to and including termination of employment.

6. PERSONAL DATA

The Company may receive information on both the whistleblower and persons involved in the suspected misconduct. Such information may contain sensitive information on suspected criminal behavior and other personal matters.

All information received according to the Whistleblowing Policy will be processed in accordance with applicable law on processing of personal data but also considering requirements from international regulatory institutions related to traceability of medical devices or personal data. Generally, all information received according to the Whistleblowing Policy will only be retained for as long as it is necessary unless otherwise required by law.

Information about a complaint by or about an employee may be placed on the employee's personnel file, along with a record of the outcome and of any notes or other documents compiled during the process. These will be processed in accordance with the Company's information security processes and related controls.

7. CONFIDENTIALITY

It is as important for the Company to provide a mechanism for employees and Board members to safely report illegal activities and/or serious misconduct, as it is for the company to protect and to avoid damage to the reputation of innocent employees or Board members who are the subject of a reported violation.

For these reasons, the Company will conduct its investigations of any reported violation as discreetly as possible and in a confidential manner to the greatest extent possible commensurate with carrying out a thorough and adequate investigation. Furthermore, to the extent possible, all reasonable efforts will be made to treat the whistleblower's identity as confidential.

This confidentiality and protection apply to reports of suspicions, even if those prove to be unfounded. However, if a report is found to have been false and made with malicious intent, a disciplinary process may follow.

If investigating the report leads to a criminal investigation by the authorities, case information will also be given to those entities/individuals participating in the investigation, who are legally entitled to receive the information. This information will include the whistleblower's contact details if they have been provided.