

Pursuant to Article 234. item (1) s) of the Law on Economic Societies ("FBiH Official Gazette" No.: 81/15), Article 6. item (1) b) of the Law on Public Enterprises in the Federation of Bosnia and Herzegovina ("FBiH Official Gazettes" No.: 8/05, 81/08, 22/09 and 109/12), Article 48. item (1) t) and Article 118. of the Statute of BH Telecom JSC Sarajevo No.: 00.1-1.1-1881/16-9 dated 25 Feb., 2016 and No.: 00.1-1.1-27474/17-5 dated 23 Oct., 2017, at the **56th (special) meeting** held on **28 Nov., 2019, the Assembly** of BH Telecom JSC Sarajevo has adopted the following

CODE OF ETHICS

I GENERAL PROVISIONS

Article 1. (Subject)

- (1) This Code of Ethics defines the purpose of adoption of the Code of Ethics, principles of morally defensible behavior, unacceptable behavior in the Company and implementation of the Code of Ethics in BH Telecom JSC Sarajevo (hereinafter: the Company).
- (2) Business ethics includes implementation of generally accepted ethical principles within individual and collective business processes.
- (3) All employees of the Company are obliged to abide by provisions defined in this Code of Ethics.
- (4) All users of services provided by the Company can be familiarized with the Code of Ethics and rules of conduct they have right to expect from the Company's employees.

Article 2. (Purpose)

- (1) The purpose of adoption of the Code of Ethics is to define obligatory promotion of ethical behavior and values being specific for provision of telecommunication services, as well as its effect for employees to accept ethical principles in their life and work.
- (2) This Code of Ethics should contribute for business operation to be performed in the spirit of business moral, good business practices, principles of conscience and honesty, and to enable business transparency.
- (3) The consequences of lack of moral values can result in disorder in business environment, disorder in usual business flows, loss of employees' and users' trust in the Company's business and management.
- (4) The Code of Ethics rules refer to all levels of the Company's employees, who must be familiarized with them in order to behave so to enhance the Company's reputation.

Article 3. (Basic Principles and Rules)

- (1) The principles of the Code of Ethics include values and employees' rules of conduct whose violation results in obligatory disciplinary actions.
- (2) The principles of the Code of Ethics refer to the most important business operations of the Company, making effect on its reputation and position in its business environment.
- (3) Implementation of business ethics principles and rules includes, but without limitation, below stated principles.

II PRINCIPLES OF MORALLY DEFENSIBLE BEHAVIOR IN THE COMPANY

Article 4.

(Maintenance of the Company's Public Reputation)

- (1) Each employee is obliged to take care that his behavior at his working place, during his direct or indirect public communications, particularly with service users, does not decrease his personal reputation, the Company's reputation and trust of the Company's service users.
- (2) Each employee's behavior makes a direct effect on public opinion about the Company, its market position, business results and understanding of its business policy making a precondition for reaching business goals of the Company.
- (3) Each employee must promote the market values of the Company during his communications with users and business partners.

Article 5.

(Professional Principles)

- (1) The employees are expected to fulfill their obligations toward our service users, their fellow colleagues and other associates conscientiously, professionally and ethically immaculately. The employees follow the principles of objectivity, unambiguity, sound judgement, correctness, dialogue and tolerance in their activities.
- (2) The employees are obliged to obey the criteria of competence and excellence and, accordingly, to grow professionally, grounding all their professional and ethical judgements on available facts, without prejudices of any kind.
- (3) All employees need to maintain and encourage professional cooperation without making a harm for the Company's reputation.

Article 6.

(Employees' Relationships and Communications)

- (1) The employees' relationships are grounded on mutual respect, trust, cooperation, decency, team work, professionalism and patience.
- (2) Relationships and behavior of employees are based on the full respect between them.
- (3) It is not allowed to present untrue, tendentious and malicious data and comments about others.
- (4) The employee is obliged, during his cooperation with other employees, to have a highly professional cooperation without disturbing work processes, to improve his professional relationships and work atmosphere and to avoid activities which could result in harmful consequences for the Company's reputation.

Article 7.

(Protection and Correct Usage of the Company's Property)

- (1) The Company's property, such as information, materials, spare parts, intellectual property, facilities, plants, software and other property owned or leased by the Company, can be used for business purposes exclusively.
- (2) All employees are obliged to protect the Company's property from loss, damage or theft and it cannot be used for personal gain or purposes, and it must not be given away, sold or exchanged without relevant approvals issued pursuant to applicable laws, by-laws and internal documents of the Company.

Article 8.
(Peaceful Exercising Rights)

- (1) The Company must enable each employee to exercise all human rights within the Company, as well as his constitutional rights and rights defined in valid laws of Bosnia and Herzegovina.
- (2) The rights of employees can be limited only for the purpose of exercising rights of other Company's employees and general public in line with the Company's goals and if really necessary.

Article 9.
(Valid Laws Enforcement)

- (1) Ethical conduct during business operations is grounded on enforcement of valid laws, regulations, contracts between business entities and good business practices.
- (2) It is not allowed to encourage disobedience of laws and to disguise their violation.
- (3) During fulfillment of their obligations and duties, the Supervisory Board, Management and Audit Board are obliged to encourage for the Company to operate in accordance with valid laws, by-laws and other regulations.
- (4) In the case that any employee learns about any information which proves that valid laws, Rule Book, guidelines or regulations concerning the Company were violated materially, he is obliged to present that information to the Supervisory Board, Management or other competent bodies.
- (5) The Supervisory Board and Management are obliged to provide for ethical behavior to be advanced in the Company and to encourage their employees to report each illegal or unethical behavior.

Article 10.
(Conscientiousness and Honesty)

- (1) The employees are obliged to do their jobs in line with their authorizations, responsibilities and rules of their professions, with due care, professionally and conscientiously.
- (2) While doing their jobs, the employees must be honest, impartial and conscientious. Reports about their work results need to be professional in order to point to possible work issues or shortages.
- (3) Particularly, the Management and employees must do their jobs regularly, ethically, cost-effectively, efficiently and effectively, continuously harmonizing their business operations with valid laws, regulations, policies, plans and procedures, protecting the Company's property and other resources from loss caused by bad management, unnecessary expenditures, irregularities and fraud.
- (4) Relationships with users, suppliers, Trade Union and all parties concerned should be grounded on conscientiousness and honesty of all employees.

III UNACCEPTABLE BEHAVIOUR IN THE COMPANY

Article 11.
(Conflicts of Interest Ban)

- (1) The employees are obliged to avoid real or obvious conflicts of interest with the Company in their personal or professional relationships.

- (2) Conflict of interest means that personal, i.e. professional, interest of an employee disables, can eventually disable or it seems that it materially disables, the interest or operations of the Company or the employee's ability to do his jobs.
- (3) During its business operations the Company is not allowed to offer related persons the conditions which are better than those offered to other persons not being related to the Company. In terms of this provision, related persons are considered to be as follows:
 - a) an employee's close family members in straight and side family line up to third level of consanguinity, i.e. persons living in the same household with the employee;
 - b) legal persons having voting shares in the Company;
 - c) legal persons in which the Company has minimum 10% shares in the total voting shares;
 - d) legal persons in which the Company has minimum 10% voting shares;
 - e) legal persons in which an employee or his close family member, stated in a) above, is a member to the Supervisory Board or Management.
- (4) While doing their jobs in the Company, the employees must not take advantage of an opportunity they encounter for their personal needs, i.e. use the Company's property or information or their positions in the Company for their personal benefits.

Article 12.
(Competitive Activities Ban)

The employees must not be engaged in the activity which is competitive with the Company and they are unable, in any capacity, personally or professionally, to take part in the activity which is or could be found as competitive with the Company's activities.

Article 13.
(Business Secret Disclosure Ban)

- (1) The main business rule is that reputation and trust are based on trustworthy operations and keeping data and information secret.
- (2) The Management and employees are obliged to enable confidentiality and secrecy as well as to protect business entities, documents and information in line with the Rule Book on Business Secret. Data they receive for the purpose of their utilization or review while doing their jobs must be used according to the Company's by-laws.
- (3) The employee will use information he receives while doing his job bonus pater families and he must not use officially available information for his personal purposes.
- (4) The employee is not allowed to disclose the Company's business secrets.
- (5) Data about service users are considered as business secrets.

Article 14.
(Loan Granting Ban)

The Company is strictly banned to grant loans to the Company's employees or third persons or to give guarantees for loans except during the restructuring process, when the Company can invest or grant a loan to a legal person based on the Supervisory Board's decision exclusively.

Article 15.
(Ban for Giving and Receiving Material and Other Gifts)

- (1) Giving and receiving material and other gifts from business partners is not allowed if it is a possibility for getting rich, but it is allowed only if it is not meant for immoral or self-interested purposes.

- (2) It is important that the gift was initiated by the business partner and in the case of ethical doubts, the employee will report it to his manager or relevant authorities in order to take a view about it.
- (3) While giving and receiving material and other gifts from business partners, the Management and employees will act in accordance with the Code of Ethics, i.e. their behavior must not have a negative effect on the Company's reputation. It is necessary to have in mind business practices applied in business partners' environments in order to avoid insulting them.

Article 16.
(Discrimination Ban)

- (1) Each form of direct and indirect discrimination based on religion, ethnic and national affiliations, race, gender, sexual orientation, lifestyle, property, marital status, pregnancy, family relations, age, disability, physical shape, political views and health condition is unacceptable.
- (2) Validation and promotion criteria must include professionalism, ability, professional values, capacity and results of doing certain jobs, as well as extraordinary relationships with service users, fellow colleagues and other associates.

Article 17.
(Harassment and Mobbing Ban)

- (1) Harassment or sexual harassment, gender violence and constant harassment of the employees and persons looking for a job in the Company (mobbing) is banned.
- (2) Each form of mobbing is not allowed. Mobbing includes a non-physical harassment of employees at their working place with recurrence of actions, having a humiliating effect on employees for the purpose of degradation of their work conditions or professional status.

IV IMPLEMENTATION OF THE CODE OF ETHICS

Article 18.
(Employees' Implementation of the Code of Ethics)

- (1) The Code of Ethics is obligatory for all employees of the Company.
- (2) In terms of this Code of Ethics, the employees are considered to be as follows:
 - a) the employees and Management, including also individuals and agents appointed by the Company for certain activities;
 - b) members to the Supervisory Board, Audit Board and managers in the Internal Audit Department;
 - c) each public enterprise or physical person who directly or indirectly owns minimum 10% of total Company's voting shares.

Article 19.
(Familiarizing with the Code of Ethics)

- (1) All employees are obliged to sign the statement on their acceptance of the Code of Ethics.
- (2) The employees are obliged to work in line with the provisions of the Code of Ethics.

- (3) The statement is a part of the Code of Ethics and one copy of the statement will be signed and kept in the employee's personal file.

Article 20.

(Complaints about Disregarding the Code of Ethics)

- (1) The Company's service users, employees and other persons can submit a written complaint to the General Manager about behavior of the Company's employees which is found contrary to the provisions of this Code of Ethics.
- (2) The General Manager examines all complaints. The complaints are replied in writing within 30 days from the day of the official complaint submission.
- (3) Prior to making his reply, the General Manager will talk to the employee about who the complaint is submitted.
- (4) The General Manager can initiate, if necessary, a disciplinary action because of work violation defined in applicable contract, laws, Rule Book or other regulations.

Article 21.

(Supervision and Follow Up of the Code of Ethics Implementation)

- (1) The Executive Directorate for Legal Affairs, Organization and Human Resources Management is in charge of follow up of the Code of Ethics implementation.
- (2) The Executive Directorate for Legal Affairs, Organization and Human Resources Management will report to the Management and Supervisory Board about the Code of Ethics implementation, their observations and measures being taken.
- (3) The report stated in item (2) of this Article will be submitted to the Management and Supervisory Board once a year and, if needed, more frequently.
- (4) The Management is responsible for a consistent implementation of the Code of Ethics.

Article 22.

(Violation of the Code of Ethics)

- (1) Any practice contrary to the principles defined in the Code of Ethics will be considered as a violation of the principles and rules of business ethics, resulting in relevant disciplinary procedure.
- (2) Disciplinary procedure is meant for raising business moral, making effect firstly on the participants in business relationships as well as on creating public opinion for the purpose of condemnation of business ethics violation.
- (3) During fulfillment of their obligations defined in this Code of Ethics, the employees may be exposed to ethical doubt, when they are not sure which behavior is ethical. In such cases, they are obliged to inform the manager or relevant authorities to take a view of that issue.

V FINAL PROVISIONS

Article 23.

(Coming into Effect)

- (1) This Code of Ethics comes into effect on the eighth day after being posted on the message board in the Company's head office.
- (2) When this Code of Ethics comes into effect, implementation of the Code of Ethics of BH Telecom JSC Sarajevo No.: 00.1-1.3-11265/05 dated 15 July, 2005 will be terminated.

(3) This Code of Ethics will be announced on the Company's web page.

No.: 00.1-03-45012/19-7

28 Nov., 2019

CHAIR OF THE ASSEMBLY

Irma Memić, B.LL.

The Code of Ethics is posted on the Company's message board on 29 Nov., 2019 and comes into effect on 07 Dec., 2019.

SECRETARY OF THE COMPANY

Faruk Hamzić, B.LL.

Pursuant to article 19. of the Code of Ethics No. 00.1-03-45012/19-7 dated 28 Nov., 2019, the undersigned makes the following

STATEMENT ON ACCEPTANCE OF THE CODE OF ETHICS

Herewith I confirm that I am familiarized with the provisions of the Code of Ethics, that I will apply and enforce them and be responsible while doing my job as prescribed.

Herewith I make the following statement that, during fulfillment of my contractual obligations:

- I will act with due care and diligence, professionally and conscientiously;
- I will be responsible for utilization of BH Telecom property and resources and encourage others to use and control BH Telecom property and resources responsibly;
- I will act in accordance with applicable laws;
- I will report illegal behavior if I find that it exists.

Signing this Statement I confirm that I am familiarized with the consequences of my disregard of the provisions specified in the Code of Ethics.

Signed by
