

**POLICY ON AVOIDING CORRUPTION AND OTHER CONFLICTS OF INTEREST**

POLICY	
Title:	POLICY ON AVOIDING CORRUPTION AND OTHER CONFLICTS OF INTEREST
Process Group:	ENTERPRISE RISK MANAGEMENT
Process Owner:	COMPLIANCE ROMANIA
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Created by:	-	
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1) SCOPE

OTE Group's competitive strength depends in large part on the fact that OTE Group, the members of the Corporate Bodies of OTE Group Companies, the managers and the personnel (as those terms are described in the paragraph 6 herein) conduct themselves lawfully and with integrity in business transactions. Acting lawfully and with integrity is the main basis for maintaining the trust of customers and business partners, as it boosts OTE Group's reputation and contributes to its business success over the long term. Therefore, acting lawfully and with integrity is an essential requirement for all of OTE Group's Employees. A key condition for acting lawfully and with integrity is to avoid situations in which business interests could conflict with personal interests when engaging in business transactions. Personal interests should never be the driving motive behind a business decision. In particular business decisions should never be made for the sake of personal gain. Corruption and bribery in any form damages the business relationships between OTE Group and its customers and business partners and, therefore, is unacceptable. This applies to the Employees of all OTE Group Companies, including Telekom Romania Communications S.A. and Telekom Romania Mobile Communications S.A. (hereafter "Telekom Romania" or "Company") as well as to its customers and business partners.

2) AREA OF APPLICATION

Based on the Code of Conduct and according to the provisions of any Policies concerning the employee relations in the Companies, this Policy, which is effective for all Employees, provides the framework for avoiding corruption, bribery and other conflicts of interests in relationships with customers and business partners. Specific Policies complete the aforementioned framework.

3) ACCESS RIGHTS

Access to this document is permitted to all employees of OTE and of companies of the Group.

4) DESCRIPTION

4.1) Compliance to Behavioral Standards

The rules of this Policy intend to guard the OTE Group and its Employees from legal risks. Therefore OTE Group expects all Employees to act in accordance with this Policy.

Reproachable, deliberate misconduct shall be punished in accordance with the applicable provisions of the law and of the internal Policies concerning the employee relations in the Companies of OTE Group. This particularly applies to cases of corrupt behavior, or in situations in which the OTE Group's assets were damaged through a criminal offence.

4.2) Avoiding conflicts of interest / transparency

The Employees share the goal of increasing OTE Group's value. This goal can be achieved only if OTE Group is able to build and maintain permanent and worthwhile business relationships with customers and business partners. To maintain a permanent and worthwhile business relationship, all OTE Group's Employees must act lawfully and with integrity in business transactions and orient their professional conduct exclusively toward the common good and economic benefit of OTE Group, its customers and business partners.



Situations, in which the business and personal interests of Employees overlap and can thus conflict with each other (conflict of interest), jeopardize the ability to achieve the common goal. Therefore, the top priority is to prevent conflicts of interest from arising in the first place whenever possible. All Employees are therefore required to keep their personal interests separate from those of the Company.

Nevertheless, if conflicts of interest are unavoidable, the Employee, in his own interest, is obliged to operate according to the following three principles, namely:

- Notify about any type of conflict of interests his/her supervisor and the Compliance Department, that in turn will inform the competent Human Resources Department,
- Document in writing any conflict of interest, and
- Specifically comply with the relevant laws and the Policies of OTE Group.

The Compliance Department will evaluate the specific case and will respond to the person concerned in writing, mentioning if he/she is obliged to resolve the situation that led to the conflict of interests or if he has any other obligations (for instance not to participate in any way in a financial transaction between the company the Employee works at, and the Company where the Employee has personal interests).

4.2.1) Conflict of interests deriving from a secondary employment

Secondary employment is every activity, in which third physical or legal entities are offered services, additional to those offered to the Group, regardless whether those services (a) are remunerated (under an employment contract or independent services contract, or on any other type of employment), or (b) concern the participation as a partner or shareholder in a legal entity

4.2.1.1) Conflict of interests deriving from a competitive secondary occupation

Competitive secondary occupation is any personal commercial activity, or participation in a company, which rivals the Company's activities. If there is even a suspicion that a conflict of interests would harm the reputation and interests of the Company, the Employees are not permitted to participate or acquire any kind of interests, or to be employed under any form, or to acquire or participate in a business activity or business of any kind which is competitive to the Group's Company, or/and any other natural or legal entity that cooperates with the Group's Company in any way (suppliers, customers etc).

In case such competitive activity is performed by the spouse or a relative by blood or by marriage up to second degree, the Employee is required to report it to his/her Supervisor or the Compliance Department.

4.2.1.2) Conflict of interests deriving from non-competitive secondary employment

The Employees of the OTE Group are obliged to inform in advance their Supervisor and the Compliance Department of any future non-competitive secondary activity, so that to avoid a potential conflict of interests. The voluntary non-paid secondary activity exercised in the Employee's free time is allowed, without the obligation to report it.



4.2.1.3) Conflict of interests deriving from a political or participation in various bodies' councils

OTE Group respects its Employees' willingness to participate in public affairs through specific posts or through participation in social or political activities. However, the Employee, who participates in such activities should do so in their free time and additionally shouldn't link or allow the link of the name of the Company he works in to any similar activity, without the company's prior written consent. According to the provisions of the effective legislation and of the Policies of the Company, approval is granted exceptionally on the occasions of participation in official employee Unions.

4.2.1.4) Conflict of interests deriving from from private investments

Private transactions, especially financial ones, of members of the Board of Directors and other Committees, of OTE Employees and of Employees of the associated Companies, shouldn't violate OTE Group's interests. More specifically, Employees are not permitted to participate in the Board of Director of Societe Anonymes, or to be Administrators of a Limited Liability Company, without the prior consent of the Company. Denial to provide the relevant permission should be justified.

4.3) Individual conflicts of interests

The following provisions focus and specify the rules of the Code of Conduct of the OTE Group, regarding the integrity of its Employees. According to this background, the following rules contain the group-wide effective principles to avoid corruption, bribery and other serious conflicts of interest.

4.3.1) Acceptance and granting of benefits

(1) The acceptance and granting of benefits in connection with OTE Group's business activities is subject to substantial restrictions, so as corruption and bribery cases are avoided. This not only affects the acceptance and granting of benefits in the public sector, but also in private-sector business transactions.

(2) If anti-corruption laws are violated, sanctions under civil, criminal and administrative law may be imposed on OTE Group, its Employees and its business partners, according to civil, criminal and administrative law, and the reputation of both the Company and the Group may suffer an incalculable loss in the public eye. Irrespective of these facts, it is not in OTE Group's interest to influence the business decisions or professional conduct of Third Parties toward OTE Group, by granting benefits to favor OTE Group. OTE Group attaches importance to attracting customers and business partners solely through the quality of its products and services.

(3) With regard to the legal risks, any outer appearance of unfair influence or ability to be influenced in making business decisions or in professional actions in connection with the granting and acceptance of benefits must be avoided. Irrespective of any tax obligations that may result from the acceptance of benefits, the granting and acceptance of benefits must be thoroughly documented so that transparency is always maintained over the time, occasion, value, provider, and recipient of a benefit. The granting and acceptance of benefits in secret is not permitted.

(4) The granting of benefits to members of the public sector (civil servants, representatives of public institutions, public-service employees, etc) is allowed according to the provisions of OTE Group Policy on Accepting and Granting of Benefits. Members of the public sector are not allowed to receive any benefits, either directly or indirectly from OTE Group, that could cast doubt on their independence of OTE Group's business interests.



(5) The granting of benefits is also subject to substantial legal restrictions in private-sector business transactions. Employees of OTE Group are not allowed to offer, promise or grant benefits to business partners in the private sector as a counter-service for the purpose of inducing a business decision that is favorable to OTE Group or to perform a business activity. The granting of benefits to business partners is permitted in specific cases, and only if it is excluded that this granting is likely to influence business decisions or business activities that the benefit recipient performs on behalf of a business partner, aiming to favor OTE Group by virtue of the occasion or the time at which the benefit is granted.

(6) Irrespective of the permissibility of the law or the OTE Group's Policies, benefits may not be promised, offered or granted to customers, business partners, and members of the public sector if the person granting the benefit knows that the recipient of the benefit is, or would, not be allowed to accept the benefit under any policies or regulations applicable to the recipient, based on the time, occasion or specific value of the benefit. In case of doubt – in particular when granting benefits to members of the public sector – the permissibility must be ascertained.

(7) **The acceptance of benefits by Employees** of OTE Group in private-sector business transactions with customers and business partners is permitted only if the possibility of the benefit influencing or being able to influence business decisions or other business activities that an Employee performs for OTE Group can be ruled out, based on the specific value of a benefit or the occasion and time of its receipt.

Business decisions and business activities of OTE Group Employees should be oriented exclusively toward the wellbeing and interests of OTE Group. OTE Group Employees may not demand, receive promises of or accept benefits from a business partner in exchange for making a business decision or performing a professional service in favor of a business partner.

(8) Further provisions on the directives and prohibitions that apply to OTE Group in connection with the acceptance and granting of benefits can be found in the relevant **OTE Group Policy on Accepting and Granting of Benefits**.

4.3.2) Donations and sponsoring

(1) Within the scope of the applicable laws and the corporate purpose of its Companies, OTE Group may support by making donations education, science, art culture social affairs, sports and the environment as well as the operations of authorities whose purpose is, indicatively, to promote social security, well being and welfare taking always into consideration the provisions of national legislation. Donations include cash payments, benefits, and services that are provided free of charge. No donations are made to private individuals, to personal accounts, and to individuals or organizations if they could prove harmful to the reputation of OTE Group, regardless of whether such donations are lawful or not.

(2) Also, OTE Group may engage in sponsoring in areas related to OTE Group's business interests or due to the Company's acceptance of social responsibility. OTE Group uses sponsoring as one of its tools in corporate communications. In addition to providing support, sponsoring also involves pursuing the Company's own goals of advertising or publicity on the basis of a contractual agreement. In contrast to donations, sponsoring means that a payment is made in exchange for a service. Sponsoring activities are permitted only if the sponsoring partner or event organizer provides reasonable and verifiable corporate communication and marketing services.

(3) Decisions on the granting of donations or the conclusion of sponsoring agreements, including the subsequent benefits, which should be verifiable and rightful, shall be documented at every stage. Donations or sponsoring services made in secret are always forbidden. Improper motives, namely personal preferences, may not be pursued when



granting donations and providing sponsoring services. Sponsoring services shall be granted exclusively as part of OTE Group's public relations activities or for marketing purposes. Regardless of the recipient or the recipient's organization, donations and sponsoring services may not be offered, promised or granted for the purpose of influencing the decisions of business partners or members of the public sector. The provisions of the paragraph 4.3.1 of this Policy are also effective.

(4) Further provisions for donations and sponsoring can be found in the **OTE Group Donation and Sponsoring Policies**.

4.3.3) Benefits extended in the political sphere

(1) OTE Group is not permitted to make sponsorships and donations to political parties. The aforementioned also apply to the working groups, youth organizations, and associations etc. of political parties, but not to independent institutions not affiliated with any political party and which use sponsorships for their own social purposes.

(2) Donations in cash and in kind to the members of Parliament and to official office-holders are inadmissible.

4.3.4) Consultants

(1) To ensure the targeted use of business assets and to minimize the risk of corruption, bribery and other conflicts of interest, special care must be taken in selecting and monitoring consultants, agents, and comparable external intermediaries who are involved in the business activities. All the relevant contracts should include provisions on the avoidance of corruption¹.

(2) Consultants as defined for the purpose of this Group Policy are all natural persons and/or legal entities which provide the OTE Group Companies with consulting services (except for legal services) for the implementation of those Companies' projects.

(3) Also, OTE Group Companies prior to or after the conclusion of a consultancy contract should take into consideration the guidelines / requirements described in Annex 1, which is attached herein.

4.3.5) Anti-competitive agreements

(1) Employees of the OTE Group shall not enter into anti-competitive agreements or abuse of dominant market position.

(2) Reasonable action must be taken against violations perpetrated by bidders or applicants, who shall be excluded from competition in the event of serious violations (such as the offer, promise or granting of benefits with the goal of exerting unfair influence or entering into restrictive agreements).

(3) Further provisions regarding competition can be found in **OTE Group Policy on Anti-Trust Law**.

4.3.6) Ban on insider trading

(1) In order to safeguard investor confidence in the functioning of the capital market, the exchange of insider-information is heavily regulated. Therefore, everyone who holds a position with access to insider-information is therefore subject to special restrictions that prohibit them from trading (acquiring or disposing financial instruments), and making

¹ The Special Provision (Anti-corruption clause) is included in Annex 1.



recommendations or suggestions regarding investment transactions of the Company' s shares. Additional restrictions prohibit them from unauthorized disclosure of insider information.

(2) Further provisions are found in **OTE Group Policy on Insider Trading**.

4.4) Responsibilities and organizational duties

4.4.1) Responsibilities

(1) The Management Boards of OTE Group Companies shall be responsible for all measures concerning the prevention and identification of corruption, bribery and other conflicts of interests in their respective business areas as defined in this Policy.

(2) All OTE Group Companies must in particular observe and meet the general and special requirements with the due care of a diligent and conscientious businessman/executive are obligated to comply with all applicable, valid legal provisions in force without limitation, as well as to comply with the internal regulations that apply to them. The competent internal legal departments must be consulted in the case of uncertainties and doubt as to the applicability, validity and effectiveness of legal requirements.

(3) The units of the OTE Group must in particular observe and meet the general and special requirements with the due care of a diligent and conscientious businessman/executive. These duties of care include the following organizational duties:

4.4.2) Organizational duties

The Board of Management of the OTE and Management of every OTE Group Company will guarantee:

- Clear organizational structures;
- Clear responsibilities;
- Clear delineations and limitations on internal hierarchy;
- Avoidance of instruction dependencies in the event of (potentially) divergent interests and Compliance with appropriate principles of a proper delegation of tasks and obligations;
- Careful selection, briefing (training/information), and monitoring of task recipients and
- Obtaining and complying with legal advice from the responsible internal Legal Department regarding all legally relevant situations;
- Allocation of tasks according to substantive responsibilities and skills;
- Observance of the principle of cross-checking individual decisions by another company representative;
- Clear representation of the Company and signature rules;
- Monitoring through Auditing or external auditors;
- Regular, or whenever deems necessary, reporting on the cases of corruption, bribery and other conflicts of interest that occur in the OTE Group.

The Management will observe the following basic principles when delegating tasks:

- Appropriate selection of the acting level of responsibility;
- Avoidance of transfer of duties and responsibilities too far down the hierarchy;
- Instructing task recipients in an unambiguous, clear and complete manner;
- Regular monitoring of specialized knowledge and the reliability of task recipients;



- Intervention in the event of misconduct by task recipients through ascertainment of the facts, investigation and taking measures for the future elimination of the sources of the problem.

4.5) Measures for avoiding corruption, bribery and other conflicts of interests

4.5.1) Basic principle

The following rules on Avoiding Corruption and Other Conflicts of Interest imply common methods of risk avoidance related to corruption, bribery and other conflicts of interest. Predominantly they focus to persons responsible for management or organization. Regarding special measures with effect to the Employees have to comply with the legal and internal rules, in particular with privacy law and the relevant Employee participation legislation.

4.5.2) Risk analysis

- (1) An important basis of an effective and efficient defense against corruption, bribery and other conflicts of interests is a systematical collection and analysis of the existing risks and investigated or on otherwise detected offences.
- (2) In order to identify risks related to Compliance, the Company's Compliance Office will, with the assistance of different units (e.g. Procurement, Human Resources, Accounting), carry out an annual Compliance Risk Assessment (i.e., an investigation into the inherent risks per unit) and present which controls exist for the detection and prevention of corruption, bribery and other conflicts of interest in the relevant area or which measures are suitable and recommended for the reduction or removal of identified risks in the corporate structure and operations.

4.5.3) Prevention

4.5.3.1) Information

- (1) At the time they are hired or change jobs within the OTE Group, Employees are to be made aware of the risks of corruption, bribery and other conflicts of interest as defined in this Policy and instructed on the action to be taken against such violations according to legal rules. With regard to possible risks, Employees should also be made aware of these subsequently.
- (2) If involved in activities in organizational units with an increased risk of corruption, bribery and other conflicts of interest, Employees should be reminded of this and given more in-depth training for their specific work responsibilities at regular intervals.
- (3) The internal units responsible for education and training, as well as staff development, will include the topic of "risk management" in their programs. In the first instance, the need to train Managers and Staff in organizational units at particular risk, resulting from the Compliance Risk Assessment process, should be taken into consideration.

4.5.3.2) Selection and deployment of the Personnel

- (1) The reliability and personal integrity of Employees is an important factor in the reduction of risks due to corruption, bribery and other conflicts of interest in all areas of the OTE Group. The processes for filling positions should therefore be designed to enable a reliable assessment of the skills and personal suitability of the job applicant. The Management is responsible for the administration of human resources and the control for checking the continuity and the



development of the skills and the suitability of the personnel, which is assessed at regular intervals or when it is deemed as appropriate. The rules that apply to the participation right of the Employee (among others, participation to HR development programs, hearing before committees or councils of the OTE Group Companies' which are responsible for the job change or the employment transfer etc.) remain unaffected.

(2) In areas in which, according to the results of the completed Risk Assessment, the personal and functional unreliability and the duration over time of the Employee's performance of the same tasks represent the increased risk factors, when filling positions careful attention should be paid to the suitability of applicants, based on specific professional criteria. In these areas, in compliance with the effective legal rules and taking into consideration the personal interest of the Employees, a periodic job change should also be considered as a possible tool for reducing the risks of corruption, bribery or other conflicts of interest. The participation rights of the Employees' representatives before committees or councils of the OTE Group Companies' which are responsible for the job change or the employment transfer etc., should be taken into consideration and the relevant provisions of the national legislation are applicable.

4.5.3.3) Control mechanisms

(1) Business decisions must be transparent in every phase, including the preparation for decisions. Every transaction-related negotiations and information should always be carefully documented in writing. Transactions should always be accompanied by document, which are described in the relevant process, and properly filed.

(2) During the planning of the relevant processes, suitable measures for the transaction control should be incorporated. These measures should serve the protection of the Employees and it should be clear that these measures are being taken in order to avoid any offense. Particularly intensive control measures are required in areas in which there is an increased risk of corruption, bribery and other conflicts of interest according to the results of the Risk Assessment. The implementation of the control mechanisms should be documented in such way that it can be verified.

(3) Control mechanisms (for example, the 4-eyes principle) will be taken under consideration during the selection and assignment of duties, so that risks are mitigated.

4.5.3.4) Ascertainment of the facts / rules of procedure

(1) If there is concrete reason to suspect acts of corruption, bribery or other conflicts of interest as defined in this Policy, the circumstances shall be investigated regardless of the suspect's reputation and his position within the Company of the Group. In so doing, the circumstances both incriminating and exonerating the suspect must be determined.

(2) In case there is a suspicion of corruption, bribery and other conflicts of interest, the Management, after a relevant notification, is obligated to immediately inform accordingly the Company's Compliance Office, which in turn will involve the organizational units responsible for investigating / ascertaining the facts.

4.5.3.5) Information on identified violations

(1) The bodies responsible for ascertaining the offenses should notify, at regular intervals, the Company's Compliance Office, which in turn will notify the responsible supervisory bodies for any identified cases of corruption, bribery and other conflicts of interest as defined in this Policy, as well as for the implementation of the measures taken in this regard.



(2) Any public announcements of identified cases will be made only through the responsible officers of OTE Group Corporate Communication, after prior agreement with the responsible Legal Department and Company's Compliance Office.

(3) Notifying the corporate bodies, the Employees and the persons possibly concerned must not jeopardize the internal ascertainment of facts and the investigations of the criminal prosecution authorities. When passing on this information, steps must be taken to avoid adversely affecting the legitimate interests of all persons concerned.

4.6) Quality Management

Internal or external Auditors check the quality of processes relating to compliance with this Group Policy at regular intervals or upon request, or upon request, in compliance with the effective legal rules and the regulations of the OTE Group Companies. In this connection the aforementioned Auditors may have access to the results of the Compliance-Risk-Assessment-process.

4.7) "Tell Me!" Process

The OTE Group Code of Conduct and the Whistleblowing Policy describe the procedure followed when reports or indications of violations of this Policy may be submitted.

4.8) Cases of Doubt and Approval of Exceptions

In cases of doubt or to obtain approval for any deviations from the wording provided in this Policy, the Employees should contact the Telekom Romania Compliance Department (compliance.consultationdesk@telekom.ro).

5) ENTRY INTO FORCE

This policy enters into force for OTE by the decision of its Board of Directors. For the affiliated Companies of OTE Group, the Policy enters in force by the decision of their competent bodies.

On the occasion of any necessary amendments, the provisions of the PL1.EEM.01 Policy "Approval of Corporate Policies / Processes / Procedures" shall apply.

6) DEFINITIONS / ABBREVIATIONS

Definitions-Abbreviations	Definition
Management	The term "Management" refers to the those who hold an executive position (CEO, Heads of General Directorates, Heads of Departments, Heads of Divisions, Heads of Sections)
Personnel	The term "Personnel" refers to the rest personnel
Employee	The term "Employees" includes the Management and the personnel of the Company



POLICY ON AVOIDING CORRUPTION AND OTHER CONFLICTS OF
INTEREST



APPENDIX 1: GUIDELINES ON AVOIDING CORRUPTION RISKS WHEN WORKING WITH CONSULTANTS

1. Compliance with the rules of conduct

The provisions set forth in this policy serve to protect OTE Group and its employees from legal risks. OTE Group Companies therefore expect its employees to conduct themselves in accordance with this Group Policy. Reproachable, willful misconduct shall be prosecuted in accordance with the applicable provisions of the law. This particularly applies to corrupt behavior or if OTE Group Company's assets are damaged as a result of criminal offense.

2. Selecting consultants and risk assessment

2.1 Bid Comparison

Where various consultants are in a position to provide a service, several proposals shall be obtained and compared, especially with regard to the ability of the consultants to provide the service and cost-effectiveness. A selection of the best must be made on this basis according to the Procurement Policy rules.

2.2 Background check / Compliance & Business Assessment

(1) Where the contracts in question are not being concluded with consultants already known to the Company from a previous business relationship, without such relationship providing negative indications, or in case that the previous integrity checking was older than 6 months, or in case of any indication for new facts related to non-compliant list criteria happened in between, a background check shall be carried out in relation to the integrity and potential conflicts of interest of the consultant. Potential conflicts of interest can arise in particular from the consultant having family, business or other connections with public officials, decision-makers at a (potential) business partner or persons who themselves work as a consultant for a (potential) business partner. The other non-compliant list criteria will be considered, as well.

(2) When carrying out the background check, each business unit that intends to engage a consultant must obtain any information about the consultant that is appropriate and required to conduct a proper risk assessment according to its best judgment and the applicable legal provisions. In addition, Compliance Romania will have to perform a Compliance & Business Assessments within the scope of its mission statement. When dealing with international business, particularly when commissioning consultants who work outside of the Company's area of activity, it shall be considered within the scope of the legal provisions and the applicable processes, whether to hire external service providers, if there is a corresponding need for information. This shall require the approval of the relevant Compliance department.

(3) The commissioning of consultants who are negatively listed (non-compliance list) shall not be permitted.

3. Risk assessment / Compliance & Business Assessment

(1) A risk assessment shall be carried out prior to concluding the contract on the basis of an overall evaluation of all the relevant circumstances of the individual case. Risks

- relating to the consultant themselves,



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- resulting from close relations with public officials and/or with decision makers or consultants of (potential) business partners,
- resulting from the affected sectors or
- resulting from the general susceptibility to corruption of the country/region involved

shall be given particular consideration. Please refer to the Corruption Perception Index (CPI) from Transparency International for information regarding the susceptibility to corruption of individual countries - (<http://www.transparency.org/research/cpi>).

(2) Additional risk indicators include:

- The consultant does not possess a proper business establishment.
- The consultant in question is a consulting agency that does not have any additional employees.
- Important corporate data such as names of management body members, company addresses, etc., are not known or cannot be accessed without further effort.
- The consultant / consulting agency maintains its head office and/or bank accounts in a third country.

Other risk indicators will be added, as the case may be, considering the compliance policies and rules, and the circumstances of each individual case.

4. Documentation

(1) The contract negotiations and the results of the background check and the risk assessment shall be documented. Personal data must be deleted once the statutory retention period has elapsed.

(2) Consulting contracts shall always be concluded in writing. Any verbal side agreements are prohibited.

5. Checklist

(1) The below checklist must be filled out and filed in the contract file before a consulting contract in which the total contract volume is EUR 25,000 or more or which involves a commission for consultancy services with an indeterminate maximum limit (such as when negotiating hourly rates or consultant days) may be concluded.

(2) If "no" is checked for any of the items, conclusion of the contract must be approved by the Compliance Romania.

	Yes	No
1) Comparison of several proposals has been conducted (if multiple candidates are competing for the bid)	<input type="checkbox"/>	<input type="checkbox"/>
2) Background check has been conducted and documented (for new consultants)	<input type="checkbox"/>	<input type="checkbox"/>
3) Risk assessment has been conducted and documented	<input type="checkbox"/>	<input type="checkbox"/>
4) Contractual negotiations and contract award decisions have been documented	<input type="checkbox"/>	<input type="checkbox"/>
5) Consultant has been commissioned in writing	<input type="checkbox"/>	<input type="checkbox"/>
6) Contractual services have been precisely defined (consulting services and remuneration)	<input type="checkbox"/>	<input type="checkbox"/>
7) Contingency fee exclusion has been complied with	<input type="checkbox"/>	<input type="checkbox"/>
8) Payment will not be made in cash	<input type="checkbox"/>	<input type="checkbox"/>
9) Payment shall be made to the consultant's domestic account	<input type="checkbox"/>	<input type="checkbox"/>
10) The consultant has been asked to provide regular, written information regarding his/her activities and the results of his/her work	<input type="checkbox"/>	<input type="checkbox"/>



11) Proper rendering of accounts and complete documentation of services rendered as prerequisite for payment of remuneration	<input type="checkbox"/>	<input type="checkbox"/>
12) Payment will be made after the services have been rendered	<input type="checkbox"/>	<input type="checkbox"/>
13) Reservation of consent should the consultant decide to engage third parties	<input type="checkbox"/>	<input type="checkbox"/>
14) Statement that fulfillment of the contractual agreements is in line with applicable law	<input type="checkbox"/>	<input type="checkbox"/>
15) Compliance with the dual checking principle	<input type="checkbox"/>	<input type="checkbox"/>
16) Conflicts of interest are not apparent	<input type="checkbox"/>	<input type="checkbox"/>

6. Monitoring

The consultant's work shall be continuously monitored by the Business Unit in relation to compliance with the provisions of this Group Policy. Any violation should be notified to Compliance Romania.

7. Contents of the contract

7.1 Key terms of the contract

If not already agreed in the Procurement Terms and Conditions for the Purchasing of Consulting Services, all consulting contracts must include the following requirements as part of their content:

- The contractual services shall be precisely defined both in terms of the services to be provided by the consultant and in terms of the stipulations regarding remuneration.
- Where possible, time-dependent remuneration provisions shall be agreed. Lump sum remuneration elements are only considered in exceptional cases, for instance with regard to specific costs of the consultant (photocopying costs, for example), or to limit costs.
- Contingency fees shall, as a rule, be inadmissible. Any exceptions to this rule shall require the approval of Compliance Romania.
- Cash payment as well as transfers of payment to accounts in third-party countries or to accounts belonging to third parties, who are not contracting parties, shall be inadmissible. They must be excluded in the contract.
- The contract shall contain a clause obliging the consultant to provide regular, written information on their activities and the results of their work.
- Payment of remuneration shall be made dependent on proper rendering of accounts including complete documentation of the work performed. The contractually agreed payment shall compensate all the obligations from the contract.
- Payment shall generally be made after the service has been rendered, i.e., either upon completion of the consulting activities or, if an exception has been made and a contingency fee has been agreed to, once the project has been successfully completed. Remuneration may be made in installments in accordance with the progress of the consulting services or project. The responsible Compliance Romania may approve, with the positive endorsement of Financial Corporate Group Romania, deviating remuneration models for specific consulting contracts in specific individual cases.
- The contract shall include a clause regarding the certification of the qualitative and quantitative receipt of the contract deliverable/deliverables by the requesting Business Unit (beneficiary function).
- The engagement of third parties to fulfill the contractual obligations shall be made dependent on the prior written consent of the Company.
- The consultant (or the parties) shall declare that the performance of the contractual agreements is in compliance with the applicable law.



7.2 Additional clauses in cases of particularly high risk

If the risk assessment in accordance with section 3 shows an increased level of risk – particularly with regard to possible contact with people in the public sector or a particular predisposition to corruption in the region and/or sector in question – additional contractual clauses must be agreed in order to minimize the risk of corruption.

Depending on the level of risk, these particularly include:

- An express declaration (in addition to the general declaration that the performance of the contractual agreements is in compliance with the applicable law) by the consultant that he/she will not misuse their remuneration, either in whole or in part, to influence public officials or employees or agents of business partner companies and that the remuneration will not be otherwise used for any illegal purposes;
- An express declaration that the consultant does not have any personal or business connections with public officials as defined in the applicable criminal law provisions;
- An explicit reference to applicable criminal law provisions;
- Integration of declarations of commitment to comply with anti-corruption provisions relevant to the applicable law, by all natural persons involved in the commissioned consulting engagement (see the sections below);
- Obligation to repay the full remuneration in the event of an instance of corruption being ascertained;
- Right of termination of the contract for good cause where there is reasonable suspicion of corruption;
- Granting of special information or access rights – including to any subcontractors of the consultant – where there is reasonable suspicion of corruption;
- Reservation of approval on the part of the commissioning company with regard to specific expenses incurred by the consultant such as travel expenses or entertainment costs, or inadmissibility of certain expenses (e.g. gifts to business partners).

7.3 Contractual clauses to be included in the contract

1) The following anti-corruption clause is embedded as a Special Provision in all contracts with suppliers and contractors, as well as in the announcements for tender offers. Following the Compliance Manager's consent, the aforementioned clause may be amended provided that this is requested from the counterparty, taking into account the circumstances of each case, such as, but not limited to, among others, the existence (or non-existence) of a compliance management system in the operation of the counterparty, the trading of securities, if any, on a regulated market on behalf of the counterparty, etc.

"a) The supplier / contractor represents, undertakes and guarantees that both the same as well as its personnel of any kind, its executives/associates/subcontractors and assistants (hereinafter collectively referred to as "personnel") are aware and are fully compliant with the anti-bribery and anti-corruption legislation as in force each time, and have not been convicted of any offence under the aforementioned legislation.

b) The supplier/contractor undertakes that it will not engage either directly or indirectly in any action which could result in a breach of the above legislation and is obliged to notify Company immediately after it is made aware of such breaches either by the same or by its personnel.

c) Furthermore, the supplier/contractor represents, undertakes and guarantees that no conflict of interest situation affecting in any manner the entering into this agreement has occurred either to the same or to its personnel.

d) In case that Company is made aware in any manner whatsoever of a breach of the above, Company is entitled to immediately suspend the execution hereof by notifying in writing the contractor/supplier, or to immediately terminate this agreement on supplier's/contractor's default, the latter being obliged to retribute any damage suffered by Company or to cover any fine or penalty of any nature whatsoever that may be imposed on Company. In this case, apart from the above damages, the good performance letter of guarantee deposited by the contractor/supplier is forfeited as a penalty in favor of at the amount applicable at the time of the contract termination.



e) In case that the supplier/contractor does not possess relevant internal policies or has not bound in writing its personnel in relation to the above, it is obliged to do so by a written clause to this end immediately after the signing hereof.”

2) Clause of non-adjustment of compensation for extraordinary reasons and clause regarding other expenses:

The following clause shall be included in the contracts concluded by the OTE Group companies, with the consultants: “The contracting parties mutually agree and accept that the payment mentioned herein shall remain fixed and unchanged throughout the execution of the contract and any future adjustment, review as well as amendment for increasing the payment in general for any cause and reason even for extraordinary reasons shall be prohibited”.

Additionally, the following instructions should be applied during the conclusion / amendment of the contracts for consulting services:

a) In case of change in the situation, which the parties have taken into consideration during the conclusion of the contract, the total compensation of the consultant may be modified after a resolution of the competent corporate bodies and the approval in writing of the Compliance Romania. The last paragraph will not be included in the contracts with consultants.

b) The total compensation of the Consultant includes employees salaries, travel expenses, accommodation and nutrition throughout the execution of the agreement, insurance premiums, any taxes, contributions and fees as well as any other kind of expenditure or benefit required for the proper execution and completion of the project assigned to the Consultant. In case no other expenses are included in the total compensation of the Consultant, a maximum budgeted amount should be provided in the contract, which should be accrued from the legally supporting documentation and any deviation shall be adequately justified within the framework of the proper completion of the project.

7.4 Additional contractual clauses (samples)

Anti-Bribery (Public Officials):

The supplier/contractor will not, and will cause [its/his/her] agents, employees, officers, directors, [shareholders], [partners], and representatives associated with or acting on behalf of the Company (collectively, the “Representatives”), and subcontractors, if any, not to, directly or indirectly through a third-party intermediary, in connection with this engagement and the business resulting there from, offer, pay, promise to pay, or authorize the giving of money, anything of value, or any advantage, financial or otherwise, to any Public Official for the purpose of influencing any act or omission by the Public Official, inducing the Public Official to act in contravention of the expectation of good faith, impartiality or trust attendant to the office held or inducing the Public Official to exert influence over any act or decision of a government entity or instrumentality, in order to assist in obtaining or retaining business or a business advantage for the Company.

Anti-Bribery (Private Sector Counterparties):

The supplier/contractor will not, and will cause [its/his/her] agents, employees, officers, directors, [shareholders], [partners], and representatives associated with or acting on behalf of the Company (collectively, the “Representatives”), and subcontractors, if any, not to, directly or indirectly through a third-party intermediary, in connection with this engagement and the business resulting there from, offer, pay, promise to pay, or authorize the giving of money, anything of value, or any advantage (financial or otherwise) to any Private Sector Counterparty with the intention to induce or reward the Private Sector Counterparty for improper performance of any activities connected with a business or for activities performed in the course of that person’s employment.