



**A1 Telekom Austria Group
Vienna, Austria**

INDEPENDENT PRACTITIONER'S REPORT

Translation of the Reasonable Assurance Engagement relating to the Design, Implementation and Operating Effectiveness of the Compliance Management System for the Areas Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions during the Period from April 1 to September 30, 2023 pursuant to IDW AssS 980 (09/2022)

Vienna, January 3, 2024



TABLE OF CONTENTS	Page
1. Assurance Engagement	1
2. Subject, Nature and Scope of the Assurance Engagement	2
3. Findings on the Compliance Management System	4
Conception of the CMS for the Areas Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions	4
Findings, Observations and Recommendations	6
4. Conclusion	7

APPENDICES

Description of the Compliance Management System (CMS) of A1 Telekom Austria Group Version: March 2023	<u>Appendix I</u>
General Conditions of Contract for Public Accounting Professions (AAB 2018)	<u>Appendix II</u>

LIST OF ABBREVIATIONS

Abbreviation	Definition
AAB 2018	General Conditions of Contract for Public Accounting Professions
BDO	BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
CMS	Compliance Management System
e.g.	exempli gratia (Latin for "for example")
FCPA	Foreign Corrupt Practices Act
IDW	Institute of Public Auditors in Germany, Incorporated Association
IDW AssS 980	Assurance Standard 980 of the Institute of Public Auditors in Germany, Incorporated Association (Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (new version (09.2022))
i.e.	id est (Latin for "that is")
ISO	International Organization for Standardization
OECD	Organisation for Economic Co-Operation and Development
UK	United Kingdom
UN	United Nations
US	United States (of America)

1. ASSURANCE ENGAGEMENT

In the letter dated November 16, 2022, Telekom Austria AG engaged us to perform a reasonable assurance engagement of the attached CMS description (Appendix I) and of the design, implementation and operating effectiveness of the compliance management system, as described in the CMS description, for the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**.

The assurance engagement comprised A1 Telekom Austria Group with the following legal entities:

- Telekom Austria AG, Austria
- A1 Telekom Austria AG, Austria
- Telekom Austria Personalmanagement GmbH, Austria
- A1 Digital International GmbH, Austria
- A1 Digital Deutschland GmbH, Germany
- Akenes SA, Switzerland
- A1 Bulgaria EAD, Bulgaria
- A1 Srbija d.o.o., Serbia
- A1 Slovenija d.d., Slovenia
- A1 Makedonija DOOEL, North Macedonia
- A1 Hrvatska d.o.o., Croatia
- Unitary enterprise A1, Belarus

A compliance management system (CMS) comprises the entirety of all policies, procedures and measures (hereinafter together referred to as "regulations") of the corporate group, which are aimed at compliant conduct by the corporate group and its employees and, where appropriate, third parties, i.e., compliance with specific requirements, thereby preventing material breaches of requirements in the defined areas.

For the execution of the engagement and for our responsibility, also in relation to third parties, the General Conditions of Contract for Public Accounting Professions (AAB 2018) (Appendix II), which are attached to this report, are agreed. Pursuant to the AAB 2018, the contractor's liability to third parties is excluded in any case.

We issue this report on the nature, scope and results of our assurance engagement. This report is addressed exclusively to A1 Telekom Austria Group.

2. SUBJECT, NATURE AND SCOPE OF THE ASSURANCE ENGAGEMENT

The subject of our assurance engagement were the assertions contained in the CMS description, which is attached to this report as Appendix I, about the areas in scope, i.e., **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**. When establishing the CMS, the legal representatives were guided by various legal requirements (including US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act) and international standards (ISO 37301 Compliance Management Systems, ISO 37001 Anti-Bribery Management Systems, ISO 37002 Whistleblowing Management Systems, UN Global Compact, OECD Guidelines for Multinational Enterprises) (hereinafter together referred to as “applied CMS principles”).

The legal representatives of A1 Telekom Austria Group are responsible for the CMS, including the delimitation of the areas to be audited and the documentation of the CMS, as well as for the contents of the CMS description. Furthermore, the legal representatives are responsible for the processes and controls they have deemed necessary to enable the preparation of a CMS description that is free from material misstatement, and to provide sufficient appropriate evidence for the assertions in the CMS description.

Our responsibility is to express a reasonable assurance opinion, based on our examination, on the fair presentation in the CMS description of the policies, procedures and measures (“regulations”) of the CMS in accordance with the applied CMS principles. In addition, it is our responsibility to express a reasonable assurance opinion, based on our examination, on the fair presentation of the representations contained in the CMS description regarding the design, implementation and operating effectiveness of the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**. Our examination does not include an assessment of which regulatory areas have been defined by the legal representatives as subject of the group-wide compliance organization or which areas have been designated as the subject of the CMS assurance engagement. As a system-related engagement, the objective of the assurance engagement is not to identify individual incidences of non-compliance. Therefore, it is not directed towards obtaining assurance about actual compliance with regulations.

The regulations set forth in the CMS description for the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions** are appropriate, if they are suitable for identifying risks of material breaches in due time and with reasonable assurance, and for preventing such non-compliance. This also includes ensuring that breaches of rules, which have already occurred, are reported promptly to the responsible unit within the Group so that the necessary measures can be taken to improve the CMS.

The CMS is effective when the regulations are observed as intended in the on-going business processes by the persons concerned in accordance with their responsibility within a defined period of time. Even an effective CMS is subject to inherent system limitations, so that potentially material non-compliance may occur without being prevented or detected by the system.

We performed our reasonable assurance engagement in accordance with the IDW Assurance Standards: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (new version (09.2022)).

The assurance engagement is to be planned and performed in such a way that enables us to conclude with reasonable assurance whether the regulations of the CMS, which were implemented in the period under review and which are in accordance with the applied CMS principles, are appropriately presented in the CMS description in all material respects, whether the regulations set forth in the CMS description, in accordance with the applied CMS principles, were suitable for identifying risks of material breaches of applicable **anti-corruption, capital markets, anti-trust and sanctions regulations** in due time and with reasonable assurance, and for preventing such non-compliance, during the period under review, and whether the regulations set forth in the CMS description were effective during the period from April 1 to September 30, 2023 in all material respects.

We applied professional judgment in determining the procedures for our engagement. During the assurance engagement we considered the legal and economic environment and the compliance requirements of the corporate

group. We assessed the regulations set forth in the CMS description and the evidence presented to us primarily on a sample basis. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our conclusion does not cover other information in the CMS description, which is not subject to the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**, and, thus, we do not express an opinion or any other form of assurance conclusion on this other information.

In particular, we performed the following audit procedures in relation to the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**:

- Evaluation of the CMS description, especially of the
 - cited statements regarding the conception of the CMS
 - design of the requirements for implementing the CMS
 - appropriate implementation of the CMS description and the basic components of a CMS within A1 Telekom Austria Group
- Review of existing compliance-relevant internal regulations and documents and evaluation of their design, in particular:
 - Code of Conduct
 - Compliance guidelines of A1 Telekom Austria Group:
 - A1 Telekom Austria Group Guideline Anti-Bribery, Anti-Corruption & Conflict of Interests
 - A1 Telekom Austria Group Guideline Anti-Trust
 - A1 Telekom Austria Group Guideline Capital-Market Compliance
- For the assessment of compliance-relevant key controls, we conducted interviews with
 - the A1 Telekom Austria Group Management Board and the Management Board as well as selected members of the Leadership Teams of the legal entities mentioned under "1. Assurance Engagement"
 - the Group Compliance Director, the Capital Market Compliance Officer and the local Compliance Managers and employees of the compliance departments of the legal entities mentioned under "1. Assurance Engagement"
 - other specialists and managers as well as employees from selected support areas, who carry out and/or are involved in compliance-relevant processes and key controls
- Test of the operating effectiveness of selected compliance-relevant key controls on the basis of random samples, in particular regarding the processes:
 - Procurement (including Vendor Master Data Management and Accounts Payable) (The assurance engagement was conducted using additional advanced analytics audit procedures.)
 - Human Resources
 - Donations and Sponsoring
 - Sales
- Evaluation of the compliance risk analysis in terms of structural and business model-related risks
- Review and evaluation of the training concept
- Review and assessment of evidence of compliance communication, in particular compliance-relevant management communication ("tone from the top") and compliance-relevant guidelines within the organization
- Review of compliance reporting to the management board and the supervisory board

We performed the assurance engagement (intermittently) during the period from November 2022 to December 2023.

We were provided with all the information and evidence we requested. The legal representatives confirmed to us in writing the completeness and correctness of the CMS description and of the information and evidence provided relating to the overall conception of the CMS as well as its design, implementation and operating effectiveness.

3. FINDINGS ON THE COMPLIANCE MANAGEMENT SYSTEM

CONCEPTION OF THE CMS FOR THE AREAS ANTI-CORRUPTION AND INTEGRITY, CAPITAL MARKETS COMPLIANCE, ANTI-TRUST LAW AND SANCTIONS

The CMS of A1 Telekom Austria Group is set forth in the CMS description, as of March 2023, and contains, inter alia, the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**.

Below, the conception of the CMS of A1 Telekom Austria Group for the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions** is described on the basis of the classification into the seven basic components of a CMS pursuant to IDW Assurance Standards: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (new version (09.2022)). In the first paragraph, the design and the requirements of each of the basic components of a CMS pursuant to IDW Assurance Standards: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (new version (09.2022)) are presented. In the second paragraph, the characteristics and description of the CMS of A1 Telekom Austria Group are explained.

Compliance Culture

The compliance culture forms the basis for the appropriateness and effectiveness of the CMS. In particular, it is shaped by management's attitudes and behavior when dealing with compliance risks ("tone at the top"), by the role of the supervisory body and how management establishes the core corporate values and further basic elements in the organization. The compliance culture significantly influences the importance that the employees of the corporate group attach to compliance with requirements and, thus, their willingness to behave compliantly.

Compliance is an integral part of the corporate culture and strategy of A1 Telekom Austria Group. The sustainable incorporation of compliance requires the Management Board, the Leadership Teams and management throughout the Group to demonstrate an active and sustained commitment to common standards of behavior and conduct that promote compliance and prevent behavior that jeopardizes compliance ("tone at the top" and "tone from the top"). The "Code of Conduct" is the central behavioral guideline and comprises the most important rules that apply to all members of the Management Board, Managing Directors, Leadership Teams, managers, employees and members of the external workforce at all companies in A1 Telekom Austria Group.

Compliance Objectives

Based on the general corporate objectives, the corporate strategy derived therefrom and an analysis and weighting of those requirements that are significant to the corporate group, the legal representatives define the objectives to be attained from using the CMS. This especially includes defining the relevant areas and the requirements to be complied within these areas. The compliance objectives form the basis for assessing compliance risks.

The A1 Telekom Austria Group Management Board and the management (including middle management) ensure that compliance objectives are established, which are compatible and aligned with the strategic direction as well the strategic goals of A1 Telekom Austria Group. The objectives of A1 Telekom Austria Group are, inter alia, expressed in the CMS description. By acting with integrity and responsibility, A1 Telekom Austria Group shall be protected from reputational damage, liability risks and financial risks. To achieve these goals, A1 Telekom Austria Group implements an efficient and effective compliance organization and pursues a risk-oriented strategy on group level and in the legal entities mentioned under "1. Assurance Engagement". The compliance measures are monitored and adherence to them is reported to top management on a regular basis.

Compliance Risks

Taking the compliance objectives into account, compliance risks are identified which could lead to violations of requirements which are to be observed and, thus, to failure to attain the compliance objectives. A procedure for systematic risk identification and reporting is implemented for this purpose. The identified risks are analyzed in terms of their probability of occurrence and possible consequences, taking into account possible risk interdependencies.

Compliance risks comprise legal, financial and reputational risks of A1 Telekom Austria Group, which result from possible violations of laws, regulations or internal policies. At least annually, a compliance risk assessment is performed based on a standardized methodology, which is specified by Group Compliance. During the compliance risk assessment, (new) compliance risks are identified and evaluated according to their potential impact and their need for improvement (considering already implemented measures and likelihood). Conducting a compliance risk assessment and taking appropriate measures is the responsibility of the Management Board of each company of A1 Telekom Austria Group. The identification and assessment of compliance risks, possible sources of risks and compliance risk situations form the basis for the development of a program to implement appropriate risk-reducing measures within the compliance risk assessment. The implementation of the measures is monitored and documented by compliance.

Compliance Program

Policies and procedures which are designed to mitigate compliance risks and, thus, prevent non-compliance are implemented on the basis of the assessment of compliance risks. The compliance program also includes the measures to be taken if compliance violations are identified. The compliance program is documented to ensure that the CMS functions independently of individuals.

An extensive training concept pursues, inter alia, the goals of continuously raising awareness and of an unhindered knowledge transfer with respect to compliance-relevant processes and necessary preventive and reporting measures. Within A1 Telekom Austria Group, compliance-relevant controls are integrated in compliance-relevant business processes and the internal control system ("ICS"). The controls are regularly assessed regarding their operating effectiveness. A1 Telekom Austria Group has implemented procedures that ensure a transparent and professional approach in case of compliance violations.

Compliance Organization

The legal representatives define roles and responsibilities (tasks) as well as the operational and organizational structure in the CMS as an integral part of the organization of the corporate group and provide the resources necessary for an effective CMS. Areas of responsibility and roles are clearly defined, communicated and documented. The responsible persons meet the necessary personal and professional requirements. The essential regulations regarding the operational and organizational structure of compliance management are documented and binding.

Within A1 Telekom Austria Group, the compliance organization ensures the maintenance and further development of the required compliance procedures and processes. Appropriate resources are available for this as part of the compliance governance. The Group Compliance Director and the local Compliance Managers of the legal entities mentioned under "1. Assurance Engagement" have key roles in the maintenance of the CMS structure. At group level, they are supported by the A1 Telekom Austria Group Compliance Committee, the Capital Market Compliance Officer, the A1 Telekom Austria Group Sponsoring Board, the Human Rights Steering Committee and the Compliance Area Coordinators. At a local level, they are supported by the local Compliance Committee, the local Sponsoring Board and the local Compliance Area Coordinators. The Group Compliance Director regularly reports directly to A1 Telekom Austria Group Management Board and A1 Group Supervisory Board.

Compliance Communication

The employees concerned and, where appropriate, third parties are informed about the compliance culture, the compliance program and the defined roles and responsibilities. For this purpose, they are sensitized, educated and trained in a structured approach, so that they understand their tasks within the CMS sufficiently, and carry them out properly.

The Group defines how compliance risks and indications of potential and identified non-compliance are reported to the designated unit within the corporate group (e.g., the legal representatives and, if necessary, the supervisory body).

A1 Telekom Austria Group relies on target group-oriented and sustainable compliance communication. Internal communication channels, especially the agile communication platform "Workplace", are used to convey important

compliance messages. For external stakeholders, important information regarding the CMS of A1 Telekom Austria Group is also available on the corporate website or can be found in the annual reports and the non-financial reports.

Compliance Monitoring and Improvement

Appropriateness and effectiveness of the CMS are monitored in a suitable manner. Sufficient documentation of the CMS is essential for monitoring purposes. If weaknesses within the CMS or non-compliance are identified after performing a root cause analysis during the monitoring process, they are reported to management or the designated unit within the Group. The legal representatives ensure that the CMS is enforced, any weaknesses are remedied and that the system is improved.

One of the responsibilities of the respective management (including the middle management) is the allocation of adequate and appropriate resources for monitoring, evaluating and continuously improving the CMS. A1 Telekom Austria Group monitors and evaluates its compliance activities with respect to the impact of changes in individual elements of the CMS on the effectiveness of the entire CMS. Regular internal and external audits support and document these activities. For continuous improvement of the CMS, yearly improvement goals are set and reported to the management. Surveys on the compliance culture serve as a basis for specific measures for continuous improvement.

FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

There were no findings that would have led to a modification of the reasonable assurance opinion for the audited areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions**.

Without qualifying our conclusion, our individual observations and recommendations regarding the audited areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions** were discussed with A1 Telekom Austria Group.

4. CONCLUSION

Based on the findings of our reasonable assurance engagement, we conclude that

- the policies, procedures and measures (“regulations”) of the CMS, which were implemented in the period from April 1 to September 30, 2023 and which are in accordance with the applied CMS principles (see section 2, first paragraph), are appropriately presented in the CMS description in all material respects,
- the regulations set forth in the CMS description, in accordance with the applied CMS principles (see section 2, first paragraph), were
 - suitable for identifying risks of material breaches of applicable **anti-corruption, capital markets, anti-trust and sanctions regulations** in due time and with reasonable assurance, and for preventing such non-compliance, during the period from April 1 to September 30, 2023, and
 - effective during the period from April 1 to September 30, 2023 in all material respects.

Without qualifying our reasonable assurance opinion, we would like to point out that the CMS description for the areas **Anti-Corruption and Integrity, Capital Markets Compliance, Anti-Trust Law and Sanctions** was prepared as of March 2023. The explanations on the procedures to assess the effectiveness of specific regulations, therefore, refer to the period from April 1 to September 30, 2023. Any extrapolation of this information to a future date could lead to false conclusions being drawn if the CMS has changed in the meantime.

Vienna, January 3, 2024

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Compliance Management System of A1 Telekom Austria Group

CMS Description

A1 Telekom Austria Group Compliance

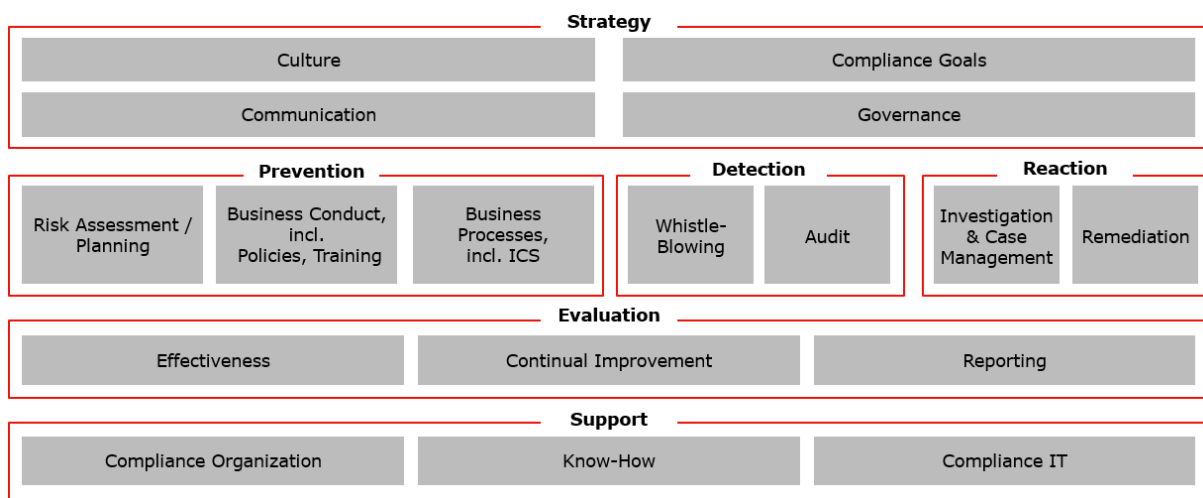
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Contents

1	Introduction	3
2	Compliance Policy	3
3	Strategy	5
3.1	Culture of Integrity and Compliance	5
3.2	Compliance Goals	6
3.3	Compliance Communication	7
3.4	Compliance Governance	8
3.4.1	A1 Group Management Board / Leadership Team	9
3.4.2	Group Compliance Director	9
3.4.3	Further Supporting Functions and Bodies	10
3.4.4	Compliance Governance in Subsidiaries	11
3.4.4.1	Local Compliance Manager	11
3.4.4.2	Local Compliance Committee, Local Sponsoring Board, Compliance Area Coordinators ..	12
3.4.5	Responsibility of all Employees	12
4	Prevention	12
4.1	Compliance Risk Assessment.....	12
4.2	Foster Business Conduct.....	13
4.2.1	Code of Conduct.....	13
4.2.2	Compliance Guidelines	13
4.2.3	Compliance Training-Concept.....	14
4.2.4	Compliance Helpdesk	15
4.2.5	Human Resources.....	15
4.2.6	Gifts and Invitations	15
4.2.7	Sponsoring and Donations, Management Consulting and Lobbying.....	15
4.3	Monitor Business Processes.....	15
4.3.1	Business Partner Integrity Management.....	15
4.4	Mergers & Acquisitions (M&A).....	16
4.5	Internal Control System	16
4.6	Trade Compliance - Sanctions	16
5	Detection	17
5.1	Whistleblowing.....	17
5.2	Audit	18
6	Reaction	18
6.1	Investigation & Case Management	18
6.2	Remediation	18
7	Evaluation.....	19
7.1	Effectiveness	19
7.2	Continual Improvement.....	19
7.3	Reporting	20
8	Support	20
8.1	Compliance Organization	20
8.2	Know-How / Competences	21
8.3	Compliance IT.....	21
9	Questions and Comments on this Document.....	21

1 Introduction

Compliance is firmly anchored in corporate governance as well as in the corporate culture and strategy of A1 Telekom Austria Group. Compliance defines the attitude and conduct of all managers and employees through a set of clear, embodied values and measures to promote good conduct. Maintaining and improving an externally audited¹ compliance management system (CMS) in line with best practice is an essential element of our corporate governance and ESG strategy, because impeccable conduct from an ethical and legal perspective is crucial for trustworthiness in the eyes of customers and other stakeholders. Regular reviews of the compliance management system’s appropriateness and effectiveness aim to ascertain whether current compliance requirements are being met and where there still may be potential for improvement. The A1 Telekom Austria Group CMS follows a certain defined structure characterizing an integrated management system. This approach enables A1 Telekom Austria Group to reach the goals of compliance in an efficient, intelligent and resource effective way.



Compliance at A1 Telekom Austria Group is an ongoing process and the outcome of meeting its obligations such as relevant laws, industry standards, as well as standards of good corporate governance, best practices, ethical standards and community expectations. The A1 Telekom Austria Group CMS takes into account the size and complexity of our organization and basic principles, which form the basis of our relationship with internal and external stakeholders. Compliance at A1 Telekom Austria Group is made sustainable by embedding it in the culture and in the behavior and attitude of our managers and employees. While maintaining its independence, the compliance management of A1 Telekom Austria Group is integrated with other management processes and its operational requirements and procedures.

As part of the A1 Telekom Austria Group CMS the compliance policy and the compliance strategy form the governance and basis for the operative management of compliance fostering integrity and a positive compliance culture. Together with our human rights engagement, our supplier engagement and the data privacy management system, the A1 Group Telekom Austria CMS is an essential part of the governance pillar of our ESG strategy “Empowering a fair Digital Life”.

2 Compliance Policy

A1 Telekom Austria Group, listed on the Vienna Stock Exchange, is a leading provider of digital services and communication solutions in Central and Eastern Europe offering communication, payment, and entertainment services as well as integrated business solutions to around 26 million customers. A1 Telekom Austria Group is currently operating in seven countries under the brand A1: Austria, Bulgaria, Croatia, Belarus, Slovenia, the Republic of North Macedonia, and the Republic of Serbia. Through A1 Digital, A1 Telekom Austria Group offers industry-specific solutions for business customers in its core markets as well as in Germany and Switzerland. As European unit of América

¹ In 2023, the areas of anti-corruption and integrity, antitrust law, capital market compliance and sanctions will be audited in accordance with German auditing standard IDW PS 980.

Móvil, one of the largest telecommunication companies in the world, A1 Telekom Austria Group is headquartered in Vienna and gives access to global solutions.

A1 Telekom Austria Group is operating in a dynamic environment and is constantly facing challenges, in particular more demanding markets, rising customer needs and expectations, the need to defend and expand our core business and to discover new growth opportunities. To keep pace with these dynamics we need to be adaptive and put the human in the center.

A1 Telekom Austria Group is committed to maintaining a high standard of integrity towards all its stakeholders. After all, only honest, fair and transparent actions will ensure the group's economic success and reputation in the long-term. In addition, respectful and appreciative interaction with one another is also an important component of our corporate culture. "Team, trust and agility" are our values, which guide us to realize our vision of "Empowering Digital Life" for our customers and the society. A1 Telekom Austria Group actively assumes its ecological and social responsibility by promoting more efficient, resource-conserving, and thus more sustainable ways of working and living.

Integrity is the basis of A1 Telekom Austria Group's business. For A1 Telekom Austria Group, it is not only important to achieve its goals; it is also important HOW the goals are achieved. Ethically and legally impeccable behavior is everybody's responsibility in A1 Telekom Austria Group.

To ensure the effectiveness and transparency of the A1 Telekom Austria Group CMS this compliance policy² is formulated and communicated to our stakeholders via internet. The compliance policy contains overarching principles and the organization's commitment to reach compliance.

A1 Telekom Austria Group has joined the UN Global Compact. The group has thus committed itself to implement fundamental requirements in the areas of human rights, labor, environment, and the fight against corruption. A1 Telekom Austria Group aligns its activities in order to support the United Nations Sustainable Development Goals.

A1 Telekom Austria Group maintains and constantly improves an externally audited best practice compliance management system (CMS) to ensure integrity and trustworthiness within the Group. The A1 Telekom Austria Group CMS is suitable to conform to international legal requirements (including US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act), and international standards (ISO 37301 Compliance Management System, ISO 37001 Anti-Corruption Management System, ISO 37002 Whistleblowing Management System, UN Global Compact, OECD guidelines for multinational enterprises) and is regularly externally audited.

Acting with integrity in our daily business life is essential for the sustainable business success and the reputation of A1 Telekom Austria Group. Managers are primarily responsible for acting with integrity by setting the appropriate tone-at-the-top/middle. It is their responsibility to regularly address the importance of this conduct and to set an example through their own conduct. All A1 Leadership Team members annually sign a Compliance Commitment, which comprehensively describes their role and responsibilities within the CMS. However, this does not relieve employees of their own responsibility to act ethically and with integrity.

A materiality analysis of sustainability topics conducted regularly with internal and external stakeholders also covers important compliance aspects. The non-financial report of A1 Telekom Austria Group shows the results of the materiality analysis and the measures taken in the areas covered, including compliance.

To avoid potential misconduct, A1 Telekom Austria Group has defined clear rules for ethical behavior and integrity in all its business relationships and has therefore implemented the A1 Group Code of Conduct and the A1 Group Compliance Guidelines and integrated appropriate controls into business processes. In order to sustainably embed the principle of integrity in A1 Telekom Austria Group, training courses optimized for the respective target groups are held regularly. In the consistent implementation of the relevant measures and tools within all business units, Group Compliance is supported by local compliance officers in the subsidiaries.

Misconduct and violations of standards of conduct have serious consequences, not only for the individual, but also for the entire company. A1 Telekom Austria Group punishes conscious, unlawful misconduct and violations of internal guidelines consistently, regardless of the rank or position of the person concerned.

² A1 Telekom Austria Group pursues an integrated compliance management approach. Therefore, this compliance policy is also our anti-corruption policy and whistleblowing policy

To ensure sustained prevention and cover potential risks within A1 Telekom Austria Group, employees – but also external parties – have the opportunity to report information of possible misconduct via the “[tell.me](#)” whistleblower platform – whereby they can remain fully anonymous, if they wish. Hints of employees can also be given to the direct superior or the responsible compliance officer. If a manager receives a whistleblower report, the compliance team must be notified of this report.

Signals from honest employees are one of the most effective ways of uncovering misconduct in the company and are therefore an appropriate measure for exposing serious risks at an early stage. Any employee, as well as any other person concerned, can report a violation or suspected violation of legal requirements, the Code of Conduct and internal guidelines. Nothing negative will happen to honest whistleblowers who have provided information to the best of their knowledge. Whistleblowers' reports will be investigated and verified confidentially and by persons committed to confidentiality. Anyone who intentionally spreads false information about other employees or business partners is guilty of misconduct himself or herself.

3 Strategy

3.1 Culture of Integrity and Compliance

Compliance is an integral part of A1 Telekom Austria Group's corporate culture and strategy. Compliance is the result of an organization meeting its obligations to legal requirements. It is made sustainable by embedding it in the culture of A1 Telekom Austria Group and in the behavior and attitudes of people who work for it. Achieving this depends above all on leadership at all levels and on A1 Telekom Austria Group's clear values, as well as a commitment to and implementation of measures to promote compliant behavior. This requires the Management Board, the Leadership Teams and management throughout the Group to demonstrate an active, visible, consistent, and sustained commitment to a common standard of behavior and conduct, to promote behavior that creates and supports compliance and to prevent and not tolerate behavior that jeopardizes compliance. An open culture of psychological safety on workplace is important to promote compliance and support an open feedback culture.

“Team, trust and agility”: the values of A1 Telekom Austria Group are implemented to achieve the major goal of “Empowering Digital Life” for our customers and the society. We apply them as an integrated part of our daily business. However, the Code of Conduct gives guidance on how we operate our daily business in accordance with our high ethical standards and the law. Our customers, our business partners, our shareholders, our suppliers, our employees, and the public expect us to behave with integrity in our business relationships.

We aim to achieve ambitious business results by complying with our legal obligations, internal guidelines, and business ethics. This is our commitment to compliance. For us, integrity is more important than short-term business success. In case of doubt, we would rather forego business than enter into transactions that conflict with our principles.

A1 Telekom Austria Group has clear rules about what is allowed and what is not allowed. We strictly adhere to the law and to our internal rules and regulations. The Code of Conduct constitutes the central behavioral guidelines of A1 Telekom Austria Group. It comprises the most important rules that apply to all of our managers and employees. Our complementary Compliance Guidelines provide detailed and concrete guidance on how to behave in important areas of business in our daily work.

Everyone knows that there is not necessarily a rule for every possible situation in which a decision has to be made. But how do we act in cases that have not been regulated in advance? The answer: Act ethically and with integrity, thus “honestly, Fairly and transparently” or in other words we act the way we want to be treated ourselves!

Every employee of A1 Telekom Austria Group confirms regularly her/his commitment to compliance and confirms that

- she/he is responsible for her/his own actions and decisions;
- she/he is basing all decision on compliance with the law and internal guidelines to maintain and strengthen trust;
- she/he discloses all conflicts of interest.

All Leadership Team members of A1 Telekom Austria Group sign an even stricter and more comprehensive Compliance Commitment each year.

To measure and evaluate its integrity and compliance culture, A1 Telekom Austria Group regularly conducts compliance and integrity surveys and derives measures from them to foster business conduct and improve the compliance culture.

3.2 Compliance Goals

Acting with integrity and responsibility is an essential part of A1 Telekom Austria Group's corporate culture. We take responsibility for our behavior also beyond the financial implications, and we act honestly, fairly and transparently. A1 Telekom Austria Group does not act this way because we are forced to do so. We do so because we are deeply convinced that it is the right way. Our behavioral benchmarks are the law, internal guidelines, and high ethical standards.

Acting this way ensures that we protect our company from

- reputational damage,
- liability risks, and
- financial risks.

To achieve these goals, A1 Telekom Austria Group implements an efficient and effective compliance organization and follows a risk-oriented strategy on group level and in the operational companies.

Within the defined scope and in accordance with our compliance policy, specific measurable compliance goals are set, e.g. how many training sessions per employee are conducted each year. The strategic goal is to maintain a best practice and externally audited compliance management system to safeguard A1 Telekom Austria Group's integrity and trustworthiness.

Measures to maintain a best practice CMS include:

- conducting an annual compliance risk assessment and implementing additional risk mitigating measures;
- continuous compliance communication (including tone-from-the-top) and compliance trainings;
- effective whistleblowing system and case management.

In addition, targets are set to ensure operation and maintenance of the CMS and mitigate identified risks, to which operative units are exposed. Targets for general functions from top management to functional employees are set in the Compliance Commitment respectively in the personal target setting process.

In the personal Compliance Commitment of the members of the Leadership Team, for example, the following requirements are set:

- support a culture of compliance and integrity through the right personal "Tone-from-the-Top" messages and continuous and appropriate compliance communication;
- ensure that all risk-mitigating measures identified in the annual compliance risk assessment are implemented within her/his area of responsibility;
- ensure that all managers and employees in her/his area of responsibility complete mandatory compliance e-learning or trainer-led compliance training sessions;
- ensure the integration of the CMS requirements into the organization's business processes and controls;
- encourage managers and employees to report violations of laws or internal policies;
- provide full protection to whistleblowers and build a culture of speaking out and psychological safety on workplace and
- address all violations of laws or internal policies that come to her/his attention appropriately and punish misconduct within her/his area of responsibility without exception.

The compliance targets set are monitored and reported in the quarterly compliance report, which is provided to top management. KPIs that are monitored and reported are, for example, number of participants of compliance training (e-learning courses and trainer-led training sessions), compliance cases, communicational measures and number of compliance risk-mitigating measures based on the compliance risk assessment realized.

As part of A1 Telekom Austria Group's risk assessment process, the following risk areas for the compliance management system were defined:

- anti-corruption / integrity,
- anti-trust,
- capital market compliance,
- trade compliance / sanctions.
- data privacy

Data Privacy risks are identified and managed by using an own methodology based on the data privacy maturity model.

Other important areas such as, corporate governance, ESG, enterprise risk management, financial reporting, tax compliance, labor law, information security, etc. are covered by specific corporate functions.

All companies in A1 Telekom Austria Group are committed to ethical and legally impeccable conduct. Therefore, A1 Telekom Austria Group has implemented a group-wide state-of-the-art compliance management system.

The following leading A1 Telekom Austria Group companies have fully implemented the CMS and are responsible for the risk-adjusted implementation of compliance measures in their subsidiaries:



3.3 Compliance Communication

Behavior and communication shape our corporate culture. A strong culture of integrity is the key to successful compliance management. For this reason, A1 Telekom Austria Group relies on target group-oriented and sustainable compliance communication. To convey important compliance messages, e.g. about our Code of Conduct or our tell.me whistleblower portal, we employ all internal communication channels and all forms of communication. In particular, the agile internal communication platform "Workplace" plays an important role in communicating compliance messages.

Of particular importance for the effectiveness of A1 Telekom Austria Group CMS are tone-from-the-top and tone-from-the-middle compliance messages as well as information via the established channels for reporting misconduct and information on internal rules and procedures to promote good conduct.

Important information on the CMS of A1 Telekom Austria Group is also available to external stakeholders on our [corporate website](#). In addition, the company provides information on its compliance activities as part of the combined annual report and the non-financial report as well as in various ESG ratings.

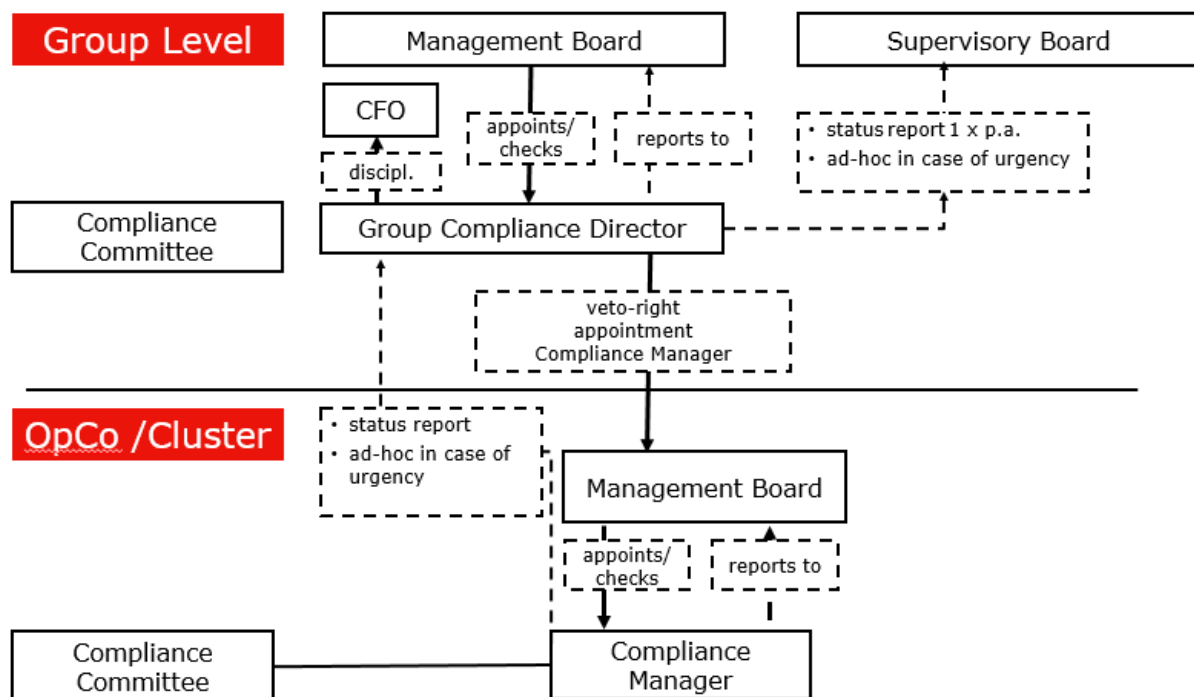
3.4 Compliance Governance

Sufficient resources are key to run the A1 Telekom Austria Group CMS with the defined goals and scope. The following roles are established and staffed:

- Group Compliance Director,
- Capital-Market Compliance Officer,
- local Compliance Officers in each leading operating company.

The Supervisory Board of A1 Telekom Austria Group exercise oversight over the Management Board of A1 Telekom Austria Group regarding the operation of the compliance management system. Both boards are responsible for establishing a compliance policy.

Within the A1 Telekom Austria Group, the compliance organization ensures the maintenance and further development of the required compliance procedures and processes. Management is responsible for ensuring compliance. And all employees contribute to maintaining and strengthening the compliance culture through their attitude and behavior. The most effective way to achieve this is to establish, maintain, evaluate and constantly improve a compliance management system. To support management, the governance structure described below has been established in A1 Telekom Austria Group.



To ensure that management in the whole A1 Telekom Austria Group is able to fulfill its compliance obligations, it is necessary to establish compliance functions at the operational level as well. Equipped with the right competences and resources the compliance managers with their team maintain the defined CMS structure and report the status of the compliance activities to the Management Board on a quarterly basis.

In order to effectively inform both the Supervisory Board and the Management Board of A1 Telekom Austria Group, the Group Compliance Director provides regular reports about the status of the CMS, KPIs and – if necessary also ad-hoc – about relevant cases of non-compliance.

The compliance managers of the group companies report regularly to the local Management Board as well as to Group Compliance about the status of the CMS, KPIs and relevant cases in their companies.

3.4.1 A1 Group Management Board and Leadership Team

The A1 Management Board determines the compliance policy and compliance strategy and approves the measures defined during the annual assessment of compliance risks. Furthermore, the management (also the middle management) has many other responsibilities to maintain, monitor, evaluate and further develop the CMS:

- ensuring that the compliance policy and compliance objectives are established and are compatible and aligned with strategic direction resp. strategic goals of A1 Telekom Austria Group;
- ensuring the integration of the CMS requirements into the organization's business processes;
- allocating adequate and appropriate resources to establish, develop, implement, evaluate, maintain and improve the CMS;
- communicating the importance of effective compliance management and adherence to CMS requirements via own compliance messages (tone-from-the-top, tone-from-the-middle) and through continuous compliance communication and compliance training;
- establishing and upholding the organization's values;
- ensuring that commitment and accountability for compliance is maintained and that appropriate action is taken in the event of non-compliance and non-compliant behavior;
- cooperating with and supporting the compliance function and encouraging personnel to do the same;
- ensuring that the employees adhere to compliance obligations, policies, procedures and processes;
- ensuring that compliance performance is integrated into overall staff performance appraisals;
- identifying and communicating compliance risks and implementation of risk-mitigating measures in their operations;
- encouraging the employees to report cases of non-compliance, and precluding any form of retaliation;
- actively participating in the management and resolution of compliance incidents and issues as required.

3.4.2 Group Compliance Director

In promoting compliance and integrity, the management is supported by the Group Compliance Director (GCD), who

- reports to the entire A1 Group Management Board and in disciplinary terms to the A1 Group Board Member, who is organizationally responsible for compliance;
- manages the Group Compliance department;
- is chairman of the Group Compliance Committee.

The Group Compliance Director

- is responsible for supporting the management in establishing, operating and maintaining, evaluating, documenting and improving the compliance management system, which aims to ensure compliance of the company and promote integrity;

- evaluates the scoping of the CMS and adapts the scope accordingly;
- is responsible for aligning the compliance management system with compliance objectives;
- monitors and measures compliance performance;
- has a direct right of presentation to the entire A1 Group Management Board and the A1 Group Supervisory Board;
- is not bound by instructions from other divisions and departments in his activities, in particular when assessing compliance violations;
- has unrestricted right of access and inspection to all documents, books, records, systems, files and correspondence relevant to the performance of the duties assigned to him/her;
- has the right to request assistance from other departments, including but not limited to Human Resources, Legal, Data Privacy, and Internal Audit;
- shall participate in the appointment of local compliance managers and shall have veto power in this regard;
- is authorized to conduct audits to verify the effectiveness of the CMS in the subsidiaries, in coordination with the respective governance bodies;
- evaluates, in accordance with the governing bodies of the respective subsidiaries, the implementation and effectiveness of the CMS, and recommends measures to improve the performance, if necessary;
- establishes a regular compliance risk analysis to determine the main compliance risks (compliance risk assessment), initiates appropriate risk-mitigating measures and supports the subsidiaries in their own compliance risk management;
- is responsible for supporting management in identifying and managing compliance risks;
- establishes a group-wide reporting about the compliance activities, important KPIs, on the status of the CMS and compliance violations;
- prepares group-wide guidelines (policy-authority), e.g. on anti-corruption / integrity, conflicts of interest;
- communicates guidelines, incl. target group specific trainings;
- runs a helpdesk to advise on compliance-related issues that arise;
- supports internal partners in creating and implementing guidelines, e.g. purchasing guidelines, the organization and implementation of trainings, and the introduction of appropriate processes and controls;
- is responsible for the establishment and operation of a group-wide reporting process for compliance-related violations (tell.me portal);
- ensures a structured case management process;
- ensures the continual improvement of the CMS.

3.4.3 Further Supporting Functions and Bodies

The **A1 Group Compliance Committee** supports the Group Compliance Director and has responsibility for Telekom Austria AG and A1 Telekom Austria AG.

The Group Compliance Committee has the following tasks:

- advises the Group Compliance Director (GCD);
- supports the GCD in assessing the adequacy and effectiveness of the CMS and planned compliance measures;
- discusses the results of the annual compliance risk assessment and the compliance program;
- acts as an advisory body in compliance-related emergency situations.

The **Capital Market Compliance Officer** and the **Ad-Hoc Committee** supports the Management Board of A1 Telekom Austria Group in all matters relevant to the capital market and especially gives advice on the existence of an insider information. In insider relevant cases, the Capital-Market Compliance Officer has direct access to the A1 Group Management Board and the A1 Group Supervisory Board.

To ensure compliance with regard to sponsorships and donations the **A1 Group Sponsoring Board** has been established. It is chaired and organized by the Leadership Team member responsible for sponsoring. Further members are Communications, Legal, Purchasing and Compliance. The A1 Group Sponsoring Board meets at least once a year to decide on all planned sponsorships and donations for the entire year. For ad-hoc sponsorships and donations, the approval of the members of the Sponsoring Board can be obtained by circulation.

In the event of suspected human rights violations, the **Human Rights Steering Committee** assesses the respective situation from the perspective of employees, customers and civil society and makes appropriate corporate decisions.

In business units with special relevance for compliance a **Compliance Area Coordinator** can be nominated to support the management in the area of compliance.

3.4.4 Compliance Governance in Subsidiaries

In every leading company of A1 Telekom Austria Group, a local compliance manager is appointed to support the local management.

3.4.4.1 Local Compliance Manager

The local compliance manager

- is responsible for supporting the management in establishing, operating and maintaining, evaluating, documenting and improving the compliance management system, which aims to ensure compliance of the company and promote integrity, including roll-out of the A1 Telekom Austria Group CMS in local subsidiaries;
- has the right to directly address the local Management Board;
- is not bound by instructions from other departments, especially when assessing compliance violations;
- has unrestricted right of access and inspection to all documents, books, records, systems, files and correspondence relevant to the performance of the duties assigned to him/her;
- has the right to request assistance from other departments including, but not limited to, Human Resources, Legal, Data Privacy, and Internal Audit;
- evaluates, in coordination with the local Management Board members and Group Compliance, implementation and effectiveness of the CMS and recommends measures to improve the performance, if necessary;
- reports to the local management and Group Compliance;
- organizes and coordinates the annual compliance risk assessment;
- monitors the implementation of risk-mitigating measures;
- implements compliance guidelines based on group guidelines;
- communicates compliance topics and performs and/or organizes trainings;
- runs a help desk to advise on compliance-related issues;
- supports internal partners, in creating and implementing relevant guidelines, e.g. purchasing guidelines, and the introduction of appropriate processes and controls;
- supports the establishment and operation of the group-wide reporting process for compliance-related violations (tell.me) on local level and implements, if necessary, an additional local reporting channel;
- ensures a structured local case management process.

3.4.4.2 Local Compliance Committee, Local Sponsoring Board, Compliance Area Coordinators

A local Compliance Committee supports the local compliance manager. The organization and tasks are defined locally based on those of the A1 Group Compliance Committee.

All local sponsoring activities and donations have to be checked by the local Sponsoring Board and to be reported to Group Compliance. Details are defined in the respective guidelines.

Compliance Area Coordinators can be nominated in local business units to support compliance.

3.4.5 Responsibility of all Employees

All employees and managers shape the integrity and compliance culture of A1 Telekom Austria Group. They must ensure

- to read, understand and accept our Code of Conduct and other relevant compliance guidelines;
- to adhere to our Code of Conduct and the relevant compliance guidelines and act responsibly in daily business;
- to participate at all mandatory compliance trainings (e-learning courses & trainer-led training sessions);
- to report observed (alleged) misconduct through established whistleblower channels.

4 Prevention

4.1 Compliance Risk Assessment

Knowing our compliance risks is the basis for an effective compliance management. Based on our business (products, services, processes) it is essential to identify and to understand the major compliance risks to be able to define the right risk-mitigating measures. Identified compliance risks shall be newly rated at following events, at least on a yearly timeframe:

- introduction of new products or services;
- setting up a new strategy or reorganization of the company;
- new external effects such as general economic factors or altered market conditions;
- integration of new companies.

Conducting a compliance risk assessment and taking appropriate measures is the responsibility of the Management Board of each company of A1 Telekom Austria Group. The compliance organization supports the compliance risk assessment, e.g. by means of methodology, interviews, workshops, tools and reporting.

Compliance risks include legal, financial and reputational risks for A1 Telekom Austria Group arising from potential violations of laws, regulations or internal guidelines by a manager or an employee or a representative, e.g. an agent. Obligations and risks arising through the law for vendor due diligence will be addressed among others by participating at the Joint Audit Cooperation for telecommunication companies.

The compliance risk assessment is used to identify and assess compliance risks and potential non-compliant situations and to define and prioritize appropriate measures to prevent non-compliant business conduct by managers, employees, and representatives of A1 Telekom Austria Group to reduce legal, financial, and reputational risks. The compliance risk assessment is not aimed to detect concrete misconduct.

The identification and assessment of compliance risks, possible sources of risks and compliance risk situations form the basis for the development of a program to implement appropriate risk-reducing measures. For this purpose, the relevant functional department of every leading company systematically reviews the risk scenarios relevant to them. This can be done by means of interviews

and/or workshops with functional managers and internal experts, supported by compliance managers.

The results of the compliance risk assessment have to be approved by the local Management Board will be consolidated on group level by Group Compliance and approved by the A1 Group Management Board and are reported to the A1 Group Supervisory Board.

To make sure that all defined measures are taken, Compliance monitors and documents the implementation.

4.2 Foster Business Conduct

To prevent potential misconduct, A1 Telekom Austria Group has established clear rules for legally compliant and honest behavior in all business relationships and has integrated appropriate controls into the business processes. In addition to the Code of Conduct, detailed compliance guidelines provide guidance on specific topics. The top management's role model effect as well as employees acting with a high degree of personal responsibility are thereby of particular importance.

4.2.1 Code of Conduct

Our Code of Conduct applies to all members of the A1 Group Management Board, all Leadership Team members, all managers, employees and members of the external workforce at all companies of A1 Telekom Austria Group and is available in English and in all national languages of our subsidiaries. The Management Board of A1 Telekom Austria Group and all local Leadership Teams have approved the A1 Group Code of Conduct.

The A1 Group Code of Conduct also provides A1's business partners with a framework for dealing fairly and with integrity. Through our terms and conditions, the A1 Telekom Austria Group works to ensure that our business partners are contractually obliged to comply with these behavioral requirements.

The Code of Conduct is available on the A1 Telekom Austria Group website (<https://www.a1.group/en/group/compliance-guidelines>), on the internal groupnet (<https://inside.a1.group/groupnet/about/compliance>) and on all local intranets. The Code of Conduct is part of the regular compliance trainings.

4.2.2 Compliance Guidelines

For additional guidance, the following compliance guidelines apply throughout A1 Telekom Austria Group:

- A1 Group Guidelines Anti-Bribery, Anti-Corruption & Conflict of Interests,
- A1 Group Guidelines Anti-Trust and
- A1 Group Guidelines Capital-Market Compliance.

The A1 Telekom Austria Group Compliance Guidelines apply to all members of the A1 Group Management Board, Leadership Team member, managers, employees and members of the external workforce in all companies of A1 Telekom Austria Group. All group guidelines have been approved by the Management Board of A1 Telekom Austria Group and are available on the A1 Telekom Austria Group website (<https://www.a1.group/en/group/compliance-guidelines>) and on the internal groupnet (<https://inside.a1.group/groupnet/about/compliance-guidelines>).

The compliance guidelines shall be adopted and implemented in each company of A1 Telekom Austria Group, unless they conflict with mandatory legal requirements or country-specific conventions. Any need for adaptation due to such a contradiction shall be agreed with Group Compliance in advance. Stricter national legal regulations must be observed and take precedence over these group guidelines.

The compliance guidelines are to be communicated as part of the annual compliance communication and training plan. This is the responsibility of the local compliance manager supported by the internal communications department accordingly.

4.2.3 Compliance Training-Concept

A strong culture of integrity is key to a successful compliance management system. A company culture is primarily influenced by behavior and communication. A1 Telekom Austria Group therefore relies on targeted and sustainable compliance communication and compliance training. Properly designed and executed training can provide an effective way to communicate also previously unrecognized compliance risks to employees.

A1 Telekom Austria Group's compliance training concept pursues the following goals with its compliance training courses held as (virtual) trainer-led training sessions and / or as e-learning programs:

- raising awareness:
Compliance awareness trainings primarily address managers. However, compliance awareness is also trained as part of unit-specific compliance training.
- knowledge transfer through risk-specific compliance training sessions:
With specific compliance training courses, a concrete compliance content is trained either for a specific occasion (new legislation, new guidelines) or on a regular basis as initial or follow-up training. The target groups are managers and employees in high-risk areas (risk-based training approach).
- broad participation in compliance e-learning programs:
Compliance e-learning programs are becoming increasingly important according to our vision "Empowering digital life". The group-wide mandatory compliance e-learning program, which all managers and employees must complete every two years (supplemented by further local e-learning), pursues both compliance-training objectives: raising awareness and communicating important business-specific compliance content throughout the whole Group. All compliance e-learning programs are hosted on the A1 e-campus.

The goal of compliance training is to ensure that managers and employees, depending on their role in the company, understand,

- why compliance is important, the compliance risks and resulting consequences to which they and A1 Telekom Austria Group are exposed,
- the A1 Code of Conduct and the compliance guidelines,
- the compliance processes relevant to their role,
- any necessary preventive and reporting actions they need to take in regard to our compliance risks or suspected compliance violations.

The form and scope of the training depends on the size of the organization and the compliance risks. The Leadership Team and all persons exposed to a significant compliance risk should be trained face-to-face.

The content and target groups of the tailor-made compliance training are based on feedback from the previous year's compliance training sessions, requests to the compliance helpdesk, the results of the compliance risk assessment, specific measures taken due to detected misconduct, regulatory or legal requirements, and the professional assessment of the compliance managers.

The following training methods are used:

- compliance e-learning programs,
- trainer-led (virtual) compliance training (initial and follow-up),
- roadshows (e.g. regional trainer-led training for managers or sales people or for the local Leadership team),
- lectures (e.g. at management events),
- coaching of executives,
- mailings, intranet and workplace postings.

Compliance training is designed, developed and delivered by experienced and qualified personnel and is conducted in local language and in some cases also in English.

4.2.4 Compliance Helpdesk

Compliance managers are available to answer individual, compliance-related questions, in person, by e-mail and telephone, and via the (local) ask.me mailbox.

The number and main content of ask.me inquiries are monitored throughout the Group - as part of the compliance reporting.

4.2.5 Human Resources

“Team, trust and agility” are our values that are taken into account in our personnel policy instruments such as the recruiting and the performance management processes.

Human Resources (HR) establishes a process that provides for periodic review of performance targets, performance bonuses, and other incentives to verify that appropriate measures are in place to avoid encouraging non-compliance in achieving the ambitious business objectives. Employees and managers have to confirm that targets have been achieved in compliance with legal requirements and internal compliance guidelines.

HR is responsible to take adequate disciplinary measures under labor law in case of any detected and verified misconduct.

HR supports the Compliance department in developing and rolling out compliance e-learning programs.

All employees and managers are called upon to avoid situations in which their personal or financial interests conflict or could conflict with the interests of A1 Telekom Austria Group. Employees inform their managers in advance about anything that could be regarded as a possible conflict of interest. The following conflicts of interest shall be reported in the SAP HR Portal (or comparable tool):

- gainful secondary employment and board functions in companies outside the Group,
- internal and external professional relationships with close relatives (children, siblings, parents, spouses, close relatives of spouses and persons living in the same household for at least 1 year),
- equity investments in business partners or competitors of more than 5% in the case of participation on the part of A1 in the business relationship.

4.2.6 Gifts and Invitations

Chapter 4 of our A1 Group Guidelines Anti-Bribery, Anti-Corruption & Conflict of Interest defines the internal limits and the approval requirements for accepting and giving gifts and invitations.

All invitations of business partners of A1 Telekom Austria Group to events with only partial or no business character over € 100 require the approval of the respective management board. Compliance carries out a public official check for all guests to events with only partial or no business character.

4.2.7 Sponsoring and Donations, Management Consulting and Lobbying

Special procedures as well as approval and reporting requirements are defined for transactions carrying inherently increased compliance risks, as sponsoring activities, donations, management consulting and lobbying in the A1 Group Guidelines Anti-Bribery, Anti-Corruption & Conflict of Interest.

4.3 Monitor Business Processes

4.3.1 Business Partner Integrity Management

A1 Telekom Austria Group places great importance on integrity in relationships to its business partners and also expects its business partners to act with integrity. Therefore, a risk-oriented multi-step approach was implemented, which mandates checks depending on the risk exposure of the business partner.

Within the respective frameworks of the suppliers and sales partners selection processes, integrity checks are carried out in co-operation of the relevant business units and Compliance. The questions are targeted to uncover alleged misconduct by analysis of common corruption schemes in the business relationship.

Employees of A1 Telekom Austria Group are not allowed to offer, promise or grant direct or indirect financial or other advantages to a business partner such as a consultant, agent, intermediary or other third party if circumstances point to the fact that this will be used to indulge in an illicit action or omission on the part of the recipient.

Particularly in this connection, A1 Telekom Austria Group has high demands on the integrity of business partners. These have also been included in contractual agreements. Cooperation is entered into with business partners who themselves or their agents were noted for acting without integrity or for illicit business conduct in the past, particularly corruption, only if measures have been established that ensure that business will be conducted with integrity and in a lawful manner.

4.3.2 Mergers & Acquisitions (M&A)

Acquisitions bear the risk that parties involved - e.g. the seller, the ultimate beneficial owner, the target company, their (senior) management or an intermediary - have been or are still involved in corruption.

The compliance due diligence serves to

- identify corruption risks to be able to take adequate measures at an early stage;
- avoid civil and/or criminal liability;
- avoid financial damage, e.g. due to necessary reorganization of sales or procurements units, cost for forensic investigations, costs for legal proceedings, payment of penalties;
- protect corporate reputation.

The management boards of all newly acquired and consolidated companies have to approve and roll out the A1 Code of Conduct and all Group Compliance guidelines within 3 months after closing and implement risk-based all necessary compliance processes and controls in a timely manner.

The (further) appointments of the management board members of the new companies have to comply with the recruiting requirements of A1 Telekom Austria Group.

For bigger acquisitions, a rollout plan for compliance activities has to be part of the integration project and to be agreed between compliance and the responsible management.

The local compliance manager has to monitor the timely and proper implementation of all necessary compliance measures and to report about the progress to Group Compliance.

4.3.3 Internal Control System (ICS)

Compliance function has to make sure, that business processes are performed in a controlled way with compliance risks mitigated to an acceptable level. Adhering to the general risk-based approach of our CMS; we have defined the relevant compliance risks and consequently the appropriate control objectives and controls to mitigate them.

Compliance-relevant controls are integrated in compliance-relevant business processes and documented within the internal control system (ICS) of A1 Telekom Austria Group. The controls are regularly checked for their effectiveness.

4.3.4 Trade Compliance - Sanctions

As part of A1 Telekom Austria Group`s compliance management system, it has to be ensured that the organization also complies with relevant governmental sanction programs.

The risk-based sanction compliance program

- constantly tracks the relevant sanction regimes on their relevance for the operations of the company;

- defines the process how and how often the updates of relevant sanction programs and sanction lists are checked;
- defines the process how to proceed when possible matches are found;
- thus protects the company from possible fines and reputational damage and financial loss due to violations of the sanction regulations.

A1 Telekom Austria Group monitors those sanction programs (e.g. EU sanction programs, US sanction programs) for which it is legally bound to comply or for which contractual partners require to comply with the sanctions regime (e.g. US vendors). Sanction programs are monitored and checked for matches with all business-partners that have an upstanding business relationship with A1 Telekom Austria Group and for new business partners.

If a business partner appears on a sanction list, the business relationship is checked if it complies with the applicable sanctions and, if necessary, amended accordingly for full compliance with the sanction provisions.

5 Detection

5.1 Whistleblowing

A1 Telekom Austria Group seeks to conduct fair and transparent business, foster integrity, and prevent misconduct of its employees and representatives. If misconduct should occur, it should be detected as soon as possible.

As part of the compliance management system, A1 Telekom Austria Group provides a variety of tip-off channels, accessible on group and on local level. First and foremost, concerns shall be raised on the spot. Employees should approach their direct manager to point out observed irregular behavior. If this is not possible, information can be addressed to a compliance manager, e.g. personally, on the phone or via email. Additionally, information can also be provided through the A1 Telekom Austria Group "[tell.me](#)" whistleblowing portal, a web application provided by an external supplier. For employees a link to the whistleblowing portal is available at prominent channels, e.g. on the top page of the intranet, within internal apps, etc. External stakeholders are informed about the whistleblowing portal on the corporate website of A1 Telekom Austria Group.

Information about the whistleblowing procedure is part of regular training activities and communication measures including tone-from-the-top messages.

An electronic whistleblower mailbox on the whistleblowing portal technically ensures anonymity of the whistleblower, if he/she decides to stay completely anonymous, even in relation to the Compliance department.

If the whistleblower decides to provide his identity in the report, this will be treated confidentially by the manager, the Compliance department and Internal Audit and will not be disclosed to any third party without his consent.

Any employee, but also external partners, can report unlawful misconduct or suspicion of unlawful misconduct. A1 Telekom Austria Group encourages that misconduct be reported to the best of their knowledge and belief.

Information provided by honest and upright employees is one of the most effective ways of exposing misconduct. The goal of the whistleblower procedure is to systematically use information for sustainable prevention and to detect misconduct within A1 Telekom Austria Group at an early stage.

In accordance with the EU-directive 2019/1937 on whistleblower protection, A1 Telekom Austria Group prohibits any form of reprisals against whistleblowers. Any act or omission in a work-related context that has the effect of adversely affecting a whistleblower, who raises concerns in good faith, is prohibited.

Whistleblower protection is explicitly not confined to the subjects legally stipulated but comprises all possible subjects that might be reported given the whistleblower is acting in good faith.

Whenever suspicion of retaliation against a whistleblower arises, the responsible compliance officer will investigate the case with support of Internal Audit. Any whistleblower who feels affected by a retaliation can contact Compliance.

In cases of proven whistleblower retaliation, A1 Telekom Austria Group will provide reasonable compensation of the damage caused to the whistleblower, as well as settlement of any reasonable attorney fees. This shall be done in accordance with relevant laws.

Reports will be assessed and appropriately investigated. Investigations are carried out by experts who have an obligation to maintain confidentiality.

Those who intentionally spread false information about other employees are guilty of misconduct themselves.

5.2 Audit

Independent audits are conducted by Internal Audit to provide information as to whether the respective A1 Telekom Austria Group company and its employees conform to the rules and procedures applicable and as to whether audited rules and procedures are effective and efficient.

If Internal Audit finds information relevant to compliance, Compliance will be informed to evaluate whether measures are needed to improve the performance of the CMS and to promote integrity.

6 Reaction

6.1 Investigation & Case Management

A1 Telekom Austria Group has implemented procedures to ensure professional and transparent proceedings in case of a violation or suspected violation of the legal framework and internal guidelines with the following principles.

Internal Investigations are allowed only in case an initial suspicion is supported by facts.

Internal Investigations shall

- conform with legal requirements, be fair, confidential and comprehensively documented;
- protect the personal rights of the accused person and avoid prejudgment.

For the collection, processing and storing of personal related data, the relevant laws of the European Union (GDPR) as well as national laws on data privacy and whistleblower protection apply and have to be specifically defined for every country where A1 Telekom Austria Group operates.

Personal data which are manifestly not relevant for the handling of a specific report shall not be collected or, if accidentally collected, shall be deleted without undue delay.

6.2 Remediation

A1 Telekom Austria Group reacts appropriately to every compliance incident:

- takes action to control, correct and manage the consequences;
- assesses the need for action to eliminate the root causes of the non-compliance so that it does not recur or occur elsewhere, by:
 - professionally investigating the incident;
 - identifying the causes of the incident;
 - examining whether similar incidents are present or might potentially occur;
- appropriately sanctions identified irregular behavior; depending on the severity of the misconduct sanction can be of a disciplinary, labor law (reprimands, termination, dismissal), civil law (assertion of claims for damages), administrative penal law or criminal law nature;
- reviews the effectiveness of any corrective action taken;

- makes changes to the compliance management system, if necessary.

In cases where no misconduct has been determined this information should also be used as basis to identify opportunities for improvement of the compliance management system.

7 Evaluation

7.1 Effectiveness

More challenging markets, rising customer expectations and the strategic focus on defending and growing our core business and explore new business opportunities characterize the dynamic environment of A1 Telekom Austria Group. Due to these challenges, the evaluation of the adequacy and effectiveness of A1 Telekom Austria Group's CMS is essential to continually improve and evolve the CMS to remain fit for its purpose. Therefore, A1 Telekom Austria Group monitors and evaluates its compliance activities.

Key indicators for the performance and effectiveness of the CMS are, for example:

- allocation of resources;
- evaluation of the compliance culture through compliance & integrity surveys;
- evaluation of the strength of compliance related controls;
- status of the implementation of compliance-risk reducing measures;
- communication measures including tone-from-the-top;
- compliance trainings conducted;
- questions to the help-desk;
- tip-offs/reports about non-compliance, including measures taken.

Changes in compliance obligations, especially local laws that could be relevant for the performance of the CMS, are monitored and regularly reported. For details, refer to chapter 5.3.

Regular internal and/or external audits are conducted to examine the effectiveness of the CMS and to provide recommendations for improvement of the CMS. At least every five year A1 Group's CMS is audited externally. Further sources of information for continual improvement can be the development of external compliance standards, the results of stakeholder surveys and reports of misconduct.

A1 Telekom Austria Group takes into account the dependency and the impact of changes in individual elements of the CMS on the effectiveness of the compliance management system as a whole in order to help ensuring that the integrity of the CMS and its effectiveness is retained. When making changes the implications for the CMS, its operations, the availability of resources, the compliance risk assessments, the organization's compliance obligations and its continual improvement processes are considered.

Accurate records of the compliance activities of A1 Telekom Austria Group are maintained to assist in the monitoring and review process.

7.2 Continual Improvement

Continual improvement is an important element of A1 Telekom Austria Group's CMS to ensure its adequacy and effectiveness. A1 Telekom Austria Group's internal and external environment and business changes and challenges, applicable compliance obligations, developments and trends in compliance management as well as internal and external knowledge and experience are considered as resource for the continuous improvement of A1 Telekom Austria Group's CMS to ensure its suitability, adequacy and effectiveness.

In addition to local and international legal requirements in the individual areas of law (including the FCPA and the UK Bribery Act) A1 Telekom Austria Group refers to

- UN Global Compact,
- OECD guidelines for multinational enterprises,

- ISO 37301 – compliance management systems – requirements with guidelines for application,
- ISO 37001 – anti-bribery management systems – requirements with guidelines for application
- ISO 37002 – whistleblowing management systems and

In order to improve the quality of the CMS yearly improvement goals are set and reported regularly to the management. The improvement goals are set according to the principles of the PDCA (Plan – Do – Check – Act; “Deming” circle).

- PLAN – yearly goals are set after an analysis of deficiencies in the CMS in the course of the yearly strategy planning,
- DO – realization of set improvement goals during the year,
- CHECK – check of reached status of set goals e.g. by surveys on the compliance culture,
- ACT – implementation of additional corrective measures based on the results of the previous step.

Based on the feedback of the compliance culture survey and feedback received from management in the compliance risk assessment interviews specific measures are elaborated.

Following sources are used for updating the CMS and for improvement measures:

- external audits of the CMS,
- internal surveys on the compliance culture,
- feedback received in the yearly compliance risk assessments,
- measures taken as a consequence from whistleblower cases,
- yearly strategic compliance workshops,
- exchange of ideas on A1 Group internal International Compliance Day.

For corrective actions as consequences of non-compliance, please refer to chapter 6.2.

7.3 Reporting

Accurate, up-to-date records of the organization’s compliance activities are retained to ensure the accuracy and completeness of compliance reporting, to assist in the monitoring and review process and to demonstrate conformity with the compliance management system. Accurate and complete information is provided to the correct functions or areas of the organization to enable preventive, corrective and remedial action to be taken in a timely manner.

The Group Compliance Director of A1 Telekom Austria Group monitors and evaluates compliance activities and informs the A1 Group Management Board and the A1 Group Supervisory Board on a regular basis. Additionally, the Group Compliance Director informs the A1 Group Management Board and the A1 Group Supervisory Board in case of urgency.

The local compliance managers inform the local Management Boards and Group Compliance every calendar quarter on the status of compliance in the organizations under their responsibility. Additionally, the local compliance managers inform the local Management Boards and Group Compliance in case of urgency.

8 Support

8.1 Compliance Organization

To meet its compliance goals, A1 Telekom Austria Group provides the resources needed to establish, maintain, evaluate and continually improve the CMS. In promoting compliance and integrity, the management is supported by the Group Compliance Director, the Capital-Market Compliance Officer,

the (Group) Compliance Committee, the (Group) Sponsoring Board, Compliance Area Coordinators in selected business units, local compliance managers and the employees of the compliance units.

For detailed information, see chapter 1.4 "Governance".

8.2 Know-How / Competences

Integrity is essential for all employees working for compliance. In addition, they need to understand the organization, the context of our business, and understand the potential compliance risks.

Leadership, communication skills and analytic skills are necessary for compliance managers, along with basic knowledge of relevant laws and business administration, to support the management in achieving the compliance goals.

Constant learning is a fundamental principle in the entire A1 Telekom Austria Group. In order to stay up-to-date, relevant information is shared within the compliance community but also with interested parties from other departments. This is done mainly via the "Compliance News" Workplace group, but also through regular meetings (e.g. "International Compliance Days") and MS Teams meetings, class room training sessions, and e-learning sessions.

To ensure that only suitable local compliance managers are nominated, the Group Compliance Director is involved in their appointment.

Additionally, Compliance, Human Resources and other relevant business units provide hybrid-training sessions for A1 Telekom Austria Group employees to provide them with the competencies needed to achieve our compliance goals.

8.3 Compliance IT

Several IT tools are used to ensure effectiveness and efficiency of the A1 Telekom Austria Group compliance management system.

Group Compliance uses compliance databases for risk-adjusted business partner integrity checks as well as web search engines.

A1 Telekom Austria Group's "[tell.me](#)", a whistleblowing portal, provides a means to provide information about potential misconduct directly and anonymously to Group Compliance.

The BAP-DMS system is used to monitor compliance relevant controls as part of the internal control system (ICS).

In addition, collaboration platforms, the A1 e-Campus e-learning platform, websites, intranet-sites, and Workplace are used for collaboration, training, and communication.

9 Questions and Comments on this Document

Questions and comments on this description of the compliance management system can be addressed to A1 Telekom Austria Group Compliance: compliance@A1.group.

Detailed contact information can be found on our corporate website: <https://www.a1.group/en/group/compliance-contact>.

General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.