

GLASNIK HT D.D.

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POLICY ON AVOIDING CORRUPTION AND OTHER CONFLICTS OF INTEREST

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1 PREAMBLE

Competitive strength of Croatian Telecom Inc. (hereinafter: Company) depends in large part on the fact that the Company and its workers and managing persons conduct themselves lawfully and with integrity in business transactions, thus maintaining trust of customers and business partners and achieving business success over the long term. Therefore, acting lawfully and with integrity is an essential requirement and a key condition 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. Corruption in any form damages business relationships and therefore is unacceptable to the Company. This applies to Company's workers and managing persons, as well as to its customers and business partners.

Compliance with laws and other regulations of the Republic of Croatia and with internal policies and rules of the Company are crucial to responsible company management within the Company. In its Guiding Principles and Desired Target Behaviors and its Code of Conduct, the Company affirms the commitment of the Company and its workers and managers to act in a lawful and ethical manner. By introduction of this policy, this framework is further developed.

2 SCOPE OF VALIDITY

Based on the Code of Conduct, this Policy provides guidance for avoiding corruption and other conflicts of interests in relationships with customers and business partners, with more specific policies completing this framework (e.g. Company's Policy on Accepting and Granting of Benefits).

This Policy shall apply to all workers and managing persons of the Company and all workers and managing persons in companies where the Company holds a majority share or majority voting rights, if the Management Boards of such companies adopt the Policy by their decisions. The principles of this Policy also apply to persons who are engaged under special contracts as external associates (consultants, students, workers employed through agencies, etc.), in a way that these principles are embedded in their or their companies' contracts with the Company.

3 COMPLIANCE TO BEHAVIORAL STANDARDS

The rules of this Policy intend to guard the Company and its stakeholders from legal risks. Therefore, the Company expects all its workers and managing persons to act in accordance with this Policy.

The legislature of the Republic of Croatia contains anti-corruption laws that describe corruptive behavior and regulate sanctioning of such behavior. By implementation of this Policy and further practical guidelines for its application (see chapter 9), the Company observes such requirements of the law and provides its workers and managing persons with transparent rules of conduct.

4 AVOIDING CONFLICTS OF INTEREST / TRANSPARENCY

Situations in which 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. The top priority is therefore 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.

If conflicts of interest are nevertheless unavoidable in individual situations, employees shall in their own interest disclose them to organizational unit responsible for compliance and their supervisors and document such cases to avoid legal disadvantages. Only through the transparent processes and behavior in business transaction can proper recognition and handling of conflicts of interest be achieved. In this regard, further practical guidelines on recognition and handling of conflicts of interest shall be issued by organizational unit responsible for compliance.

5 MODALITIES OF CORRUPTION OR CONFLICT OF INTEREST

Following rules contain effective principles to be applied in avoidance of corruption and other serious conflicts of interest. They represent a link between the principles of the Code of Conduct and the specifying policies.

5.1 ACCEPTING AND GRANTING OF BENEFITS

The acceptance and granting of benefits in connection with Company's business activities are subject to substantial restrictions in light of the applicable corruption-related statutory offenses. This affects not only the acceptance and granting of benefits in the public sector, but also in private sector business transactions.

If anti-corruption laws are violated, sanctions stipulated by law may be imposed on the Company, its workers, managing persons or business partners, and its reputation may suffer an incalculable loss. Irrespective of these facts, it is not in Company's interest to influence the business decisions or professional conduct of third parties to favor the Company. The Company wants to attract customers and business partners solely through the quality of its products and services.

DEFINITION: Active corruption describes a situation in which a person is prepared to offer, promise, grant or approve a personal advantage in exchange for an unfair advantage. Even the mere promising of an unfair advantage during the course of efforts to initiate business is punishable as active corruption. Active corruption may result in the same consequences for the perpetrator as passive corruption. The consequences for the Company may be even more serious.

Even the appearance of any unlawful acceptance or granting of advantages is sufficient to substantially damage the reputation of the Company and its workers or managing persons. Therefore, 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.

The granting of benefits to members of the public sector (holders of public offices, representatives of public institutions, public-service employees, managers in state-owned companies, etc.) is absolutely forbidden. Members of the public sector are obligated to act only for the common good. They are not allowed to receive any benefits either directly or indirectly from the Company that could cast doubt on their independence. This applies without exception and regardless of whether members of the public sector are acting within the scope of a business relationship between the Company and a public authority or other public institution, or are acting in their official capacity toward the Company.

The granting of benefits is also subject to substantial legal restrictions in private-sector business transactions. Employees of the Company 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 the company or to perform a business activity. The granting of benefits to business partners is permitted only if the possibility that a business partner acts in Company's favor can be ruled out based on the specific value of the benefit, its occasion, or the time at which the benefit is granted.

Irrespective of the legal permissibility, 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 – organizational unit responsible for compliance must be consulted.

DEFINITION: Passive corruption exists if an employee or managing person of Company demands, receives promises or accepts an advantage for him/herself or a third party, in order to perform a certain task or to avoid performing his/her duties. Any form of passive corruption is based on a conflict of interest where the professional or official interest in proper decision-making is related to private interest in an unfair advantage, thereby jeopardizing the independence of the decision-making process.

The acceptance of benefits by employees of the Company 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 the Company 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 the Company employees should be oriented exclusively toward the wellbeing and interests of the Company.

Company's workers and managing persons are not allowed to demand, receive promises or accept any monetary or non-monetary benefits in exchange for counter-service, be it performance of a task or avoidance of duties. This also applies if the worker/managing person enjoys the advantage only indirectly, as is the case, for example, if advantages are provided to a family member of the worker/managing person. Exceptions to this principle exist only if, when and as long as the provided advantages are insignificant, or such that they cannot influence a business decision.

Detailed provisions on the directives and prohibitions that apply to the Company in connection with the acceptance and granting of benefits can be found in the Policy on the Granting and Acceptance of Benefits.

5.2 DONATIONS AND SPONSORING

Within the scope of the applicable laws and the corporate purpose, the Company supports education, science, art, and culture as well as social affairs, sports and the environment by making donations. Donations include cash payments, non-cash 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 the Company, regardless of whether such donations are lawful or not.

Donations made by the Company for charitable purposes are part of the Company's social responsibility. The donations shall always conform to the applicable laws.

In areas that focus on the Company's business interests or on the Company's acceptance of social responsibility, the Company also engages in sponsoring. The Company 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/event organizer provides reasonable and verifiable communication and marketing services.

For sponsorship, the same rules as for donations shall be applied, taking care that the counter service always shall be commensurate to the paid (contracted) amount.

Decisions on the granting of donations or the conclusion of sponsoring agreements, including the subsequent activities, must be verifiably and transparently documented at each 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 the Company'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. In addition, the provisions of subsection 5.1 on granting of benefits apply.

5.3 BENEFITS EXTENDED IN THE POLITICAL SPHERE

The Company does not donate or sponsor any political parties. This also applies to the working groups, youth organizations, and associations of political parties, but not to independent institutions not affiliated with any party and which use donations for their own purposes, such as independent political foundations.

Cash payments and donations in kind to members of Parliament and official office-holders are inadmissible, unless the relevant donations in kind are explicitly permitted by the code of conduct applicable to the respective person.

5.4 CONSULTANTS

Corruption may also occur where companies use third parties as consultants or intermediaries (such as joint venture partners, network partners, brokers or other agents) who unfairly influence public or private business activities.

Therefore, the anti-corruption rules stated in this Policy shall also be applied to business transactions performed for the Company by third parties such as consultants or intermediaries. In order to ensure that the Company use only reputable and qualified consultants and intermediaries, Company's responsible units shall apply due diligence, in accordance with currently valid legal provisions, in selecting consultants and intermediaries. Following procedures may be deemed suitable to ensure due diligence: transparent selection process, research as part of prequalification process for selection, maintenance and renewal of qualification indicator lists, clear, precise and truthful contractual specification of the services to be provided by consultants or intermediaries, permanent reviews and assessments of the consultants and intermediaries, clear evidence and documents on the performance of the consultants and intermediaries.

In using consultants and intermediaries, it is important to generally ensure that the consultants and intermediaries subject their business activities to the same principles of conduct as the Company itself (for example, in agreeing on an integrity and non-disclosure clause).

5.5 ANTI-COMPETITIVE AGREEMENTS

Employees of the Company shall not enter into anti-competitive agreements or misuse its dominant position on the market.

When employees award contracts, they must regularly check whether impermissible influencing facts have played a role in the decision. Reasonable action must be taken against violations of bidders or applicants.

Exclusion from competition must occur 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.

5.6 BAN ON INSIDER TRADING

In order to safeguard investor confidence in the functioning of the capital market, the exchange of insider-information is heavily regulated. Everyone with knowledge of insider-information is therefore subject to special restrictions that prohibit them from trading and making related recommendations or suggestions to trade. Additional restrictions prohibit them from unauthorized dissemination of information.

6 RESPONSIBILITIES AND ORGANIZATIONAL DUTIES

6.1 RESPONSIBILITIES

The Management Board of the Company is responsible for all measures concerning the prevention and identification of corruption and other conflicts of interests in all business areas as defined in this Policy. These measures are primarily executed via organizational unit responsible for compliance as key reference point for all issues related for conflicts of interest and corruption, but also via other units with expertise in these matters (legal, finance, security, audit, etc.).

All organizational units of the Company 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. Competent (responsible for compliance, legal affairs and other) organizational units must be consulted in the case of uncertainties and doubt as to the applicability, validity and effectiveness of legal requirements.

Organizational units of the Company must in particular observe and meet the general and special requirements with the due care of a diligent and conscientious businessman/executive.

6.2 ORGANIZATIONAL DUTIES

In its responsibility to facilitate compliance function in the Company, the Management Board of the Company assigned a set of tasks to organizational unit responsible for compliance. In regard to corruption and conflicts of interests, this particularly means:

- Accountability for Compliance process;
- Establishment and implementation the Compliance Program that shall comprise of set of rules that are to be strictly adhered to in order to achieve the ultimate goal of maintaining “clean business”;
- Initiation of proactive awareness campaigns to prevent illegal, unethical or improper conduct;
- Coordination and insurance that employees undergo appropriate anti-corruption trainings;
- Management of advisory (Ask Me!) and tip-off channels (Tell Me!);
- Analyzing and evaluating fraudulent scenarios and fraud reports and deciding on fraud cases;
- Providing final interpretations of internal regulations in case of conflict of opinions of the respective organizational units within the Company;
- Identification of areas of potential high compliance vulnerability and risk, development and implementation of corrective actions.

7 MEASURES FOR AVOIDING CORRUPTION AND OTHER CONFLICTS OF INTEREST

7.1 BASIC PRINCIPLE

The following rules on avoiding corruption and other conflicts of interest imply common methods of risk avoidance. Special measures with effect to the employees have to comply with the legal and internal rules, in particular with privacy law and employee participation.

7.2 RISK ANALYSIS

An important basis of an effective and efficient defense against corruption and other conflicts of interests is a systematical collection and analysis of the existing risks and investigated or on otherwise detected offences.

In order to identify organizational, HR, and situational risk potential, different units, coordinated by organizational unit responsible for compliance, will carry out a risk assessment (i.e., an investigation into the risks existing in an area) at regular intervals. The aim is to check which controls exist for the detection and prevention of corruption and other conflicts of interest or which measures are suitable and recommended for the reduction or removal of identified risks in the organization.

7.3 PREVENTION

7.3.1 Information

At the time they are hired or at the time they change jobs within the Company, employees are to be made aware of the risks of corruption 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.

If involved in activities in organizational units with an increased risk of corruption 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.

The internal units responsible for education and training, as well as staff development, will include relevant anti-corruption topics in their programs.

7.3.2 Selection and Deployment of Staff

The reliability and personal integrity of employees is an important factor in the reduction of risks due to corruption and other conflicts of interest in all areas of the the Company. The processes for filling positions should therefore be designed to enable a reliable assessment of the skills and personal suitability of the job applicant. Supervisors are responsible for checking the continuity of the skills and personal suitability of their employees at regular intervals or with good reason. The effective rules of employee participation remain unaffected.

In areas in which, according to the outcome 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 from a functional and personal perspective. In these areas, in compliance with the effective legal rules and rules of employee participation and considering the personal interest of the employees, a periodic job change for employees should also be considered as a possible tool for reducing the risks of corruption or other conflicts of interest. A job change is tantamount to a change of task layout which ensures that the responsibility of the employee in their new task area spans another group of people. The co-determination rights of the work councils (e. g. at dismissals with the option of altered conditions of employment) are to be observed.

7.3.3 Organizational Control Mechanisms

All business processes and business decisions must be transparent and documented in every phase. The documentation accompanying the transaction must give a full and precise account of the individual steps in transaction processing. Notwithstanding legal duties of retention, documentation of significant transactions must be archived in a suitable form.

Organizational measures, in particular regulations on responsibility, should be taken so as to minimize risks. Above all, this includes regulations according to which several people have to contribute to the decisions (double-checking principle). This may occur by dividing up decision-making authorities or by extending control options.

The control measures may include:

- establishing areas of risk by risk assessment
- monitoring business transactions by sampling
- unannounced, comprehensive business audits
- inspection of documents and business transactions, etc.

Where it is necessary or appropriate, workers and managing persons will be notified of the performance of internal control, prior to the implementation of any measure.

7.4 ASCERTAINMENT OF THE FACTS/RULES OF PROCEDURE

If there is concrete reason to suspect acts of corruption or other conflicts of interest as defined in this Policy, the circumstances shall be checked regardless of the suspect's reputation and his position within the Company. These checks shall determine both incriminating and exonerating circumstances.

If there is founded suspicion or concrete evidence of corruption or other conflicts of interest, it must be immediately reported as it is described in chapter 8.2.

7.5 INFORMATION ON IDENTIFIED VIOLATIONS

The management bodies shall notify, at regular intervals, the responsible supervisory bodies of any identified cases of corruption and other conflicts of interest as defined in this Policy, as well as the HR, legal and organizational follow-up measures taken in this regard.

Any public announcements of identified cases will be made only through organizational unit responsible for corporate communications after assessment and agreement of the organizational unit responsible for legal affairs.

Notifying the corporate bodies, the employees and the possible persons 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 the persons concerned.

7.6 QUALITY MANAGEMENT

Organizational unit responsible for compliance is in charge of review and update of this policy and related guidelines and processes in line with quality assessment done either internally or externally (i.e. through regular CMS certification process).

8 CASES OF DOUBT, CONSULTATION AND REPORTING

8.1 "ASK ME!" CONSULTATION DESK

In cases of doubt, workers and managing persons can personally consult organizational unit responsible for c. For legal issues relating to other regulations and laws, organizational unit responsible for compliance shall obtain the opinion of the organizational unit responsible for legal affairs or any other organizational unit bearing expertise in the matter.

The “Ask Me!” Consultation Desk is available at the following intranet page:

[Pitaj me! \(ht.hr\)](#)

or at the following e-mail address: compliance@t.ht.hr

8.2 “TELL ME!” TIP-OFF PORTAL

Workers and managing persons or third person who identify or suspect violations of laws or internal rules of the Company should first consult their immediate superiors. At the same time, they may report any incidents to the Company, using the “Tell me!” Tip-off Portal provided for this purpose. Each report and all information associated with it will be treated as confidential and, if specifically requested, may be anonymous.

You may contact the Tip-off Portal on the intranet via

[Reci mi! \(ht.hr\)](#)

Nobody shall bear any negative consequences after having reported a suspicion of misconduct, unless the report was improperly made in order to damage the reputation of others.

9 ENTRY INTO FORCE AND PRACTICAL GUIDELINES

This Policy shall be published in the Company’s Official Gazette and shall enter into force eight days upon their publication.

POLICY ON ACCEPTING AND GRANTING OF BENEFITS

Version	Last revised	Edited by	Changes/comments
1.1	March 2023	Compliance	Editorial changes, e.g., department names updated Harmonized with the Law on the introduction of the euro as the official currency in the Republic of Croatia Updated links available on Intranet pages
1.0	December 2012	Compliance	HT MB adoption

1 PREAMBLE

The competitiveness of the Croatian Telecom Inc. (hereinafter: the Company) is largely dependent on the business integrity of the company and its workers and managing persons. Acting with integrity and in accordance with the law is the foundation for ensuring the trust of our customers and business partners, and for safeguarding the Company's reputation.

The Company will not accept corruption and other forms of undue influence, either within the company itself or among its business partners.

Only if all workers and managing persons observe the strict letter of the law and act in accordance with high ethical standards will the Company be able to permanently expand its competitive position.

This Policy regulates the acceptance and granting of benefits in relation to business partners (not in relation to employer/employees).

This policy is based on Deutsche Telekom Group Policy on Accepting and Granting of Benefits and is aligned with laws of Republic of Croatia and existing internal regulations of the Company.

2 SCOPE OF VALIDITY

This Policy shall apply to all workers and managing persons of the Company and all workers and managing persons in companies where the Company holds a majority share or majority voting rights, if the Management Boards of such companies adopt the Policy by their decisions. The principles of this Policy also apply to persons who are employed under special contracts as external associates (consultants, students, workers employed through agencies, etc.), in a way that these principles are embedded in their or their companies' contracts with the Company.

3 COMPLIANCE TO BEHAVIOURAL STANDARDS

This policy intends to safeguard the Company and its stakeholders from legal risks. The Company therefore expects all workers and managing persons to act in accordance with this Policy.

4 TAX OBLIGATIONS

The Company is obliged to cover tax obligations in regard to benefits forwarded to external persons and in this matter, all internal regulations on the topic have to be carefully observed.

As stated in the Preamble, this Policy does not address awards and benefits granted to own employees.

5 TERMS AND DEFINITIONS

Workers and managing persons

As in the Labor Regulations and other documents of the Company, persons working for the Company are throughout this document addressed as "workers and managing persons".

Employee

Further in this text, the term “employees” shall refer to all persons engaged by the Company, as a synonym to the term “workers and managing persons” used in other the Company’s documents.

Upper Management

“Upper Management” shall refer to all members of a management body (Board of Management members and Managing Directors) of a particular company and the management in the first level below. When used to address the Company, this term will refer to MB members and operative directors (based on current organization/systematization). For other companies and institutions, it will refer to the respective management board members and to their direct reports.

Benefit

A benefit refers to any consideration to which the recipient has no entitlement and which objectively improves his or her financial, legal or personal situation.

The term “benefit” is a broad one, including, for example, catering, the financing of travel expenses, holiday invitations, advertising gifts, material gifts, monetary gifts, discounts, rewards, the granting of special privileges (e.g. for private transactions), the granting of disproportionately high remuneration (e.g. for private, secondary employment activities such as performing lectures or audits), etc.

Official duties

Official duties shall include all actions by an employee that can be ascribed to the employer. It does not include actions originating in the private sphere and which have no material relationship with the performance of the employee’s duties within the scope of his contractual obligations.

Social acceptability

Benefits shall be considered socially acceptable if customarily given as a matter of politeness, and provided that, if judged objectively on the basis of general life experience, they are not intended to persuade the recipient to give preferential treatment to the donor, or if the particular service in return is not expected.

Business appropriateness

Every employee is obliged to handle the company’s assets with care. As such, generally speaking, the granting of a benefit from the company’s assets (donations are exception to this rule) must be compensated for by an appropriate service in return, which, for example, may lie in establishing or cultivating a contact with a business partner, or in an advertising effect (for example, in the case of sponsoring). The boundaries of responsible entrepreneurial action,

designed solely for the benefit of the company and based on careful identification of the circumstances relevant for the decision.

Business partners

For the purposes of this Policy, “business partners” shall refer to all individuals and companies with whom the Company maintains a business relationship, conducts negotiations about commencing a business relationship, or enters into or wishes to enter into negotiations about commencing a business relationship. This also includes actual or potential business relationships between companies associated with the Company through ownership.

Members of the public sector

The following groups of individuals are classified as members of the public sector:

- Public office holders, as defined by the Law on Prevention of Conflict of Interest and state employees, as defined by the Law on State Officers
- Employees of state institutions and associated agencies, and employees of municipal institutions and companies owned by municipalities and their institutions
- Members of the European Parliament, national parliament (Sabor) and representative institutions on local level, as well as members of the legislative bodies of a foreign state, or members of a parliamentary assembly of an international organization
- Employees in companies owned by state or municipalities and employees in state-funded organizations
- Officeholders as defined in the legislation of the United States of America (Foreign Corrupt Practices Act - FCPA) to the extent of its applicability on a particular business relationship.

Work-related event

Work-related events are characterized by the presentations, mediations and/or discussions of professional/technical topics and provisioning of information, but without offering participants an individual benefit that may be subject to taxation. Character of particular event is determined by the relationship between the main emphasis of the event and the participant’s official duties. If individual benefits are overwhelming during the particular event, it cannot be classified as “work-related”. A work-related event may include socially acceptable catering. Examples of work-related events include product presentations, training events, lectures, etc.

Other events

Events mainly containing an individual benefit component are classified as “other events.” In particular, these shall include infotainment events and leisure-based events, as well as incentives and sponsoring events as defined by the Event Policy.

Examples include events focused on entertainment, culture, leisure, or sports.

If an event includes elements of both work-related and other events, the provisions on other events shall apply, unless the work-related portion clearly outweighs the rest.

Value limits

Value limits refer to gross prices (i.e. including taxes). If the gross price of a benefit is not known or can only be ascertained with a disproportionately high amount of effort, its value is to be carefully and conscientiously estimated using the available information and starting points, and the factors used for this purpose to be documented. In case of doubt, authorization must be obtained from organizational unit responsible for compliance (compliance@t.ht.hr).

Close material and temporal correlations with a specific business decision

The risk of criminal liability in conjunction with the acceptance/granting of a benefit is primarily determined by its material correlation with a specific business decision. Such a material correlation is considered to exist if the business decision has or will acquire the character of a direct or indirect service in return for the benefit. The objective suitability for influencing such a decision depends primarily on the material and immaterial value of a benefit; the position, role and decision-making competence of the recipient; and the external circumstances under which a benefit is granted.

In particular, a close temporal correlation between the acceptance/granting of a benefit and a specific business decision is considered to be indicative of a material correlation. As a rough guide, a period of three months before until three months after a business decision is made is considered to constitute a close temporal correlation. The only situations where temporal correlations with a business decision do not apply are when any material correlation between a business decision and the acceptance/granting of a benefit can reliably be excluded, after careful and objective consideration of the situation.

Examples where close material and temporal correlations with a specific business decision can generally be assumed include the following: at the stage of ongoing contractual negotiations; during a tendering process; or when attempting to establish a business relationship, win a customer back, or settle contractual disputes in a business relationship.

In case of doubt and in the event of deviations, authorization is required from organizational unit responsible for compliance (compliance@t.ht.hr).

Superior (person)

“Superior” here refers to the disciplinary superior with managerial authorizations.

Companion

In the further text, term “companion” shall refer to spouses, life partners, relatives and friends.

Written form

For the purposes of this Policy, the written form shall refer to a personally signed document, a fax (with signature), or an e-mail with either a complete digital signature or which is clearly identifiable in some other way.

6 ACCEPTANCE OF BENEFITS

6.1 GENERAL PROVISIONS AND PROHIBITIONS

(1) Irrespective of the nature and value of the benefit:

- Employees must never explicitly demand any benefits from a business partner in conjunction with their official duties, or give the business partner to understand that they expect a benefit to be granted
- Benefits (invitations, gifts, etc.) must not be accepted if sent by a business partner to an employee's private address. Such benefits must be returned without delay (please refer to the documentation and reporting obligations in art. 6.10)
- Benefits must not be accepted if the employee knows or anticipates that, by offering or promising a benefit, the business partner expects or is hoping for preferential treatment from the employee in a business decision or official action
- Benefits must not be accepted if, from the viewpoint of an impartial third party, the nature, value and timing of the benefit being offered or promised could give rise to the suspicion of unduly influencing a business decision or official action.

(2) If there are no grounds to exclude the acceptance of benefits pursuant to paragraph 1, benefits may be accepted by employees of the Company in accordance with the provisions outlined in art. 6.2 to 6.10.

6.2 HOSPITALITY INVITATIONS

(1) It is permissible to accept invitations extended by a business partner to socially acceptable (see definition in art. 5) hospitality offered by a business partner in conjunction with a business activity or event outside of the hospitality invitation and which the employee is attending in the company's interest by virtue of his/her position, and which is considered customary and appropriate to the occasion (business lunch or dinner). Examples include hospitality that is considered customary and polite in conjunction with the presentation of products or services; official/business meetings/negotiations; as well as receptions or social events that are attended in the company's interest, such as factory tours, etc.

(2) It is permissible to accept other hospitality invitations (e.g. invitations where the main emphasis of the invitation is on the hospitality itself), provided the invitation

- Does not exceed a value of 66,36 EUR per person in each individual case, and
- There are no close material and temporal correlations with a specific business decision, and
- Participation has been approved by the superior.

(3) For members of the upper management, the maximum amount of the invitation pursuant to art. 6.2, paragraph 2 should not exceed 132,72 EUR per person in each individual case.

6.3 INVITATIONS TO WORK-RELATED EVENTS

It is permissible to accept invitations from business partners to work-related events (see definition in art. 5), including socially acceptable hospitality, provided:

- Participation is in the company's interest and
- The employer bears any travel and accommodation expenses incurred in relation to the business trip (see art. 6.5) and
- Participation has been approved by the superior.

6.4 INVITATIONS TO OTHER EVENTS

(1) It is permissible to accept invitations from business partners to other events with an individual benefit component (such as cultural, sporting, leisure and entertainment-related events or other events with an individual benefit component), including hospitality during the event, provided:

- Participation is in the company's interest and
- The employer bears any travel and accommodation expenses incurred in relation to the business trip (art. 6.5) and
- There are no close material and temporal correlations with a specific business decision, and
- The value of the invitation does not exceed 132,72 EUR per calendar year and per business partner, and
- Acceptance of the invitation has been approved by the superior.

(2) From an external perspective, the acceptance of partner invitations could be construed as an indication that private interests were taken into account when extending the invitation. As such, it is generally inadmissible to accept partner invitations. In exceptional circumstances, different provisions may apply if:

- The invitation, including the partner invitation, does not exceed a value of 132,72 EUR or
- Attendance at the event without the accompaniment of a partner would be considered socially inappropriate (e.g. in the case of dances), the invitation including the partner invitation does not exceed a value of 199,08 EUR , and the acceptance of the partner invitation has been approved by the superior.

(3) For members of the upper management, the total value of an invitation should not exceed 265,44 EUR (with partner: 398,17 EUR) in each individual case.

6.5 FINANCING OF TRAVEL AND ACCOMMODATION EXPENSES

The financing of travel and hotel expenses is only permissible in relation to the business trip and in the case of an existing legal ground (e.g. stipulated by existing contracts) or an official lecture and discussion events at which the employee himself/herself is an active contributor in the company's interest. Any exceptions to this rule shall require individual authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

6.6 MATERIAL GIFTS

(1) It is admissible to accept low-value tokens, advertising gifts and contact gifts with a total maximum value of 26,54 EUR per calendar year, per business partner.

(2) Above and beyond this, the acceptance of material gifts is only permissible if:

- The value of the gift(s) does not exceed a total value of 66,36 EUR per calendar year, per business partner and
- There are no close material and temporal correlations with a specific business decision, and
- Acceptance has been approved by the superior.

(3) Subject to the aforementioned conditions, members of the upper management may accept gifts up to a value of 199,08 EUR per calendar year, per business partner. Farther-reaching exceptions to this rule shall require individual authorization by organizational unit responsible for compliance (compliance@t.ht.hr). In such cases, the recipient may be advised to forward the gift to the organizational unit responsible HR.

6.7 MONETARY GIFTS

The acceptance of cash, securities, shopping vouchers, etc. is inadmissible. The sole exception to this rule is for a gratuity, provided:

- The gratuity was offered of the granter's own free will, i.e. was neither directly nor indirectly requested, demanded or suggested by the employee and
- The granting of a gratuity is a customary business practice (e.g. in the case of employees with personal contact to private clients) and
- An amount of 13,27 EUR per individual case is not exceeded.

6.8 APPROVAL BY THE SUPERIOR

(1) Whenever approval by a superior is required, it shall be given in writing and shall outline the grounds (particularly with regard to nature, occasion, calibre and value) for the admissibility of accepting the respective benefit.

(2) Members of the Management Board may substitute the approval of their superior with their own judgment and shall document the findings of their own judgment based on the criteria listed in below in art. 6.10.

6.9 REFUSAL/RETURN

If the admissibility requirements for acceptance of a benefit have not been met, the benefit shall be refused or returned.

6.10 DOCUMENTATION

(1) For reasons of transparency, the acceptance of all benefits requiring the superior's approval shall be documented without delay. Documentation shall contain the following information:

- Type of benefit
- Occasion and reason for acceptance
- Date of acceptance
- Value of the benefit (estimate, if necessary, citing the facts on which this estimate was based)
- Name of the provider of the benefit
- Role of the provider of the benefit

- Use of the benefit
- Name of superior and date of approval by superior.

Members of the Management Board shall document the findings of their own judgment pursuant to art. 6.8, paragraph 2, based on the criteria cited above.

6.11 OBLIGATION TO REPORT ATTEMPTS TO EXERT UNDUE INFLUENCE

Employees shall notify their superiors immediately and without delay of any attempts by business partners to exert undue influence on business decisions by offering, promising or granting benefits. The incident shall be documented (required information: description and value of the benefit, occasion and details of the circumstances, business background, information on the person offering the benefit and the employee) and the superior notified in writing. The superior shall report the incident to organizational unit responsible for compliance or via the “Tell me!” portal.

7 GRANTING OF BENEFITS

7.1 GENERAL PROVISIONS AND PROHIBITIONS

- (1) The only way for the Company to establish and maintain lasting, valuable business relationships is to convince business partners of the quality of its products and services over its competitors.
- (2) Irrespective of the nature and value of the benefit:
 - Business partners must not be offered, promised or granted any benefits in conjunction with their role if they have previously explicitly requested benefits or given to understand that they expect benefits to be granted
 - Benefits (invitations, gifts, etc.) shall be sent to the recipient’s business address
 - Benefits must not be offered, promised or granted to business partners with the aim, expectation or hope of influencing them in a business decision or an official action in favour of the Company
 - Benefits must not be promised, offered or granted to business partners in contravention or circumvention of the business partner’s upfront communicated or published in-house regulations/policies; in case of doubt, the individual concerned should make suitable enquiries before extending an invitation; this applies in particular to the granting of benefits to public sector employees

- Benefits must not be offered, promised or granted to business partners if the nature, value and timing of the benefits being offered, promised or granted could be construed by an impartial third party as unduly influencing a business decision or official action.

(3) The granting of a benefit must be within the boundaries of business appropriateness, i.e. it must not be inappropriate in relation to circumstances.

(4) Where there are no grounds for exclusion in accordance with paragraphs 2 and 3, it is permissible to grant benefits to business partners in accordance with the provisions of articles 7.2 to 7.3. The requirements of the Event Policy shall additionally be observed.

7.2 GRANTING OF BENEFITS TO MEMBERS OF THE PUBLIC SECTOR

7.2.1 Hospitality Invitations to Members of the Public Sector

(1) It is permissible to invite members of the public sector to hospitality events, provided they are customary and commensurate with the occasion, and provided the value of the hospitality does not exceed an amount of 66,36¹ EUR per person in each individual case

(2) Higher-value hospitality invitations must be authorized by organizational unit responsible for compliance (compliance@t.ht.hr).

7.2.2 Inviting Members of the Public Sector to Work-related Events

It is permissible to invite members of the public sector to work-related events (as defined in section 5), including socially acceptable hospitality. For hospitality associated with a work-related event, a value limit of 66,36² EUR per person shall generally apply (including all other individual benefits granted). If this value is exceeded, authorization from organizational unit responsible for compliance (compliance@t.ht.hr) shall be required.

7.2.3 Inviting Members of the Public Sector to Other Events

(1) It is generally inadmissible to invite members of the public sector to other events with an individual benefit component (e.g. cultural, sporting, leisure and entertainment-type events). Invitations to sports and cultural events and to official representative events are permissible, provided:

¹ Valid if rules related to recipient are not stricter.

² Valid if rules related to recipient are not stricter.

- The member of the public sector is invited for reasons of representation rather than to maintain business contacts and
- The approval of the competent authority or the invitee's superior has been obtained.

Any exceptions to this rule shall require authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

(2) It is inadmissible to extend invitations to the partners of members of the public sector. Any exceptions to this rule shall require authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

7.2.4 Financing Travel and Accommodation Expenses for Members of the Public Sector

Appropriate travel and hotel expenses for members of the public sector may only be borne in the case of lecture and discussion events at which the member of the public sector, at the instigation of the Company, is an active contributor and the approval of the competent authority or the invitee's superior has been obtained. Any exceptions to this rule shall require authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

7.2.5 Material and Monetary Gifts to Members of the Public Sector

(1) Material gifts must not be granted to members of the public sector, with the exception of low-value tokens, advertising gifts and contact gifts that can be used at work with a maximum total value of 13,27³ EUR per person, and provided there is an official justification for granting such a gift (e.g. product presentation, trade fair stand, or for the customary cultivation of contacts, etc.).

(2) Monetary gifts to members of the public sector are inadmissible.

7.2.6 Particular Features Applicable to Benefits Extended in the Political Sphere

(1) Cash payments and donations in kind by the Company to political parties are inadmissible. This shall also apply to the working groups, youth organizations and associations, etc. of political parties, but not to independent institutions not affiliated to any party and which use donations for their own purposes, such as independent political foundations.

³ Valid if rules related to recipient are not stricter.

(2) Cash payments and donations in kind to members of Parliament and official officeholders are inadmissible, unless the relevant donations in kind are explicitly permitted by the code of conduct applicable to the respective person.

7.3 GRANTING OF BENEFITS TO BUSINESS PARTNERS IN THE PRIVATE SECTOR

7.3.1 Hospitality Invitations to (Private Sector) Business Partners

(1) It is permissible to offer hospitality to business partners from the private sector, provided it is considered customary and appropriate to the occasion, and provided the value of the hospitality does not exceed an amount of 66,36 EUR per person in each individual case

(2) If a hospitality invitation is extended to a member of upper management, the maximum value of the invitation should not exceed 132,72 EUR per person in each individual case.

7.3.2 Inviting (Private Sector) Business Partners to Work-related Events

(1) It is permissible to invite business partners from the private sector to work-related events without an individual benefit component, including socially acceptable hospitality associated with the event. For hospitality associated with a work-related event, a value limit of 66,36 EUR per person shall apply in each individual case.

(2) With the written approval of the cost center owner's superior, the maximum value of hospitality may also be increased to 132,72 EUR per person in individual cases. For invitations to upper management, the latter value should not be exceeded.

7.3.3 Inviting (Private Sector) Business Partners to Other Events

(1) It is admissible to invite business partners from the private sector to other events with an individual benefit component, including socially acceptable hospitality associated with the event, provided the total value of the invitation does not exceed a maximum of 132,72 EUR per person. Such events and the invitations thereto must not have any close material and temporal correlations to a specific business decision. The cited value limit may only be exceeded following authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

(2) The existing policies governing such relationships (e.g. Event Policy) must also be observed.

(3) From an external perspective, invitations to partners could be construed as an indication that private interests were considered when extending the invitation. For this reason, it is generally inadmissible to extend invitations to partners. In exceptional cases, alternative provisions may apply to business partners from the private sector, provided:

- A maximum value of 132,72 EUR including the partner invitation is not exceeded, or
- Attendance at the event without the accompaniment of a partner would be socially inappropriate (e.g. in the case of dances), and a maximum value of 199,08 EUR, including the partner invitation, is not exceeded.

7.3.4 Financing Travel and Accommodation Expenses for (Private Sector) Business Partners

In general, business partners from the private sector should bear their own travel and accommodation expenses so that the business partner does not feel indebted to the person extending the invitation. Appropriate travel and accommodation expenses for business partners from the private sector may be borne in the following exceptional cases:

- In the case of lecture and discussion events at which the business partner, at the instigation of the Company, is an active contributor, or
- If the company has a particular interest in bearing the travel and accommodation expenses, provided there are no close material and temporal correlations with a specific business decision by the business partner.

Any exceptions to this rule shall require individual authorization by organizational unit responsible for compliance (compliance@t.ht.hr).

7.3.5 Material and Monetary Gifts to (Private Sector) Business Partners

(1) Material gifts up to a value of 66,36 EUR per calendar year may be given to business partners from the private sector, provided there is an official justification for doing so (e.g. at product presentations, trade fair stands or for the customary cultivation of contacts, etc.).

(2) With the written consent of the cost center manager's superior, higher value gifts up to a value of 199,08 EUR in each individual case may be given to members of upper management, provided there are no close temporal and material correlations with a specific business decision. This value limit may only be exceeded following authorization by the appropriate organizational unit responsible for compliance (compliance@t.ht.hr).

(3) Material gifts to the partners of business partners are inadmissible.

(4) Giving cash, securities, shopping vouchers, etc. to business partners from the private sector is prohibited.

7.3.6 Gratuities

Suitable gratuities (up to a maximum of 5-10 % of the invoice amount) are permissible, provided this is considered customary and polite (for example, when dining in restaurants, taxi journeys, etc.). Gratuities are not to be included in the overall total and must instead be disclosed separately and openly on the bill.

8 CASES OF DOUBT AND APPROVAL OF EXCEPTIONS

In case of questions relating to the interpretation of this Policy and for the authorization of deviations from the Policy text (e.g. in the case of special occasion and event formats, etc.), the following advice is available:

Interpretation of the Policy and approval of exceptions: organizational unit responsible for compliance (compliance@t.ht.hr)

9 REVIEW OF THIS POLICY

After two years at the latest, the provisions of the Policy will be reviewed with regard to the need for modification and adjustment by organizational unit responsible for compliance.

APPENDIX 1

OVERVIEWS: ACCEPTANCE OF BENEFITS FROM BUSINESS PARTNERS

1 PRINCIPLES

Under no circumstances should a benefit be accepted if it is offered, promised or granted with the intention of bribery (art. 6.1).

The text of this Policy shall prevail.

2 HOSPITALITY INVITATIONS

	Value limit (including sales tax)	Approval of superior required?
Business meals (6.2, paragraph 1)	Social acceptability	No
Other hospitality (6.2, paragraph 2)	66,36 EUR ⁴ per individual case	Yes ⁵

⁴ Guideline value for members of upper management: 132,72 EUR.

⁵ Not applicable to members of the upper management.

3 INVITATIONS TO EVENTS

	Value limit (including sales tax)	Participation in the company's interest and travel and accommodation costs borne by employer	Approval of superior required?	Acceptance possible in the case of close material and temporal correlations to a specific business decision?
Work-related events (6.3)	None	Required	Yes ⁶	Yes, if material correlations can be ruled out in the event that a temporal correlation exists.
Other events (6.4)	132,72 EUR per individual, per calendar year ⁷	Required	Yes ⁸	No

4 4 MATERIAL GIFTS

	Value limit (including sales tax)	Approval of superior required?
Advertising gifts, contact gifts, etc. (6.6, paragraph 1)	26,54 EUR per individual, per calendar year ⁹	No
Other material gifts (6.6, paragraph 2)	66,36 EUR per individual, per calendar year ¹⁰	Yes ¹¹

⁶ Not applicable to members of the upper management.

⁷ Guideline value for members of the upper management: 265,44 EUR per calendar year.

⁸ Not applicable to members of the upper management.

⁹ For members of the upper management: 199,08 EUR.

¹⁰ For members of the upper management: 199,08 EUR.

¹¹ Not applicable to members of the upper management.

APPENDIX 2

OVERVIEWS: GRANTING BENEFITS TO BUSINESS PARTNERS

1 PRINCIPLES

- 1 Under no circumstances should a benefit be offered, promised or granted with the intention of bribery (art. 7.1, paragraph 2).
- 2 The granting of a benefit must not violate the business partner's in-house compliance regulations (art. 7.3, paragraph 2).
- 3 Every benefit granted must be appropriate in a business context (art. 7.1, paragraph 3). The text of this Policy shall prevail. The provisions of the Event Policy shall additionally apply.

2 HOSPITALITY INVITATIONS

	Value limit (including sales tax)
Customers from the private sector (7.3.1, paragraph 1)	66,36 EUR
Upper management of private sector customers (7.3.1, paragraph 2)	132,72 EUR
Public sector (7.2.1, paragraph 1)	66,36 EUR

3 INVITATIONS TO EVENTS

	Value limit (including sales tax)	Invitation possible in the case of close material and temporal correlations to a specific business decision?	Invitations to members of the public sector
Work-related events	None For hospitality: 66,36 EUR (up to 132,72 EUR with internal approval). (7.3.2)	Yes, if material correlations can be ruled out in the event that a temporal correlation exists.	Yes, Value limit for hospitality (including other benefits) generally 66,36 EUR (7.2.2)
Other events	132,72 EUR (7.3.3)	No	No (7.2.3)
Partner invitations	Not possible. (Exceptions pursuant to 7.2.3, paragraph 2 and 7.3.3, paragraph 3)		

4 MATERIAL GIFTS

	Value limit
Customers from the private sector (7.3.5, paragraph 1)	66,36 EUR
Upper management of private sector customers (7.3.5, paragraph 2)	199,08 EUR (Only with internal approval)
Public sector (7.2.5, paragraph 1)	13,27 EUR (Only if it can be used at work)

EVENT POLICY

Version	Last revised	Edited by	Changes/comments
1.1	March 2023	Compliance	Editorial changes, e.g., department names updated Harmonized with the Law on the introduction of the euro as the official currency in the Republic of Croatia Updated links available on Intranet pages
1.0	December 2012	Compliance	HT MB adoption

1 PURPOSE AND SCOPE

This policy aspires to set clear criteria for the planning, implementation and follow up work for events. It is intended to be a strategic umbrella for event management and should serve as the guideline for event-related issues.

This Policy shall apply to all workers and managing persons of Croatian Telecom Inc. (hereinafter: the Company) and all workers and managing persons in companies where the Company holds a majority share or majority voting rights, if the Management Boards of such companies adopt the Policy by their decisions. The principles of this Policy also apply to persons

who are employed under special contracts as external associates (consultants, students, workers employed through agencies, etc.), in a way that these principles are embedded in their or their companies' contracts with the Company. Work-related meetings regulated by law do not fall within the scope of this policy (e.g. General Assembly, Work Council).

This Policy applies regardless of whether the person in question the Event Initiator or the Event Project Manager is, and regardless of the status of that employee. It harmonizes with the values of the five Guiding Principles and with the Code of Conduct.

In addition, during all activities related to specific event, other applicable policies must be observed e.g. Policy on Accepting and Granting of Benefits, Policy on Avoiding Corruption and Other Conflicts of Interest.

2 COMPLYING TO BEHAVIORAL STANDARDS

These guidelines aim to assist in successfully implementing events in the interests of the Company. Deliberate breach of this policy may trigger labor related measures within the scope of applicable laws and regulations.

3 DEFINITION OF TERMS

3.1 DEFINING AND CATEGORIZING EVENTS

In principle, an event is an organized one-off occasion with a limited time frame in which a group of people take part. The purpose of an event must be elaborated within the goals that are set out in Event Presentation (4 Event objectives).

Individual event formats can be summarized in the following event categories:

Event	Definition
Work-related	The emphasis of events in this category is primarily on imparting knowledge and information. Depending on the format, they can involve a varying degree of interaction between speakers and participants; for example, lectures with a passive audience.
Infotainment	Events in the infotainment category have both a work-related (see above) as well as an entertainment element (incentive share). These are used to achieve more activated and receptive behavior when conveying information. An example is “Kick off” event in which individual presentation of an overall concept are combined with entertaining elements. In addition to conveying information, these events serve the additional purpose of providing networking opportunities in the form of a “Get Together”.
Leisure-based	This category includes events that have the primary goal of entertaining the participants and generating a strong emotional response; for example, incentive trips.

An incentive is a motivational instrument that is awarded for a specific act or when a specific goal is achieved. The incentive can be in the form of money or property, but it can also be an intangible advantage or individual benefit. For example, taking part in an event at which the participants are offered an entertaining program would offer an individual benefit that can be measured in monetary terms.

3.2 DEFINITION OF EVENTS WITHIN THE SCOPE OF THE EVENT POLICY

The Event Policy differentiates between company events at which the Company or one of its companies acts as the organizer, and events at which a Company is a co-organizer or sponsor.

3.2.1 Company Events

Events which fulfill at least one of the following criteria will always be classified as an event within the scope of the Event Policy:

- The event has more than 30 participants.
- The total value of the event without hotel and transfer costs equals or exceeds a net value of 5.308,91 EUR.
- Organizational and preparation work go beyond a standard “Jour Fixe”, regular meeting or department activity (teambuilding, workshop or training measure in one’s own department).

Events from the “infotainment” or “leisure-based” categories always fall within the scope of the Event Policy.

Note: All subsequent references to the term “events” hereinafter refer to all events/occurrences that fall within the scope of the Event Policy as described above.

3.2.2 Sponsorship

Sponsorship refers to the planning, organizing, implementing and controlling all activities that are associated with contributing money or value in kind, or services in sporting, cultural and social areas.

Note: Events that arise as the result of a sponsoring activity are also subject to this Policy.

Company is a co-organizer or sponsor:

Also at events in which the Company only acts as a co-organizer or sponsor, the extent to which the regulations in the Event Policy are applicable should be checked in each case.

4 EVENT OBJECTIVES

Clearly defined goals are a crucial prerequisite for planning and carrying out successful events. The goals should be defined by the Event Initiator at the start of the project and should accompany the entire project process. The goals must be defined in Event Presentation.

After the event, based on defined objectives, evaluation has to be performed in order to measure whether the goals have been reached.

4.1 EVENT PRESENTATION

To implement an event effectively and efficiently, the Event Project Manager must plan it in a structured manner in advance. All necessary information about the event must be included in Event Presentation.

The Event Initiator is responsible for defining the objectives of the planned event. Every Event Presentation must include:

Event Presentation Toolkit	
Question	Answers
Target group and number Who will be addressed/ invited?	Third parties (customers, business and cooperation partners, journalists / opinion leaders / lobbyists, shareholders...) Internal (Board members, managers, employees)
Objective What is the purpose/goal of the event?	Impact on reputation, positioning of the company on the market, media coverage, brand value, promotion, etc.

Event Presentation Toolkit	
Question	Answers
Event format – how the event will be implemented?	<p>Examples of work-related events</p> <ul style="list-style-type: none"> - Road show without an incentive share - Large group conferences without an incentive share - Press conference <p>Examples of infotainment events</p> <ul style="list-style-type: none"> - Meeting / conference with an incentive share - Road show with entertainment - Press events with an incentive share - Award ceremony / Prize - (Product) launch events - Promotion <p>Exclusive events with a select group of participants</p> <p>Examples of leisure-based events</p> <ul style="list-style-type: none"> - Evening event - Company event - Incentive trip - Concert - Trade Fair party - Cultural event - Sponsoring: music, sports, culture, B2B events
Timeframes	<p>Examples</p> <ul style="list-style-type: none"> - 4 hours - 2 days - Road show for one day, in X locations over X weeks
Budget	To be calculated in proportion with the objectives and the economic efficiency of holding the event.

Based on this data, an event category can be assigned.

For example, based on the definitions and categorizations of events, residential projects are usually the leisure-based events, and the business projects are work-related or infotainment events—depending on the type of sponsorship.

The target groups for events generally differ between external and internal participants. They should be selected according to the objectives of the event and comply with the Company's business interests.

Note: In general, events should be designed to preclude invitations to the companions of customers or employees.

4.2 EVALUATION OF THE OBJECTIVES

The Event Initiator should initiate an evaluation of targets set in order to check whether the objective has been reached. The results of the evaluation must be used to continue developing successful concepts and also to adjust less efficient ones.

The evaluation must be included in the documentation of an event and serve as the basis for optimizing future events.

Events applicable under the Event Policy must be evaluated. For a series of events, a regular, random evaluation suffices (e.g. for regular press conferences). Elements for evaluations can be: PR media presence, brand awareness, audience attendance, etc.

If a Company is just the co-organizer or sponsor of an event, the Event Initiator must check to what extent an evaluation is possible – based on the total costs, the objectives and the legal framework.

5 AREAS OF RESPONSIBILITY IN ORGANIZING EVENTS

5.1 DEFINING THE RESPONSIBILITY OF THE EVENT INITIATOR AND THE EVENT PROJECT MANAGER

The Event Initiator is the employee who initiates an event; who carries the overall responsibility and often also provides the budget for the event.

The Event Project Manager is the employee responsible for planning, implementing and following up on events. The Event Project Manager is acting in accordance with given budget framework while taking purchasing process into account. Where possible, The Event Project Manager will use

internal resources of the Company (e.g. its premises) as well as synergies with other Company's units.

If an agency or/and other external service providers takes on parts of the event, the Company's internal Event Project Manager carries the ultimate responsibility. Transferring this responsibility to external service providers or agencies is prohibited.

If the Event Initiator does not abide by the Event Policy rules, even after receiving such advice from the Event Project Manager, the Event Project Manager can transfer the responsibility to the Event Initiator with a written notification referring to the relevant chapter of this Policy. This notification must also be documented.

5.2 APPROVAL OF EVENTS

As a general rule, events that grant monetary benefits to participants ("infotainment" and "leisure-based" event categories) must be approved by the supervisor of the relevant cost centre owner. The Event Initiator is responsible for obtaining the permission and providing it to the Event Project Manager (segregation of duties -principle).

All other events need to be approved in writing prior to the event by the relevant manager of the Event Initiator.

The Event Initiator must ensure:

- approval for events where participants receive monetary benefits
- approval for partial funding of events by a third party (see art. 6.2 Financing events by third parties)
- approval for one-to-one participant liaison at an event (see art. 6.1 Participant-host ratio)
- approval within the exemption clause to invite/allocate tickets to employees or companions of employees or other private use (see art. 9.2 Regulations for inviting employees to events);

If needed the Event Project Manager should request and document all approvals from the Event Initiator that are required according to the Event Policy before the event.

In case of uncertainty regarding the interpretation of Policy, the Event Initiator has to involve organizational unit responsible for compliance in regard to compliance-relevant elements of the event (e.g. accepting and granting of benefits), and should inform the Event Project Manager of the results. When commencing planning of the event, the Event Project Manager has to ensure that compliance considerations, national tax and audit-related issues are taken into account.

5.3 DOCUMENTATION AND COMPLETION OF EVENTS

Every event must be precisely documented – from the planning stage through to the final invoice. The Event Initiator has to provide a comprehensive written briefing about event objectives, while the Event Project Manager has to document all changes from the initial objectives. Possible additional costs resulting from changes in event objective are to be avoided, and if additional costs are necessary, they have to be documented (see art. 4 Event objectives).

The Event Project Event Manager is responsible for the completeness of the documentation.

5.3.1 Necessary documentation according to Event Policy

- Event Presentation
- Event Project Manager must document changes or change requests made by the Event Initiator that diverge from the original event description.
- Invitation
- Agenda of the event / concept
- List of participants with the following fields:
 - Surname / first name, name of the company, details of any gifts and their gross value.
 - If gifts will be handed out to guests as part of an event, the gift allocation must be filled in on the participant list, or a separate list of recipients must be deposited.
- A total cost report including a schedule of costs per person.
- The costs per person can be calculated by dividing the total cost of the event by the number of registered participants.
- Result of the evaluation including the derived measures
- All audit results and approvals (e.g. written approval from the relevant manager; special approval by the supervisor of the relevant cost centre owners).

6 ECONOMIC ASPECTS OF EVENTS

Note: Bribery is a criminal offense. Events and event invitations are therefore prohibited from aiming for, or to be used to illicit preferential treatment from, or exert undue influence on a business partner. For more details, please refer to Policy on the Accepting and Granting of benefits.

6.1 PARTICIPANT-HOST RATIO

A balanced participant-host ratio is required for every event. Hosts are Company employees who liaise on functional terms with guests on site at the event (e.g. sales representatives). Employees which have purely organizational tasks at events will not be considered in determining the participant-host ratio.

For groups with more than 5 guests, each host should be allocated at least 3 guests (host - participant ratio 1:3). Companions of guests are not calculated in the participant-host ratio.

Note: A participant-host ratio of 1:1 is only allowed in exceptional cases. Only the supervisor of the relevant cost center owner can grant such permission. This permission must be obtained by the Event Initiator.

Company guests which are awarded with tickets for sports or music events should be accompanied / looked after by an internal host. Whoever acts as host within the definition of the Event Policy is to be seen as the Event Initiator and must assume all relevant functions (see art. 5.1 Defining the responsibility of the Event Initiator and the Event Project Manager).

Note: The regulations about the participant-host ratio do not apply to events in the work-related category

6.2 FINANCING EVENTS BY THIRD PARTIES

Business partners that partially fund events within contract-regulated sponsoring commitments or partnerships (e.g. strategic alliances) are generally permitted. Other than that, any other partial funding has to be approved in writing by the supervisor of the relevant cost centre owner. The Event Initiator is responsible for obtaining this permission. Organizational unit responsible for compliance should be consulted in case of any doubts or uncertainties.

6.3 INITIATING ORDERS AND PROCUREMENT

To achieve the best cost-benefit ratio out of an event, the Event Project Manager must involve Procurement department early on. All commissioned orders must follow Company Procurement Policies.

7 GENERAL PRINCIPLES OF EVENT ORGANIZATION

Event divisions or business units assigned to plan and carry out events must create central and consistent annual event and budget planning for their area of responsibility.

7.1 QUALITY STANDARDS

Corporate Identity and Corporate Design Policy (CI/CD) of the respective legal entity are to be observed when designing and holding events.

7.2 DATA PROTECTION

When preparing and carrying out events, data protection laws and Company regulations must be observed. In particular, the principles of data quality and need to know/have principle.

Data protection and anonymity must be guaranteed in all survey methods.

7.3 SAFETY

The issue of safety should be fundamentally addressed by all those concerned with the event. The Event Project Manager is obliged to abide by the law as well as the company's own rules and has to coordinate within the respective areas – always depending on the extent of the event.

Organizational unit responsible for Corporate Security is responsible for event security and advises and supports in this regard. By analysing and evaluating event components, individual measures will be implemented depending on the situation.

8 TICKET ALLOCATION WITHIN SPONSORING COMMITMENTS

Inviting a business partner to an event must not be connected with any profound corporate objectives and business expectations.

- The allocation of tickets for events with business partners should evolve from the Company's sponsoring commitments. As a general rule, all ticket allocations from the Company's sponsoring commitments must be purchased and used within the compliance standards and are to be documented (e.g. tickets given to Management Board, Business Sales - KAM, prize winning games, etc.).
- In allocation of tickets priority should be given for their use for events with business partners.

- Tickets that are not used for the purposes described above (remaining tickets) can be used for media partners, donations or staff campaigns in compliance with the applicable guidelines.
- VIP boxes are intended for high-ranking clients (directors / managers).
- Tickets that become free on short notice can only be re-used by the host in line with the Event Policy. If this cannot be guaranteed, the tickets must be returned to the relevant organizational unit responsible for events or they have to be voided (if too little time remains to allocate them to campaigns or media partners). Under no circumstances are such tickets be used in a way that is contrary to the provisions of this policy, for example by passing them on to friends or family.

Note: The Event Initiator is responsible for adhering to the compliance regulations (e.g. reviewing guest lists) when tickets are allocated (see art. 5.1 Defining the responsibility of the Event Initiator and the Event Project Manager).

9 COMPLIANCE-RELEVANT ASPECTS OF EVENTS

9.1 INVITING THIRD PARTIES TO EVENTS

The invitation to an event constitutes the granting of a benefit in terms of Policy on the Accepting and Granting of Benefits (Benefits Policy), which is also to be consulted.

9.2 REGULATIONS FOR INVITING EMPLOYEES TO EVENTS

9.2.1 Invitations to Employees

Inviting / allocating tickets to employees within the Company is allowed only in case that this is necessary for performance of the work and/or is in interest of the company. This also applies to invitations to employees of other companies within the Group. Exemptions may be granted if an informal written confirmation is provided from the respective supervisor of the relevant cost centre owner. The Event Initiator is required to obtain and document this permission.

9.2.2 Invitations to Partners / Companions of Employees

Inviting / allocating tickets to companions and/or partners of employees or for any other private use is not allowed. Exceptions require permission in the form of an informal written confirmation by the respective supervisor of the relevant cost centre owner. The Event Initiator is required to obtain and document this permission.

10 TAXATION OF MONETARY BENEFITS

Croatian tax-relevant data and documents are to be taken into account prior to event.

11 REVIEW OF THIS GROUP POLICY

After two years at the latest, the provisions of the Policy will be reviewed with regard to the need for modification and adjustment by organizational unit responsible for compliance, organizational unit responsible for corporate communications and organizational unit responsible for marketing.

