

ELECOSOFT PLC

Whistle-blowing Policy and Procedure for its Staff

(Conforming to the guidance in the Public Interest Disclosure Act 1998)

Elecosoft plc aims to develop a culture of openness.

As a result of this aim, it is fundamental that any concerns members of staff may have about suspected malpractice within the Group are aired. It is felt to be in all our interests to ensure that any malpractice does not occur.

To achieve this, Elecosoft has devised a policy and procedure to cover the airing of genuine concerns, which members of staff may have about suspected malpractice within the organisation.

The Public Interest Disclosure Act 1998 (the "PIDA"), which this policy and procedure are designed to conform with, encourages members of staff to raise concerns internally in the first instance.

The whistle-blowing procedure is not incorporated by reference into your Contract of Employment.

Policy

This whistle-blowing policy and procedure applies to all permanent and short-term employees of the Elecosoft Group. It also applies to secondees, external consultants, contractors and agency personnel whilst working at the company.

Malpractice includes (but is not confined to): conduct likely to prejudice the standing of the companies within the Elecosoft plc Group, breaches of internal rules and regulations, criminal offences or breaches of civil law, endangerment of the health and safety of any person, environmental damage and the deliberate concealment of any malpractice.

A qualifying disclosure under PIDA is one, which, in the reasonable belief of the worker making the disclosure, suggests that one or more of the malpractice offences above has been committed, is being committed or is likely to be committed. The PIDA protects you in making a disclosure to Elecosoft plc where the disclosure meets these requirements and is made in good faith.

In raising a malpractice concern, members of staff may assume that only those Elecosoft plc staff investigating the malpractice concern will know your identity. There may be circumstances, however, in which the company may be required to reveal a member of staff's identity. If this is the case, all reasonable steps will be taken to ensure that no detriment is suffered by the member of staff.

If a malpractice concern is raised, the individual making the report will be taken seriously and will be treated fairly and justly by Elecosoft plc. All reasonable steps

will be taken to ensure that no person under Elecosoft's control engages in victimisation in any form.

Disciplinary action will be taken against anyone deliberately raising false and malicious allegations.

Procedure

1. If you have a concern about malpractice in the Group, you should inform your line manager in writing or by email of your concern. Your line manager will then raise the matter with the Chairman of the Audit Committee. If the concern involves the line manager, or for any reason you prefer them not to be told, you may raise the matter directly with the Chairman of the Audit Committee.
2. If you feel you need to take advice before doing so, you may contact the independent charity, Public Concern at Work on 020 7404 6609. They provide free, confidential legal advice on whistleblowing matters. But remember, there is no 'gateway' to allow you to disclose any confidential information to them.
3. You will be informed of the likely timescale within which your concern will be investigated and reported upon. If, once you have disclosed your worry internally, you are concerned either by the response or lack of response, you can raise your concern again with your line-manager who will raise an appeal on your behalf to have the response or lack of response reviewed. Please note that following this review the decision of the Chairman of the Audit Committee is final.
4. Where a meeting is held with you so that more facts about your concern can be gathered, you may be accompanied by a fellow employee of your choice who may be a friend or colleague. Alternatively, you may be accompanied by a full-time officer employed by a Trade Union. You may confer with your companion during the course of the meeting and he/she can address the meeting but may not answer questions on your behalf. Individual(s) under investigation may also be accompanied on the same basis. The Chairman of the Audit Committee may be accompanied by any member of Elecosoft plc staff.
5. The Chairman of the Audit Committee will conduct a full investigation with the objective of establishing whether malpractice has occurred. The format of the investigation may vary depending upon the circumstances.
6. The Chairman of the Audit Committee will communicate the findings of the investigation to a) you as the person raising the malpractice concern; b) the individual(s) under investigation; and, if appropriate c) those members of Elecosoft plc management or external authorities who need to consider whether action should be taken on the basis of the findings.