

BH TELECOM JOINT STOCK COMPANY SARAJEVO

ANTI-CORRUPTION CODE

Sarajevo, October 2020

Pursuant to Article 85. paragraph (1) c) of the Statute of BH Telecom Joint Stock Company Sarajevo No.: 00.1-03-17072/20-10, the Management had the ___ meeting on _____ and adopted the following

ANTI-CORRUPTION CODE

Article 1. (Subject)

- (1) This Anti-Corruption Code (hereinafter: the Code) defines the codes of conduct and responsibilities of the members to the Management, Supervisory Board, Audit Board and employees of BH Telecom Joint Stock Company Sarajevo (hereinafter: the employees, the Company or BH Telecom) for the purpose of preventing the anti-corruption activities while doing their jobs in the Company.
- (2) "Corruption" or "corruptive activities" mean a direct or indirect requesting, offering, giving or accepting bribe or another benefit for oneself or another person.

Article 2. (Objectives)

This Code is adopted because of the following:

- a) provision and enhancement of the legal framework for corruption prevention;
- b) raising our employees' awareness about harmfulness of corruption and corruptive activities;
- c) creation of intolerance for corruption;
- d) protection of the corruption denunciator;
- e) enabling external reporting of corruption;
- f) enabling measures to commence relevant proceedings against participants in corruptive activities (disciplinary, infringement, criminal proceedings).

Article 3. (Principles)

BH Telecom has applied the following principles as the grounds for prevention of corruptive activities:

- a) implementation of valid legislation of Bosnia and Herzegovina and Federation of Bosnia and Herzegovina, as well as the Company's by-laws;
- b) taking over full responsibility by the Company's Management while creating business policy and its efficient implementation;;
- c) providing equal treatment and non-discrimination;
- d) providing transparency at decision making;
- e) allowing information access in accordance with applicable law.

Article 4. (Employees' Codes of Conduct and Responsibilities)

- (1) BH Telecom employees are obliged to reject each offer for corruption participation.
- (2) BH Telecom employees are obliged to be loyal to BH Telecom i.e. to avoid conflicts of interest on all levels.

- (3) Private interests of BH Telecom employees must not confront to BH Telecom interests and they must not influence on legality, transparency, objectivity and impartiality of their jobs.

Article 5.
(Competition Ban)

- (1) BH Telecom employees and their close family members (spouses and children) must not:
 - a) own or co-own a company whose activity is the same as the main BH Telecom activity;
 - b) be members to management in the companies whose activity is the same as the main BH Telecom activity;
 - c) be intermediary for third physical or legal persons in relation to BH Telecom.
- (2) Activities contrary to above mentioned are considered as a violation of this Code and will result in initiation of disciplinary proceeding and imposition of disciplinary measure.

Article 6.
(Official Documents Treatment)

- (1) Forgery of official documents is banned, as well as giving them to third persons.
- (2) Copying and scanning of confidential official documents is banned, as well as giving them to third persons.
- (3) Activities contrary to above mentioned are considered as a violation of this Code and will result in initiation of disciplinary proceeding and imposition of disciplinary measure.
- (4) All evaluations and due obligations being important for the Company's reports and evidence must be accompanied by appropriate documents and grounded on the best available information and professional evaluation.
- (5) Intentional overestimation or underestimation during preparation of financial information being the integral part of the Company's reports and evidence are considered as a violation of this Code and will be submissive to disciplinary and criminal responsibility.

Article 7.
(Anti-Corruption during Procurement Procedure)

- (1) The employees taking a part in procurement of goods, works and services are obliged to obey the Company's laws, by-laws and internal documents, making objective and impartial judgment based on competitiveness, transparency, non-discrimination, quality, price and other criteria specified in tender documentation.
- (2) The employees engaged in BH Telecom procurement must not make promises to speed up the contract conclusion or execution, or make any influence on procurement asking for any privileges from the tenderer.
- (3) Members to the procurement commission can participate in operations of the commission only after they sign the Confidentiality and Impartiality Statement in accordance with Procurement Rulebook.
- (4) The employees must prepare specifications, bill of quantities and other technical documentation objectively and impartially in order to avoid giving advantage to certain tenderers.
- (5) Activities contrary to above mentioned are considered as a violation of this Code and will result in initiation of disciplinary proceeding and imposition of disciplinary measure.

- (6) During procurement procedures, the procurement commission will reject the offer if the tenderer bribed or is ready to bribe current or former BH Telecom employee in monetary or any non-monetary form, attempting to make an influence on the activity or decision or procurement procedure. The Company will inform the tenderer in writing about rejection of such request or offer and the reasons for rejection, and include it in the procurement report.
- (7) President of the commission is obliged to report such activities during the procurement procedure to his superior, i.e. the executive manager, in writing.

Article 8.
(Gifts Receiving)

- (1) The employees must not receive any privileges, services, bonuses and gifts as a stimulation for certain official activities or decisions referring to business operations of BH Telecom.
- (2) The employees being offered a gift or a higher valued service are obliged to reject and to return it unconditionally, and to inform their seniors about the gift or service provider.
- (3) Activities contrary to above mentioned are considered as a violation of this Code and will result in initiation of disciplinary proceeding and imposition of disciplinary measure.

Article 9.
(Professional Secrecy and Property Disposition)

- (1) All business secrets and other confidential data are owned by BH Telecom and can be used only pursuant to applicable legislation and the Company's internal documents.
- (2) If the Company has materials or confidential data of other business partners, it can use them only following the contracts concluded with those data owner.
- (3) All employees are obliged to keep information on facts or privileged information about which they learned while doing their jobs or otherwise, i.e. from the decisions and documents of the Company's bodies.
- (4) The employees must neither use business secret and confidential data for personal purposes nor announce them without the Company's approval.
- (5) The employees having business information, i.e. facts, about BH Telecom, while doing their jobs must not:
 - a) use advantages resulting from having access to privileged information;
 - b) give privileged information to third persons;
 - c) use advantages resulting from having access to privileged information while counseling third persons.
- (6) Activities contrary to above mentioned are considered as a violation of this Code and will result in initiation of disciplinary proceeding and imposition of disciplinary measure.
- (7) The employees are unable to use the property, services or devices of BH Telecom in favor of political parties or candidates.
- (8) In the case that the Company's employees take part in political activities and make political statements, they are obliged to avoid referencing to BH Telecom and to state clearly that they make political presentation of themselves and not the Company.

Article 10.
(Corruption Reporting Types Depending on Report Recipient)

- (1) Types of corruption reporting depending on report recipient are as follows:
 - a) internal report,
 - b) external report.
- (2) Denunciator informs the Company through internal report about the facts which make grounds for him to be suspicious about attempted or performed corruption at work or related to work by the person which is managed by the person held responsible.
- (3) Denunciator informs the internal affairs authorities, prosecutor's office or other competent institutions dealing with human rights protection and anti-corruption practices through external report about the facts making grounds for his suspicion about attempted or performed corruption.

Article 11.
(Corruption Reporting Types Depending on Denunciator)

- (1) Types of corruption reporting depending on denunciator are as follows:
 - a) internal report,
 - b) external report.
- (2) Denunciator, the Company's employee or other related persons inform the Company through internal report about the facts which make grounds for him to be suspicious about attempted or performed corruption at work or related to work in the Company.
- (3) Denunciator, who is neither the Company's employee nor related person informs the Company through external report about the facts which make grounds for him to be suspicious about attempted or performed corruption at work or related to work in the Company.

Article 12.
(Adverse Effects for Denunciator)

- (1) For the purpose of protecting a denunciator of a corruptive activity the Company applies measures meant for prevention of adverse effects for the denunciator of the corruptive activity.
- (2) Denunciator can possibly have the following adverse effects:
 - a) discrimination (putting denunciator in the illegal, unfavorable, unequal or unfair position with respect to exercising his rights to work and related to work);
 - b) harassment – regular harassment of an employee at work or related to work (mobbing), being a specific form of non-physical disturbing at the work place, which includes repeating activities meant for psychological bullying and humiliating of a person by one or more persons in order to jeopardize his reputation, honor, dignity and integrity and to degrade his work conditions or professional status;
 - c) violence at work;
 - d) creation of bad relationships between people at work or unequal position of denunciator in relation to other Company's employees as a revenge for denunciator's report.

Article 13.
(Denunciator's Rights)

Denunciator of a corruptive activity has the following rights:

- a) right to internal protection,
- b) right to external protection,
- c) right to be anonymous and right to protection of his anonymity and personal data by the person held accountable and authorities to which corruption is reported, in line with the legal provisions about personal data protection, except in the case that denunciator explicitly allows for his identity to be disclosed,
- d) right to be informed about activities and measures being taken after his reporting,
- e) right to be informed about result of the procedure after his reporting.

Article 14.
(Internal Protection Procedure)

- (1) Internal protection procedure is initiated by the person suffering from adverse effects stated in Article 12. of this Code, i.e. denunciator, submitting a request to the General Manager or the Executive Manager of the Executive Directorate for Legal Affairs, Organization and Human Resources Management.
- (2) The request stated in paragraph (1) of this Article is submitted within 15 days from finding out about adverse effects.
- (3) The General Manager or the Executive Manager of the Executive Directorate for Legal Affairs, Organization and Human Resources Management will make a decision about the request stated in paragraph (1) of this Article within 15 days from the day of submission.
- (4) If the General Manager or the Executive Manager of the Executive Directorate for Legal Affairs, Organization and Human Resources Management does not fulfill the request within 15 days from the day of submission as stated in paragraph (1) of this Article, denunciator can file a claim to competent court within 30 days.

Article 15.
(Internal Protection Measures)

If it is established that adverse effects occurred according to request for protection stated in above Article 14., the measures which the Company can take to protect denunciator include, but without limitations, as follows:

- a) revocation of document causing adverse effects for denunciator of corruptive activity,
- b) prohibition of work discrimination and/or harassment and violence, being defined as adverse effects,
- c) giving order for competent person in the Company's organizational unit in which denunciator works to take actions in accordance with valid laws for the purpose of protecting denunciator and the Company's interests.

Article 16.
(External Protection of Persons Reporting Corruption – Judicial Protection)

Internal protection procedure is initiated by the person suffering from adverse effects stated in Article 12. of this Code filing a claim to competent court.

Article 17.
(False Reporting)

- (1) Disciplinary procedure will be initiated against denunciator, if he is the Company's employee, after establishing that he made, in bad faith, a false report of a corruptive activity, other person or himself or otherwise caused a disciplinary or other procedure

- against the person for which he is aware that he is not a perpetrator of the corruptive activity, and in the case of external report, another appropriate procedure can be initiated.
- (2) It is not considered as a false reporting if denunciator finds falsely that certain activity is corruptive.

Article 18.
(Code Disrespect Reporting)

- (1) The Company's employees and other persons can report and point to behavior of the Company's employees contrary to provisions of this Code.
- (2) Protection request is considered and solved in accordance with the by-law referring to protection of corruption denunciator.
- (3) Internal reports are submitted, considered and solved in accordance with the Company's by-laws. Method for submission of external reports will be announced on the Company's web page and they will be considered and solved in accordance with the Company's by-laws
- (4) The General Manager can initiate, if necessary, a disciplinary procedure due to infringement of work obligations defined in the contract, law, rule book or other regulation, and he can also reject the report about the Code disrespect if it is established that it was unfounded.

Article 19.
(Supervision and Monitoring of Code Implementation)

- (1) The Executive Directorate for Legal Affairs, Organization and Human Resources Management is in charge of monitoring of the Code implementation together with the Directorate for Management Systems Development if needed. Collection and determination of facts about corruption and taking adequate legal actions will be registered and the Management will be timely informed about it.
- (2) The Executive Directorate for Legal Affairs, Organization and Human Resources Management will regularly inform the Management about implementation of this Code, as well as about observations and legal actions being taken.
- (3) The report stated in paragraph (2) of this Article will be submitted to the Management annually and, if necessary, more frequently.
- (4) The Management is responsible for a consistent implementation of this Code.
- (5) Violation of this Code is considered as an infringement of work discipline in line with the Rule book on disciplinary procedure for determination of disciplinary responsibility of responsible persons in BH Telecom JSC Sarajevo.
- (6) Relevant laws will be applied on issues which are not defined in this Code.

Article 20.
(Final Provisions)

- (1) This Code comes to effect next day after being announced on the notice board in the Company's head office.
- (2) After this Code comes to effect, the Anti-Corruption Code of BH Telecom JSC Sarajevo No.: 00.1-2.2-1892/15 dated 07 July, 2015 is out of effect.
- (3) This Anti-Corruption Code will be posted on the Company's web page.