Group Policy for engaging intermediaries and lobbyists

Preamble

Deutsche Telekom Group's competitive strength particularly depends on Deutsche Telekom Group (including HT Group as part of DT Group) and the members of its executive bodies, managers, and employees conducting themselves lawfully and with integrity in business transactions. Lawful conduct based on integrity is an important factor in maintaining the trust of our customers and business partners and is therefore an indispensable requirement that is placed on all Deutsche Telekom Group employees. Deutsche Telekom Group expects that also external persons who work as consultants for Deutsche Telekom Group behave lawfully and with integrity.

In order to protect company assets and avoid any risk of corruption and other conflicts of interests, consultants, agents, and similar external intermediaries must be selected and monitored with particular care. This requirement also results from the statutory transparency provisions with respect to the commissioning of consultancy services related to political representation of interests (e.g., lobby register).

This Group Policy contains detailed instructions for selecting and monitoring external consultants and for designing and concluding contracts with them. It is derived from Deutsche Telekom Group (and HT Group) Code of Conduct and specifies this document in concrete terms.

Scope

This Policy applies to all contracts with consultants. Consultants as defined by this Policy are all natural persons, companies, and institutions that directly or indirectly provide the business units of HT Group with support in the sale of products and services in the private or public sector or in dealing with governments, authorities, or other public officials (e.g., lobbying). The Policy also applies if the consulting service only represents part of the services delivered.

This Policy does not apply to the indirect sale of HT Group standard services or to contracts for legal services that are subject to the policy on authorization in relation to legal services.

This Policy applies to all employees of HT Group who deal with consulting contracts within the meaning of paragraph 2. (1). This particularly includes the engaging department, the organizational unit responsible for Procurement/the areas mandated by Procurement, as well as the organizational unit responsible for Compliance.

Other applicable provisions

In addition to this Policy, in particular the following rules and provisions must also be observed:

Procurement

When commissioning consultancy services, the regulations of organizational unit responsible for Procurement, especially the Global Procurement Policy (GPP), as well as special regulations relating to the engagement of consultants and lobbyists if they exist, must be observed within the context of the respective scope of application in addition to this Policy.

Deputy arrangements and approval processes

The dual checking principle, especially the applicable threshold and signature provisions, as well as special approval processes for the use of consultants must be complied with.

Local adjustments to this Group Policy

When implementing this Group Policy in the international entities, the precedence of the respective national and supranational law as well as the participation rights of employees' representatives must be observed.

Compliance with the rules of conduct

The provisions set forth in this Policy serve to protect HT Group and its employees from legal risks. HT Group therefore expects its employees to conduct themselves in accordance with this Policy. Culpable, willful misconduct will be punished within the framework of the applicable legal provisions. This particularly applies to corrupt behaviour or if HT Grup's assets are damaged as a result of criminal offense.

Prevention plan

The prevention plan shall essentially comprise the following steps with regard to engaging consultants:

- Careful selection of the consultant and risk assessment
- Appropriate contract design of the consulting contracts
- Careful monitoring of the consultant and
- Documentation.

Selecting consultants and risk assessment

Bid comparison

If various consultants are in a position to provide a service, several bids shall be obtained and compared by the organizational unit responsible for Procurement, especially with regard to the ability of the consultants to provide the required service and the cost efficiency. A selection of the best candidates must be made on the basis of these bids. If the engaging department states that only one specific consultant is able to provide the desired service, this shall be specifically justified by the engaging department. On this basis, the organizational unit responsible for Procurement shall decide whether to grant an exception from the bid requirement/bid comparison or not and shall document this.

Risk assessment

Prior to concluding the consulting contract an overall risk assessment shall be carried out by the engaging department on the basis of an overall evaluation of all the relevant circumstances of the individual case with respect to potential compliance risks. This assessment shall be documented. When performing the risk assessment, the statutory provisions and the processes applicable for the respective business unit must be observed, and the risk assessment carried out by the organizational unit responsible for Compliance and any further specialist departments, if applicable, must be taken into account (cf. paragraph (4)).

To determine the risks, the engaging department shall commission a written integrity check with the responsible organizational unit responsible for Compliance. In the process, the following factors in particular shall be appropriately considered:

- Those relating to the consultant themselves (conflicts of interest for reasons including family, business, or other connections with public officials, decision-makers at a (potential) business partner or persons who themselves work as a consultant for a (potential) business partner),
- those relating to the respective industry (e.g. frequency of corruption cases typical for the industry),
- those relating to the general susceptibility to corruption of the country/region involved (Corruption Perception Index (CPI) of Transparency International), and
- those relating to an entry in Deutsche Telekom's Non-Compliance List (NCL)
- Sanction and embargo lists
- Irregularities/distinctive features in terms of the company's business appearance, e.g.,:
    - The consultant does not run an official business.
    - The consultant in question runs a consulting agency that does not have any other employees.
    - Important company data such as names of executive body members, company address, etc., are not known or cannot be accessed without further effort.
    - The consultant/consulting agency maintains its head office and/or bank accounts in a country different from its seat and/or place of the performance of the required services.

The organizational unit responsible for Compliance may refrain from conducting an integrity check if an integrity check for the consultant has already been conducted within the past two years and no negative indications or any other reasons or circumstances have arisen from the previous business relationship or any other interaction to be documented. The organizational unit responsible for Compliance may prepare an integrity check by commissioning a reputable and qualified service provider to be selected by the organizational unit responsible for Compliance. The costs for an integrity check shall be borne by the engaging department.

Based on the findings of the integrity check, the Compliance department shall prepare a written risk assess- ment with respect to corruption risks and, where necessary, initiate further checks by other specialist depart- ments.

Prior to commissioning consultancy services related to political representation of interests (lobbying), the engaging department must always obtain a written approval from the organizational unit responsible for regulatory and public affairs in advance to ensure compliance with statutory transparency provisions. In particular, the organizational unit responsible for regulatory and public affairs shall assess whether the consult- ant/consulting agency has an entry in the relevant lobby/transparency registers on EU/state level and whether the engaging Group company is listed accordingly in the relevant register.

The consultant must obtain a written assessment from the organizational unit responsible for Compliance in advance if they wish to engage third parties/subcontractors. 7.2 (1) to (5) shall apply accordingly.

Contract design of the consulting contracts

Consulting contracts must always be concluded in writing. Verbal side agreements are not permitted.

Key terms of the contract

All consulting contracts must fulfill the following requirements in terms of their content: the organizational unit responsible for Procurement shall either regulate these requirements by means of individual agreements or make the supplemental agreement for intermediaries and lobbyists part of the contract. Exceptions require prior approval from the Compliance department:

- The contractual services must be precisely defined both in terms of the services to be provided by the consultant as well as in terms of the stipulations regarding remuneration.
- Time-dependent remuneration provisions shall be agreed (hourly/daily rate). Lump-sum remuneration components shall only be considered in exceptional cases, for instance with regard to specific costs of the consultant (photocopying costs, for example), or to limit costs.
- Contingency fees are generally not permitted. Any exceptions to this rule shall require the approval of the organizational unit responsible for compliance.
- Cash payments as well as transfers of remuneration to accounts in a country different from the seat of the consultant´s place of business or to accounts belonging to third parties, who are not contracting parties, are not permitted. They must be excluded in the contract.
- The contract must contain a clause obliging the consultant to provide regular, written information on their activities and the results of their work.
- Payment of remuneration shall be made dependent on proper rendering of accounts including com- plete documentation of the services rendered and acceptance by the customer. The contractually agreed payment must compensate all the obligations from the contract.
- Payments may only be made after the service has been rendered, i.e., either upon completion of the consulting activities or, if an exception has been made and a contingency fee has been agreed, once the project has been successfully completed. Remuneration may be paid in tranches in accordance with the progress of the consulting services or project. The organizational unit responsible for Compliance may approve deviating remuneration models for specific consulting contracts in specific individual cases.
- The engagement of third parties to fulfill the contractual obligations shall be made dependent on the prior written consent of the engaging Group company.

- The consultant (or the parties) shall declare that the performance of the contractual agreements is compliant with the applicable law on EU/state level.
- The consultant shall declare that they will not misuse their remuneration, either in whole or in part, either by themselves or through third parties to directly or indirectly unduly influence public officials or employees or agents of (potential) business partner companies and that the remuneration will not be otherwise used for any illegal purposes;
- The consultant shall declare that they will not demand or accept any undue advantages from third parties;
- The consultant shall commit to repaying the full remuneration in the event of an instance of corruption being identified;
- The engaging Group company shall have the right to terminate the contract without notice where there is reasonable suspicion of corruption.
- The contractor warrants that they have disclosed all potential conflicts of interest to the client in connection with the performance of the assignment or will disclose them immediately as soon as a conflict of interest appears possible.
- Granting of special information/access rights – including to any subcontractors of the consultant – where there is reasonable suspicion of corruption to the engaging Group company or its nominated external advisor/auditor.

(2) The following additional rules may be agreed in cases where a particular risk exposure of corruption:

- Reservation of approval on the part of the engaging Group company with regard to specific expenses incurred by the consultant such as travel expenses or hospitality costs, or inadmissibility of certain expenses (e.g., gifts to business partners);
- Integration of declarations of commitment to comply with anti-corruption provisions relevant to the applicable law, by all natural persons involved in the commissioned consulting engagement.

Monitoring of the consultant

The consultant's work shall be continuously monitored by the engaging department with regard to compliance with the provisions of this Policy. In particular, monitoring shall be carried out on the basis of the documentation of the consultant's activities, which must be provided regularly by the consultant and reviewed by the engaging department. The engaging department is obligated to request and examine the contractually agreed, specific, written proof of performance from the consultant and to only initiate payment of the remuneration after written acceptance of the proof of performance and on the basis of a proper invoice. The engaging department is obligated to document the proof of performance and the examination of this proof. If a reservation of approval has been agreed with the consultant (e.g., travel or hospitality expenses), the engaging department shall obtain written approval from the responsible organizational unit responsible for Compliance before granting approval to the consultant.

Documentation obligations

The fulfillment of the prevention measures in accordance with Items 7., 8., and 9. must be continuously documented by the responsible organizational units.

The organizational unit responsible for Procurement shall be responsible for monitoring, implementing, and documenting the collection of bids and granting exceptions to the bidding obligation in accordance with Item 7.1 of this Policy.

The results of the integrity check and the risk assessment carried out by the organizational unit responsible for Compliance must be documented by the organizational unit responsible for Compliance as well as by the engaging department. This also applies to exceptions to the requirement to perform an integrity check.

(4) Personal data must be deleted once the statutory retention period has elapsed.

Training

Employees who engage consultants as defined in this Policy must receive appropriate training on the content of this Policy.

Contacts

All employees can contact organizational unit responsible for Compliance if they have any questions regarding the application and interpretation of this Group Policy.

The AskMe advice portal (Compliance@t.ht.hr) is available for questions or Compliance approvals. Compliance's approval is required for any exceptions to the provisions laid down in this Policy.

Indications of potential compliance violations

Tip-offs regarding possible compliance violations can be submitted, for instance, via DT whistleblower portal: https://yam-united.telekom.com/pages/compliance/apps/content/tellme or https://www.bkms-system.net or via HT whistleblower channels: https://sad.t.ht.hr and Compliance@t.ht.hr.