

Guideline

Anti-Corruption

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1. General document information

1.1 Formal information

1.1.1 Communication

This guideline is communicated and updated via the Regulations Portal (“Regelportal”) and the compliance pages on the intranet. The requirements arising from the guideline will be communicated to managers and employees¹ through advisory services and training.

1.2 Content details

1.2.1 Goal and purpose

The goal of this guideline is to ensure that all relevant legal anti-corruption regulations, especially the US Foreign Corrupt Practices Act (FCPA) are complied with and violations of these are consistently prosecuted, so that financial losses or reputational damage for the company and also for the executive bodies, managers and employees can be prevented.

1.2.2 Scope

This guideline applies to Telefónica Deutschland Holding AG and all of its direct and indirect subsidiaries (together “Telefónica Germany”).

1.2.3 Related applicable documents

In addition to this guideline, the following documents as currently amended apply in particular:

- Telefónica - [Business Principles](#)
- [Guideline for dealing with gifts and invitations](#)
- [Guideline for dealing with incentives](#)
- [Purchasing guideline](#)
- [Guideline on conflicts of interest](#)

These documents can be found in the [Regulations Portal](#).

1.2.4 Competencies

The executive bodies, managers and employees are responsible for complying with the regulations of this guideline. The Compliance department is responsible for updating and maintaining this guideline.

2. Corruption

Corruption arises in a wide variety of guises and includes all forms of the abuse of power to obtain improper tangible or intangible benefits. Corruption in the narrower sense refers to the criminal offences of giving and receiving bribes to and from public officials and in the course of business as well as the acceptance and granting of benefits. The consequences for companies and private individuals have been constantly strengthened by the legislation and jurisdiction in recent years.

Corruption distorts competition, as decisions are no longer taken based on factual and objective criteria. In addition to unquantifiable reputational damage (especially the loss of confidence among customers), companies face the threat of significant claims for damages from business partners, exclusion from public contracts as a result of being entered in the competition register, financial penalties running into millions of euros and the deduction of legally acquired benefits. Private individuals who violate corruption law primarily face the threat of significant fines or imprisonment.

Misbehaviour and violations of anti-corruption laws and internal guidelines might have serious consequences not only for the acting individuals, but for the whole company. Telefónica Germany does not tolerate any kind of misconduct or breaches of the relevant anti-corruption laws.

3. Public officials

Particular risks arise when dealing with public officials: offering any type of cash benefit, benefit in kind or securities to a public official is prohibited without exception (e.g. cash, discounts, price advantages, promotional gifts, use of mobile phones, birthday presents). The details are regulated in the guideline for dealing with gifts and invitations.

For example, public officials may not be offered (facilitation) payments (e.g. so that a building permit for radio towers is issued more quickly). A benefit is also granted unlawfully if employees help a public official to be accepted as a member of an exclusive golf club when the official does not meet the membership criteria.

The term “public official” describes a specific group of people, who are subject to particularly strict rules under German and US criminal laws on corruption. As the US authorities in practice also impose sanctions on foreign companies that violate US anti-corruption regulations, Telefónica Germany complies with these regulations for reasons of fact, in addition to the applicable German anti-corruption regulations.

It is difficult to state in generally accepted terms exactly who is regarded as a public official. The distinction can be difficult in the individual case, as private commercially organised companies are increasingly performing public sector functions, i.e. functions that are typically the responsibility of the government (e.g. local authority rubbish collection and disposal operations – see the examples given below on this). Employees and managers of these companies are generally public officials if they perform public duties and thus act almost as an “extension of the state”. If there is any doubt about whether an individual is acting as a public official in the specific case, the Compliance department (compliance-de@telefonica.com) has to be involved in the assessment.

Examples of public officials (not exhaustive):

- Civil servants (e.g. police and customs officers), government officials
- Judges (professional and lay judges), public prosecutors
- Notaries public, including those awaiting their lifetime appointment
- Editors at public service broadcasters
- Doctors and nursing staff at university hospitals, regional, district and municipal hospitals
- (Vice) president of the Bundesnetzagentur (German Federal Network Agency), Bundesbeauftragte für den Datenschutz und die Informationssicherheit (BfDi – Federal Commissioner for Data Protection and Freedom of Information), Landesbeauftragte für den Datenschutz (LfD – State Data Protection Commissioner)
- Members of the federal government (federal chancellor, federal minister)
- Parliamentary secretaries
- European officials (especially civil servants and members of the European Commission, the European Central Bank, the European Court of Auditors or a European court) and public officials of foreign countries are equivalent to German public officials

- Representatives of a political party and candidates for political office
- Under certain circumstances, employees of companies organised under private law (e.g. limited liability companies (“GmbH”) and public limited companies (“AG”) that work in particular in the fields of the waste disposal, energy and transport (e.g. chief executive of a local waste disposal authority, executives of the rail company “DB Netz AG”)

4. Gifts and invitations

For the regulations of Telefónica Germany on gifts and invitations, please see the guideline for dealing with gifts and invitations in the Regulations Portal: [Guideline for dealing with gifts and invitations](#).

5. Conflicts of Interests

Conflicts of interest arise when private and business interests conflict with one another. For details, please see the [Guideline Conflicts of Interests](#).

6. Accounting

Telefónica Germany requires maintaining a system of appropriate internal accounting controls and that all transactions are properly and accurately reported and reproduced with sufficient detail in the books and records. Our books may not contain any false or misleading information or entries, such as the recording of the costs for a gift or an invitation as different kind of expense.

Transactions may never be intentionally recorded in the wrong balance sheet items, departments or reporting periods. Every transaction must be underpinned by accurate and appropriate documentation with a sufficient level of detail. Documents have to be retained in accordance with the statutory and tax provisions arising from the “Handelsgesetzbuch” (German Commercial Code, ten years), the “Abgabenordnung” (German Fiscal Code, six years), the generally accepted principles of proper accounting and retention of books, records and documents in electronic form and of data access, and in accordance with internal company requirements.

7. Business partners

Telefónica Germany will not enter into contractual relationships or commence a business relationship with a business partner if there is a risk in its opinion that this business partner violates applicable legal regulations for combating corruption or one of the prohibitions defined in this guideline and the related applicable documents expressly specified under point 1.2.3.

8. Confirmations from certificate addressees

Executive bodies, managers with Valora status and managers without Valora status who have cost centre responsibility for specific risk areas (certificate addressees) have to confirm personally compliance with the provisions of this policy once per calendar year for their area of responsibility (see form in the appendix).

If a certificate addressee leaves the company, compliance with this guideline must be reconfirmed for the period between the last submission of the above-mentioned confirmation and termination of the employment relationship, at the latest when leaving the company. This also applies to

- Certificate addressees whose employment relationship with the Telefónica Deutschland Group ends when their employer leaves the Telefónica Deutschland Group.

- Certificate addressees who are seconded to a company in which the Telefónica Deutschland Group does not hold a controlling interest (including cases of joint control).
- Certificate addressees who are on leave of absence in any form (Beurlaubung).
- Certificate addressees who have not left the Telefónica Deutschland Group but who, due to a change of role, are no longer considered as certificate addressees from the start of the new position and are consequently no longer covered by the annual anti-corruption certification obligation.

9. Sanctions

Misconduct and violations of anti-corruption laws or internal behavioral standards may have serious consequences not only for the individual but for the whole company. In case of breaches of this guideline or the related applicable documents, the employer reserves the right to pursue appropriate disciplinary and / or labor law measures.

10. Advice and reporting channels

Executive bodies, managers and employees can address any questions they may have on the application or interpretation of this guideline to the Compliance department.

You can also contact the Compliance department if you have knowledge of a breach or of an alleged violation of this guideline or of the related applicable documents. You will find further information and contact details on the intranet pages of the Compliance Team: [Compliance](#)

11. Confidential Helpline

Furthermore, the anonymous Confidential Helpline (external ombudsman: Dr Buchert) is available to you as an additional reporting channel. Further information and the contact details can be found on the intranet pages of the Compliance Team: [Confidential Helpline](#)

ANNEX

Confirmation form (applicable only for executive bodies, managers with Valora status and cost centre owners)

I have received, read and understood the Telefónica's Business Principles and Anticorruption Policy.

I am aware of my duty to comply with the instructions, practices and standards contained in this guideline and undertake to act in accordance with these.

I confirm that I have not violated the provisions defined in the guideline in the last 12 months and that I have no knowledge of any material violations of these within my area of responsibility, except for alleged violations, which have already been reported to the Compliance department or the ombudsman of Telefónica Germany GmbH & Co. OHG.

Signature: _____ Date: _____

Name and position _____

Contact details (telephone, e-mail): _____