

ELLAKTOR COMPLIANCE STRENGTHENING MEASURES

OVERVIEW

ELLAKTOR SA decided to strengthen its Corporate Governance System, by preparing and promoting in 2016 a **Code of Conduct**, developing an **Ethics and Compliance Program** and constituting a **Compliance Function** at the Group level.

The Code of Conduct and the Ethics and Compliance Program of ELLAKTOR have both been adopted by ELLAKTOR's subsidiaries (BoD decisions 1/8/16 and 20/12/16).

Furthermore, Compliance Officers have been appointed among its personnel for a more efficient implementation and monitoring of the Program and a **Compliance Committee** was created consisting of the Audit Committee Chairman, the Legal Advisor of the Company and a Non-Executive Member of the Board.

In addition to the aforesaid, ELLAKTOR's subsidiary HELECTOR hired experts from **International Transparency Greece**, an international organization against corruption in which ELLAKTOR is also a member, in order to seek advice on how to proceed a step ahead in **the development and implementation of an integrated management system against bribery, in accordance with the requirements and guidelines of the internationally recognized standard of ISO 37001 Anti-bribery Management System**. Such integrated system has the following characteristics:

1. *is based on the principles of international legislation for combatting bribery (UK Bribery Act, FCPA),*
2. *operates based on bribery risk, which entails procedures for bribery risk identification and assessment,*
3. *can be certified by independent certification bodies, and*
4. *in order to be maintained, inspection on annual basis is required.*

More specifically, in order for HELECTOR S.A. to be certified with ISO 37001, we proceeded to the implementation of a series of measures and controls for the prevention, detection and combat of bribery, with the main ones being the following:

- **Adoption and implementation of a Policy against Bribery (31. 07.2017) with clear directions for the conduct of all employees in all circumstances: this Policy is defined by the personal message of the Managing Director and clearly demonstrates the non-**

negotiable commitment of himself personally and all management in general for zero tolerance towards incidents of bribery and corruption.

- ***Creation of bribery risk identification and assessment procedure (Bribery Risk Assessment).***
- ***Integration, evaluations and update of the operational procedures and other safeguards for the mitigation of bribery risk.*** Such procedures include, indicatively:
 - ***Due diligence on personnel, third parties and transactions.*** More specifically, in order to know the people doing business with, before every collaboration/ transaction with financial subject above a specific threshold, a due diligence research of the counterparty is required, through the delivery and evaluation of the Third Party Due Diligence Questionnaire (Programme Appendix 6A and 6B accordingly) and Third Party Enhanced Due Diligence Questionnaire (Appendix 7) of the Ethics and Compliance Program when required.
 - ***Financial and non - Financial controls,*** such as: a. setting a maximum limit and a certain procedure for the supervision of gifts offering and receipt and b. integration of a term regarding the commitment of the counterparties not to violate the principles of the Code of Conduct, the Ethics and Compliance Program and the Policy against Bribery of the Company and provision of the right of the Company to terminate the contract in case of such a violation.
- ***Operation of communication channels,*** encouraging reporting, named or even anonymous, of incidents or suspicion of incidents that do not comply with the content of the said Policy.
- ***Strengthening of the Compliance Officers' skills through the acquirement of international certifications.***
- ***Development of a communication and training program regarding bribery issues,*** aiming to promote awareness of the Company's employees, associates, partners and subsidiaries against bribery.

The aforesaid system for detecting and combatting bribery has been monitored, supervised and certified according to ISO 37001 on the 31st of August 2017, by an independent certification body and is subject to continuous audit.

All the actions described above constitute an integral part of ELLAKTOR's course so far and not separate, individual acts, within the continuous process of developing a model of corporate and business ethics and integrity.