



# CODE OF ETHICS AND BUSINESS CONDUCT

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## **REVISION HISTORY**

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2	24/04/2017	Full Revision
3	22/12/2017	Addition of Annex "J&P-AVAX Manual of Compliance with Competition Law"
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5	01/11/2019	Integration of ISO 37001 System Requirements

## Contents

<b>1</b>	<b>A Message by Management</b>
<b>2</b>	<b>Introduction</b>
<b>2.1</b>	<b><i>AVAX Profile</i></b>
<b>2.2</b>	<b><i>Scope</i></b>
<b>2.3</b>	<b><i>Definitions</i></b>
<b>3</b>	<b>Compliance with legislation</b>
<b>4</b>	<b>Responsibilities in external relations</b>
<b>4.1</b>	<b><i>Competition</i></b>
<b>4.2</b>	<b><i>Relations with suppliers, subcontractors and outsourcers</i></b>
<b>4.3</b>	<b><i>Anti-bribery and anti-corruption practices</i></b>
<b>4.4</b>	<b><i>Cooperation with state authorities and public officials</i></b>
<b>4.5</b>	<b><i>Sponsorships, donations and charities</i></b>
<b>4.6</b>	<b><i>Political activities and lobbying</i></b>
<b>4.7</b>	<b><i>Ensuring ethical contract award procedures</i></b>
<b>5</b>	<b>Employees' duties and commitments</b>
<b>5.1</b>	<b><i>Compliance with the law</i></b>
<b>5.2</b>	<b><i>Criminal Records</i></b>
<b>5.3</b>	<b><i>Diversity</i></b>
<b>5.4</b>	<b><i>Child labour and forced labour</i></b>
<b>5.5</b>	<b><i>Personal data</i></b>
<b>5.6</b>	<b><i>Conflict of interest</i></b>
<b>5.7</b>	<b><i>Money laundering</i></b>
<b>5.8</b>	<b><i>Compliance with import and export controls</i></b>
<b>5.9</b>	<b><i>Communication with external stakeholders – Using Social Media</i></b>
<b>5.10</b>	<b><i>Disciplinary action for non compliance</i></b>
<b>6</b>	<b>Handling Company assets</b>
<b>6.1</b>	<b><i>Protection of assets</i></b>
<b>6.2</b>	<b><i>Data management</i></b>
<b>6.3</b>	<b><i>File Protection</i></b>
<b>6.4</b>	<b><i>Integrity of business information and financial reporting</i></b>
<b>7</b>	<b>Broader social responsibility</b>
<b>7.1</b>	<b><i>Support to local communities</i></b>
<b>7.2</b>	<b><i>The Environment</i></b>
<b>7.3</b>	<b><i>Safety at Work</i></b>
<b>8</b>	<b>Code Compliance, Implementation and Monitoring</b>
<b>9</b>	<b>Code Applicability</b>
	<b>ANNEX 1 AVAX MANUAL OF COMPLIANCE WITH COMPETITION LAW</b>

# 1 A MESSAGE BY MANAGEMENT

In the face of hard financial times and a challenging business environment, AVAX has succeeded in being a leader recognised on both a national and an international level.

A culture of integrity is one of the crucial elements for the success of a world-class company such as AVAX. Our public- and private-sector customers elect to do business with us, being confident that AVAX operates in a sustainable, responsible and ethical manner, respectful of the needs of its employees, customers as well as society and the environment.

As a leader in the field of construction and as expected of any modern business, AVAX is committed to implementing a set of principles that permeate the full spectrum of business activities in which it engages. Our values and principles are reflected and documented in the preparation and implementation of the present Code of Ethics and Business Conduct.

Our core principles, namely law-conforming conduct, responsibility, respect for diversity, transparency in operations, integrity, sustainable growth, environmental protection and safety at work, lie at the foundation of our pursuit of the financial, production and social goals of the Company having to do both with the operation of its offices and the execution of the projects awarded to it.

The Code of Ethics and Business Conduct, in cooperation with the Anti-Bribery Management System, is applicable to all AVAX employees (irrespective of their place in corporate hierarchy), to the members of the Board of Directors, salaried personnel, subcontractors, associated companies, consultants, mediators, stakeholders, suppliers, outsourcers and any party acting on behalf of the Company. Third parties, working for the account of AVAX, are expected to uphold the principles set out in this Code, in Anti-Bribery Policy as well as all applicable legislation or contractual term.



Our reputation and success in the future rely on each and every one of us assuming personal responsibility for the implementation of the Code of Ethics and Business Conduct. We must at all times comply with national legislation and regulations as applicable from time to time, as well as with our internal policies and guidelines. We must all bear in mind that any failure to adhere to the Code of Ethics and Business Conduct could jeopardise the good name of AVAX but could also place ourselves at risk.

You are urged to take the time to carefully read the Code of Ethics and Business Conduct. If you have any doubt or question about any of the matters referred to in this document, do not hesitate to request further clarifications of your Manager, the Human Resources Director, the Compliance Officer or me personally.

**For AVAX**

**Konstantinos Mitzalis (Signed)**

**Managing Director**

## 2 INTRODUCTION

### 2.1 AVAX Profile

AVAX is a group of companies with extensive experience, know-how and productive base, licensed to execute public works in the 7<sup>th</sup>, 6<sup>th</sup> and 4<sup>th</sup> class, having also an impressive portfolio of participating interests in concessions and companies with complementary business activities such as in real estate, prefabricated structures as well as a dedicated b2b platform for construction materials (<http://www.b2bconstruct.gr>).

The Group's corporate structure features a broad construction base and increased competitiveness, allowing for the pursuit and state-of-the-art performance of a large number of projects over a broad spectrum of budgets and technical characteristics.

At the same time the Group allocates specialized staff to independent business units engaged in activities such as the management of self-financing projects, environmental action and strategic participating interests in other companies.

AVAX Group applies the following Management Systems to the full range of its activities:

- Quality certified per ISO-9001,
- Health and Safety certified per ISO-45001,
- Environment certified per ISO-14001,
- Energy certified per ISO-50001
- Anti-Bribery certified per ISO-37001.

At the same time, it implements Corporate Social Responsibility and Sustainable Development Policies in conjunction with the implementation of the Code of Ethics and Business Conduct, which governs all the functions of the group.

The Group has included in its Corporate Values the 17 Sustainable Development Goals of the UN Global Compact with particular emphasis on the protection of fundamental human rights and rights to work, environmental protection, promotion of Health and Safety and anti-corruption practices. In handling Group business, in their transactions with State or other Authorities and Bodies as well as other undertakings, Group employees and associates are expected to conduct themselves in line with the Corporate Values and commitments, demonstrating moral integrity and social responsibility.

## **2.2 Scope of the Code**

The Code of Ethics and Business Conduct (hereinafter the “Code”) has been designed for the purpose of recording in a single document the general principles and rules governing the commitment undertaken by AVAX towards its employees and those expected to govern the moral and professional conduct of all persons engaged by AVAX or acting on its behalf.

By adopting the Code, AVAX has established rules and has set expectations with regard to the following:

- Business conduct in its relations with external associates/partners, employees and outsourcers, the market and the environment, on which the Company bases its internal and external activities;
- Organization and management, for its smooth operation and the development of an effective and efficient system for the planning, performance and control of activities, ensuring the Code is implemented and preventing the breach of Code rules by any person acting on its behalf;
- Responsibility of each person directly or indirectly working for AVAX (irrespective of their place in the corporate hierarchy) to act and behave

in a manner reflecting our Values in every business decision or interaction.

While the Code provides a wide range of guidelines on exercising good business conduct and upholding integrity, it cannot address every situation that persons associated with AVAX might possibly encounter. Due account must be taken of the fact that, in certain cases, even a slight departure from good business conduct could compromise AVAX and its name.

It is crucial not only to follow the letter of this Code, but also that due consideration be given to the broader meaning of the text and the importance of complying with the spirit of the law. This Code serves as a guide that makes reference to the applicable laws and regulations. Every single person to whom this Code is applicable is personally expected to exercise sound judgment, accept responsibility for his/her actions and ask for guidance on good business conduct whenever necessary.

If you have a question regarding this Code, always contact your office Director/Head, the Human Resources Department and/or the Compliance Officer.

This Code is an integral part of the contractual terms of cooperation with AVAX employees, members of the Board of Directors, third parties and other persons acting on its behalf.

This Code was prepared under the supervision of the Department of Quality, Safety, Environment (QSE) & Sustainability in cooperation with the Human Resources Department of AVAX and was then approved by the Group's Board of Directors. For any change to or departure from the Code, prior approval by the Board of Directors is required.

## **2.3 Definitions**

For the purposes of this document, the following terms and expressions shall have the meaning ascribed to them herein:



## Definitions

“Company” is understood to mean AVAX and its controlled subsidiaries, including their activities relevant to the construction of projects in the context of joint ventures or executed solely by AVAX.

### **3 COMPLIANCE WITH LEGISLATION**

First and foremost priority in all our business decisions and actions is our compliance with the applicable national legislation of the country in which we do business.

The mission of the Legal Department within AVAX is to protect and safeguard the legal and ethical integrity and reputation of AVAX and its subsidiaries and to manage labour law issues.

Its mission is accomplished by providing strategic legal advice to the members of the Board of Directors and ensuring that they fulfil their functions in conformance with the applicable legislation and in line with the mission, the vision and the values of AVAX Group.

The mission of the Financial Department is to safeguard the financial integrity of AVAX, through advice and controls by experienced financial specialists across the Company and through financial input to the Board of Directors for making informed decisions.

The mission of the Human Resources Department is to safeguard the company and its employees in respect of labour matters and ensure compliance with the applicable labour legislation.

The mission of the Contracts Department is to protect the Company vis-à-vis its customers and to provide assurance to its customers as to the transparency of the contracts concluded and compliance thereof with the applicable legislation.

The Quality-Safety-Environment & Sustainability Department ensures that the Programs and Procedures implemented in the Company and in its projects are compliant with the applicable local legislation and the Company policies. AVAX expects all its employees to respect all laws relevant to the protection of health, safety and the environment.



It is anticipated that issues of compliance with government requirements might arise. It is important for AVAX Management to be informed of any such issues with all due expedience.

## 4 RESPONSIBILITIES IN EXTERNAL RELATIONS

### 4.1 *Competition*

AVAX firmly believes that fair competition is key to free market development –with attendant social benefits– and accordingly aims at achieving competitive results that reward ability, experience and efficiency. Therefore, its employees and business partners are expected to abide by the rules of fair competition.

Any action intended to alter the conditions of fair competition goes against AVAX policy and is absolutely forbidden for any person acting on behalf of the Company.

No conduct by top management, employees or business partners contrary to the applicable laws and the rules set out in this Code as well as the Anti-Bribery Management System, which applies to the company, is excusable under any circumstance as a means to pursue Company interests.

Following are examples of conduct that could involve violation of the law on competition:

- Discussions with competitors / suppliers / subcontractors concerning prices, production, capacities, sales, offers, profit margins, costs, distribution methods and any other parameter defining or affecting the Company's competitive behaviour intended to induce similar behaviour from the competitor;
- Conclusion of an agreement with a competitor/supplier/subcontractor etc. not to compete or to restrict deals with suppliers, such as e.g. the allocation of markets or supply sources.

## ***4.2 Relations with suppliers, subcontractors and outsourcers***

AVAX relations with private or public external business associates, subcontractors, suppliers and outsourcers across the full spectrum of its activities and operations must be compliant with the law and the principles of fairness, transparency, trust, sincerity and integrity. Moreover, the Company expects all its business associates, designers, subcontractors, suppliers and joint venture partners to share its values and comply with all applicable legislation.

A non-negotiable principle underpinning the Company policy is that any business relation with associates, suppliers, designers, subcontractors and outsourcers who are proven to apply unlawful or anti-competitive practices shall be forthwith terminated.

AVAX relations with private or public external associates are closely and carefully monitored by the Legal Department and the Contracts Department of the Company.

## ***4.3 Anti-bribery and anti-corruption practices***

AVAX prohibits any form of bribery or corruption practice and is committed to exercising all its business activities in a moral and lawful manner. The Company intends that all its departments and employees, individuals and entities working for the Company or acting on its behalf take appropriate steps for identifying and/or preventing such conduct or attempted conduct.

AVAX S.A. implements an Anti-Bribery Management System, certified according to ISO 37001.

It is of vital importance for AVAX to take proper and satisfactory care in its dealings with third parties and other persons doing work on its behalf, as it may be held responsible for corruption practices in which they may be implicated. Its relations with third parties must only be handled by authorized executives who are required to verify such parties' reputation,

capacity and business record prior to the conclusion of a business agreement and throughout its term. All contracts must be reviewed and approved by the competent Company executives pursuant to AVAX procedures and policies.

AVAX is opposed to all forms of corruption and actively endeavours to ensure that corruption is prevented in all its business activities. Any direct or indirect (i.e. through a third party) bribe, kickback or other inappropriate payment or promise of such payment to any individual or organization, in the private or the public sector, is expressly and strictly forbidden.

Bribery is a form of corruption, defined as the act of giving or receiving a thing of value in exchange for some action or failure to act. Corruption is the abuse of vested power for personal gain, and includes also blackmailing, fraud, unfair influencing, money laundering, nepotism as well as conflicts of interest.

Examples of bribery:

- A procurement manager receives a holiday gift in exchange for the award of a contract to a specific supplier;
- A lavish gift given to a public official in exchange for favourable tax treatment;
- Hiring a relative of a public official in exchange for the issue of a statutory license or regulatory approval;
- Contract award to a company connected with a public official without a proper tendering process; the public official offers political support in return.

Facilitation payments are strictly forbidden. Such payments or offers may include the offering/making of small payments to a low-rank government official to get a new project, secure or expedite a routine action, to which AVAX is entitled. Pressure for time is not an acceptable excuse for such a payment. In cases when facilitation payment is requested, where failure to

pay would lead to imminent threat to a person's health, safety or physical integrity, the relevant payment made must be reported immediately to the Human Resources Director or the Compliance Officer.

All types of gift, favor, benefit or complimentary service offered to or received from a third party must be of reasonable and proportional value and must never be used to get a project, secure or maintain an action or failure to act, as this may constitute bribery or payment pursuant to the above. Employees should not accept, directly or indirectly, gifts or anything of value, other than promotional items usually bearing a corporate logo (e.g. pens, notepads, t-shirts, hats); if they are offered gifts or anything of value, employees should politely decline and advise their manager.

Business-related hospitality gestures, promotional and other business expenses (such as transportation to a jobsite, invitations to social events or meals) can be accepted or offered only when they are of a sufficiently small value and in a form that cannot be considered to be bribery or payment or intended for securing or prolonging any favorable treatment or business advantage. The relevant expenses should be reasonable and proportional; otherwise, they are an offence even if their recipient was not expected to make any improper action.

Gifts as well as hospitality and entertainment expenses must be offered openly and transparently, they must be duly approved on the basis of the corporate expenditure procedures and recorded in the financial records accordingly.

All matters concerning the acceptance of offers or gifts, hospitality and similar advantages must be discussed and agreed upon between the person concerned and his/her supervisor. If no agreement can be reached, the person concerned has the right to refer the matter to the competent senior Manager, the Human Resources Director and the Compliance Officer.

All AVAX business transactions must adhere to the applicable legislation on

bribery and corruption, including FCPA (Foreign Corrupt Practices Act – the USA legislation on corruption practices outside the USA), UKBA (the United Kingdom Bribery Act), laws in Greece and in other countries where AVAX may conduct its business. Transactions with governments and public officials are subject to stricter rules aimed at safeguarding public interest. In view of the above, particular attention must be paid to the cooperation of the Company with state authorities and public officials, as set out in section 4.4 below.

#### ***4.4 Cooperation with state authorities and public officials***

AVAX operates in strict compliance with legislation and regulations in its transactions with public and government officials.

“Public or Government officials” are state employees, including all employees of a state-owned or state-controlled entity/body and persons acting on behalf of a public international organization. “Public official” is also defined as any person elected to a political office or being a candidate for such an office, an officer or employee of a political party or any other person acting under official capacity on behalf of a political party.

Corrupting public or government official is a strictly prohibited practice. It is prohibited to offer, promise, approve payment, provide or take anything of value, including all unlawful commission, bribery or similar payment of any type, as well as personal favors to/from a public or government official. Legal sanctions for misconduct can be severe for both the person concerned and AVAX.

Personal relations with government representatives or employees for the purpose of securing favors, exercising influence and intervening to directly or indirectly impact an outcome are prohibited; it is prohibited to offer goods or other benefits to government representatives, officers or employees, including through third parties.



Only employees or third parties (e.g. lobbyists, lawyers) explicitly authorized to this effect by the AVAX Board of Directors may represent the Company and transact with government and state officials. During any business negotiation (whether for a request to public administration or in the context of an ongoing relation with public administration in Greece and/or abroad), the purpose of the conduct exhibited should not be to unlawfully influence the decisions of public officials or government employees.

#### ***4.5 Sponsorships, donations and charities***

The charitable activities in which AVAX engages are consistent with its vision and dedication to sustainable growth and the development of its corporate social responsibility. Its charitable contributions are an integral component of its commitment to society and are made towards worthy causes. Such contributions include anything of value donated to support charitable causes (education and science, art and culture, social and humanitarian plans), for which there is no expectation to obtain a business advantage in return.

AVAX must be cautious when engaging in charitable activities or making donations or sponsorships, given that such activities could under certain circumstances be considered as an attempt to secure an undue advantage.

AVAX is committed to promoting, supporting and advancing its charitable objects that prove its identity as a responsible member of society and bear witness to its commitment in contributing to the fulfillment of the needs of the communities where it operates.

Sponsorships are different from donations, in that they are done with expectation of a commercial return. Sponsorship payments are permitted only when they are not aimed at securing undue advantage. Sponsoring political parties or donations to charities connected to or subsidized by a

state official (see also art. 5.6 'Political activities and lobbying') are prohibited.

Any donation, sponsorship and expense related to charitable activities must be duly approved in conformance with Company policies (sufficient and acceptable due diligence and other transparency-related measures) to prevent misuse of the funds offered, which means among others that the recipient's identity and intended application of the funds must be clear, and the reason and purpose of the donation must be sufficiently justified and documented.

#### ***4.6 Political activities and lobbying***

AVAX makes no direct or indirect contribution, under any form, to political parties, movements, committees, political organizations and trade unions or to the representatives or candidates thereof.

All AVAX employees, members of the Board of Directors, third parties and other persons acting on its behalf have the right to participate in the political process. However, it must at all times be made clear that they do not represent AVAX and their personal opinions and actions are not those of the Company.

AVAX takes part in policy deliberations concerning issues of interest to the Company, its personnel and the communities in which it operates, by various means including lobbying. Lobbying is heavily regulated and must only be undertaken by persons specifically authorized in this respect.

#### ***4.7 Ensuring ethical contract award procedures***

Contract award procedures for the execution of any project are conducted with transparency. It is very important for AVAX to remain neutral to external pressure and treat all participants fairly in all projects awarded by

the Company but also in projects pursued by the Company. For this reason, the task of conducting contract award procedures has been entrusted to a dedicated unit, the Contracts Department. SOP6 “Purchasing Procedure” sets out and documents material purchasing operations in all individual stages and is applicable to all interested parties, with no exceptions, while SOP5 “Subcontractor Selection and Monitoring Procedure” specifies the work to be delegated to subcontractors and sets out the method of selecting qualified subcontractors.

With a view to ensuring compliance with the principles of business ethics and the legislation on bribery, of particular relevance are the following requirements in the contract award procedure:

- clear distinction should be made between responsibility for a project and responsibility for contract award;
- the Project Manager or other specific key personnel (Project Procurement Manager) is responsible for issuing requisitions, allocating budget funds and approving procurement documentation (request for procurement, etc.);
- the award procedure is initiated by means of an invitation to bid, addressed to potential subcontractors;
- the suppliers or subcontractors fulfilling the prerequisite criteria as set out in procedures P5 and P6 (excluding those listed as disqualified Suppliers-Subcontractors) must be invited to bid;
- a sufficient number of bidders must be invited to bid;
- any deviation must be documented and approved by the Executive Committee;
- Purchasing Department has authority to freely select the successful tender among the ones submitted, irrespective of the amount involved;
- procurement procedures may not be implemented in urgent situations or

for addressing extraordinary circumstances (e.g. emergency safety measures at a jobsite as a result of unforeseen events).

## **5 EMPLOYEE DUTIES AND COMMITMENTS**

### **5.1 *Compliance with the law***

A fundamental principle underpinning the operation of AVAX is to always be up to date and comply with legislation and the rule of law. The Company conforms to all national legislation on employment, Health and Safety, the Environment as well as international labor law and is firmly committed to upholding the principles set out in the United Nations' Universal Declaration of Human Rights.

All employees must comply with the legislation and regulations of jurisdictions in which they operate, in addition to the applicable AVAX own policies. In line with the Company's obligation to respect the rights of third parties, all persons acting on behalf of the Company must treat all third parties in a fair, respectful and decent manner. The Company intends that all such persons comply with the applicable legal and regulatory requirements and its internal policies and procedures, observing good market practices at all times. Violations of the law are to be avoided in all cases.

### **5.2 *Criminal Record***

Employees should inform the Manager of their respective unit or the Human Resources Director when charged with any criminal offence, and provide clear details of the situation. There may be consequences to employment when an employee is charged with or found guilty of an offence, or pleads guilty of an offence. Managers are also subject to similar disclosure requirements. There is no requirement to report minor offences of a less serious type (e.g. violations of the Highway Code).

### **5.3 Diversity**

AVAX promotes and provides equal opportunities for employment and establishes hiring practices consistent with the legal requirements and employment criteria as set out in the applicable legislation, based on the formal and actual qualifications of each person. No employee or prospective employee is discriminated against on the basis of gender, nationality, race, sexual orientation, political convictions, age, origin, physical or mental ability, family situation or other characteristics protected by law. AVAX urges all employees and outsourcers to not tolerate any kind of behavior that violates a person's dignity or creates or involves discrimination of any type.

AVAX provides a work environment that encourages personal growth and achieves excellence by making hiring decisions based solely on work-related criteria and recruiting and keeping persons of knowledge and values. It aspires to a diversified workforce and to creating a work environment free of discriminations and harassment, based on respect and good will. For this reason, its executives and employees undertake to provide equal opportunities and to embrace all planned actions aimed at securing equal opportunities to all persons acting on behalf of the Company.

### **5.4 Child labor and forced labor**

AVAX firmly opposes all types of child, forced or compulsory labor and does not and will not ever hire children or personnel for forced labor.

### **5.5 Personal data**

AVAX is fully committed to respecting the privacy of third parties and the confidentiality of personal data. For this reason, the Company collects,

stores and processes only such personal data as is necessary for conducting its business and complying with the applicable legislation. Information is stored and processed in a transparent manner and in conformance with the applicable legislation.

Moreover, every person acting on behalf of AVAX is bound to the same obligation of respect of privacy.

## **5.6 *Conflict of interest***

AVAX recognizes, respects and safeguards the right of its BoD members, employees and outsourcers to be engaged in business endeavors, investments and activities falling outside the scope of those carried on for and in the interest of AVAX, provided they are permitted by law.

Everyone should act impartially in all business dealings, not providing undue advantages to other companies, organizations or individuals. AVAX employees as well as its subcontractors, associated companies, outsourcers and other persons acting on its behalf are expected to abstain, in the discharge of their duties, from any activities aimed at obtaining a personal financial gain or other personal benefit which (activities) constitute a breach of the obligation of loyalty to the Company and are inconsistent with their professional activities in AVAX.

Examples of situations of potential conflict of interest:

- Business dealings on behalf of AVAX with a spouse or a relative by blood or marriage within the fourth degree;
- Using AVAX resources for unrelated activities, not connected with the Company business;
- Engaging in activities other than the duties to AVAX on Company time;
- Accepting gifts or favors or anything of value beyond what is normally considered a courtesy gesture or of more than negligible economic

value, from companies, private entities or any third party dealing with AVAX, which could be taken as intended to induce or reward an improper action, by the person concerned, in relation to the Company business.

## **5.7 *Money laundering***

Money laundering is the process of concealing the nature and the origins of money obtained illegally by passing it through a sequence of commercial transactions to make it appear legitimate or make its actual origins or owner impossible to trace.

All Company employees as well as individuals/legal entities acting on its behalf are expected to comply with the applicable legislation. All should exercise caution and report any suspicious conduct shown by customers, consultants and business partners and, moreover, refrain from receiving funds or participating in any transaction or activity if there is a chance that the funds involved might have originated from criminal activity.

## **5.8 *Compliance with import and export controls***

For the purposes of preventing terrorism, arms propagation, drug trafficking and other crimes, governments apply restrictions on certain business transactions and cross-border movements of goods.

In order to contribute to achieving the above goals, all AVAX employees, BoD members, third parties and other persons acting on its behalf are expected to comply with all export controls, restrictions to commercial transactions, economic sanction and anti-boycott laws applicable to the business activity of the Company.



## **5.9 Communication with external stakeholders – Using social media**

It is the responsibility of AVAX to provide stakeholders with true, prompt, transparent and accurate information. Only authorized persons have the right to speak on behalf of the Company.

Relations with the Media as exclusively handled by persons specifically authorized to this effect. Information provided to representatives of the Media as well as the provision of such information must have been approved beforehand by the competent personnel of AVAX.

Moreover, the individuals/entities working for or acting on behalf of AVAX must exercise particular caution when drafting announcements that could be posted on the internet. When using social media, the said persons should never give the impression of speaking on behalf of AVAX.

## **5.10 Disciplinary action for non compliance**

All Company departments, employees (irrespective of rank in corporate hierarchy), BoD members, salaried personnel, subcontractors, associated companies, consultants, intermediaries, lobbyists, outsourcers and other persons acting on its behalf are expected to familiarize themselves with the content of this Code and the applicable legislation and comply with same. A party as above who violates the principles set out in the Code may be considered to have breached its obligations under labor relations or disciplinary rules and be subject to the consequences provided by law, including termination of the contract and becoming liable for indemnifying any damage arising therefrom.

Towards achieving compliance with this Code, the Department of Human Resources has established a disciplinary system providing disciplinary action for Code violations. The sanctions imposed depend on the specific violation of the Code rules. As soon as a Code violation is reported to the Compliance Officer, he/she initiates the prescribed procedure for the

purpose of determining whether or not the alleged misconduct has occurred. If confirmed, the Compliance Officer may recommend to the Human Resources Department and the Board of Directors that disciplinary action be taken, which must be commensurate with the severity of the violation. Sole the Board of Directors has authority to decide on disciplinary action.

When imposing discipline, the Board of Directors takes the following into consideration:

- a) malice or negligence in the conduct concerned;
- b) any precedent for discipline in the case of the person concerned;
- c) the seniority level of the employee concerned (expectations are higher in the case of persons in top management positions given their leadership role);
- d) the extent of exposure of the Company as a result of the employee's unlawful conduct.

The sanctions are those provided for in the legal documents governing the employee's work relationship, as well as those under general law provisions on employment contract termination. The severity of the sanctions to be imposed depends on the position held in corporate hierarchy by the person concerned (BoD members, senior managers, managers, office staff, laborers, etc.).

## **6 COMPANY ASSETS**

### **6.1 *Protection of company assets***

Using Company assets for purposes that are not directly related to its business is prohibited, unless approved by an authorized Company representative. Company assets include movable property, machinery and vehicles, computers, software and fixed assets in general, company information, company goodwill, trade marks and trade names. All employees are expected to protect the assets and resources of the Company and prevent them from being wasted, damaged, destroyed, stolen or abused.

If any employee of the Company or any person acting on its behalf suspects fraud or theft in respect of Company assets, he/she is required to promptly notify his/her Department Manager/Head or the Compliance Officer.

### **6.2 *Data management***

Records are kept for storing and keeping any information created and used for the conduct of Company activities and in relation thereto. Keeping correct and accurate records is instrumental for the smooth operation and success of the pursuits of the Company. For this reason, their security, accuracy, completeness and correct use must be safeguarded. This is an obligation incumbent on employees and other persons who keep records on account of the nature of their job.

No person may disclose or howsoever make available confidential or secret information owned by AVAX and its customers. Confidential or secret information means information not disclosed or not made available to the general public. Such information is considered to be corporate property, protected under the applicable legislation on intellectual property rights.

Secret or confidential information may include financial or technical information in any form (graphs, databases, models, laboratory specimens, reports, organizational systems, machine layouts, etc.), contracts/agreements, employee personal data, plans for mergers/acquisitions and information on corporate growth and strategy. It may also include strategic goals, unpublished financial or pricing information, lists of suppliers and affiliates and information on Company requirements. AVAX employees and persons acting on its behalf are required to safeguard the confidential and secret information owned by the Company. Any information that may come to the knowledge of the said persons in the course of their work must be treated as classified information which may not be disclosed to third parties. Unauthorized collection, processing and transmission of such information is prohibited.

### **6.3 *Protection of Records***

Company executives, employees and business partners having access to AVAX information and records such as:

- presentations
- e-mails
- documents
- technical drawings/plans
- charts/maps
- databases
- videos, etc.

are required to manage them with care making sure that they are used correctly and protected, and not disclose their access codes/passwords to third parties.

In addition to the digital form, records may also be kept in hard-copy format, stored in the designated office spaces.

It must be made clear to all that we must obtain the approval of the competent Manager or executive prior to destroying or altering any record or document.

#### **6.4 *Integrity of business information and financial reporting***

AVAX implements strict standards to safeguard the accuracy, correctness and completeness of its business information and records. Its business information is communicated in an accurate and complete manner both inside and outside the Company. Accounting information must be correct, duly recorded and reproduced in conformance with the applicable laws and regulations. Moreover, all business transactions must be accurately and fully recorded in its accounting books. All business transactions must be supported by proper documentation.

## **7 BROADER SOCIAL RESPONSIBILITY**

### **7.1 *Support to local communities***

In addition to its contribution to the financial growth of the local communities in which it operates, AVAX actively supports their cultural and social development by means of actions promoting education, culture and the environment. Moreover, it is its firm intention to avoid, minimize, mitigate and/or compensate any adverse impact of the projects undertaken by the Company.

### **7.2 *The Environment***

AVAX consistently endeavors to minimize the adverse impact to the environment that its services may entail. Accordingly, the Company implements practices aimed at continually improving its environmental performance.

Protection of the environment should be at the core of the design, planning and construction of the projects undertaken by the Company. When promoting, planning or awarding the planning of construction works, the Company elaborates or causes the elaboration of all requisite studies to control possible environmental risks caused by such works and to prevent any associated damage.

### **7.3 *Safety at Work***

The protection of health and safety in all AVAX business areas is a paramount priority for the Company. The Company is committed to creating and maintaining a safe and healthy work environment for those working in AVAX projects and other persons affected by Company activities. AVAX guarantees work conditions that respect the dignity of every person, and safe and healthy work environments, in full compliance with the applicable

legislation on the prevention of occupational accidents. The Company consistently endeavors to improve the conditions of occupational health and safety for employees, its sole ultimate objective being a “Zero-Accident” work environment. The achievement of optimal safety conditions at the workplace, particularly at construction sites, is also the responsibility of the employees/workers as well, who must at all times adhere to safe practices and refrain from placing the safety of other persons at risk.

Furthermore, no person transacting on behalf of the Company shall be under the influence of drugs, alcohol or other substances affecting his/her ability to work in a safe and efficient manner. These rules are not applicable in the case of events sponsored or endorsed by AVAX where alcoholic beverages may be served; in such cases, moderate alcohol consumption is allowed.

AVAX is committed to promoting and consolidating a safety culture to all its employees, subcontractors, affiliates, outsourcers and suppliers as well as other persons acting on its behalf, promoting the awareness of risks and responsible behavior by all employees and outsourcers. AVAX organizes training courses, in line with the individual project requirements, with a view to ensuring that its employees take personal responsibility for health and safety and are familiar with the Group’s relevant safety policies and procedures.

## **8 CODE COMPLIANCE, IMPLEMENTATION AND MONITORING**

The rules established in this Code are applicable to all AVAX employees, Board members, salaried personnel, subcontractors, affiliates, consultants, intermediaries, lobbyists, outsourcers and other persons acting on its behalf. The said persons are expected to be familiar with the content of this Code, ask for guidance when necessary and comply with the spirit of the Code. All employees and outsourcers working for AVAX are expected to be familiar and comply with the Code requirements and have responsibility to ensure that their conduct is fully compliant with all applicable legislation, this Code and AVAX policies.

All employees are required to report actual or suspected violations of the Code to their Manager/Department Head and the Compliance Officer.

Subcontractors, affiliates, members of the Board of Directors, executives, employees, salaried personnel, business partners or representatives are required to fully cooperate in any control or investigation into an alleged violation of the rules of this Code. This cooperation is necessary for a successful, fair and impartial investigation of all reports of unlawful or unethical conduct. Moreover, the said persons must not alter or destroy files in case or in view of an investigation.

AVAX is entitled to take action against employees who violate the law, this Code or its policies. Its employees who violate the rules of this Code may fail to meet the fundamental obligations set out in their employment contract or may act in an illegal manner, with all legal effects that such action may entail. Moreover, the Company may take disciplinary action against persons who direct or approve such violations or are aware of them without promptly taking corrective action. Managers are under increased responsibility with regard to adherence to the Code.



Managers are expected to create an environment in which everyone feels comfortable to ask questions about compliance with this Code and report suspected violations of the Code or of applicable laws and regulations. If a Manager has knowledge that an employee has committed or intends to commit an act disallowed by the Code and fails to take any action (in particular report it to the Senior Manager, the Human Resources Director and the Anti-bribery Compliance Officer), such Manager is deemed equally responsible. Depending on the gravity of the violation, disciplinary action is taken pursuant to the applicable legislation and procedures. Serious civil or criminal penalties may be imposed.

If a person is faced with a situation where there is doubt as to the course of ethical conduct or about violations of the requirements and the policies on ethics, he/she should promptly report his/her concerns to the manager through regular channels or to the Human Resources Director.

Every report/information shall be treated with confidentiality to the extent possible. A person raising concerns may choose to remain anonymous. The Company takes all reports of actual or suspected violation seriously; all such reports shall be promptly investigated.

AVAX shall not penalize in any manner any person who has responsibly raised a concern about suspected breaches of Company ethical principles or the applicable legislation. Any retaliation action against persons who have honestly reported a suspected violation of this Code or the applicable legislation is strictly prohibited. Persons retaliating against a person who has raised a concern honestly or has participated in an investigation are subject to disciplinary action, which may include employment termination. Any retaliation action must be reported to the Manager/Department Head, the Human Resources Director and the Compliance Officer.

If a person raises a concern in bad faith or maliciously (e.g. for the purpose of spreading lies or for threatening others or with the intention to unfairly injure the fame of another person), such person is subject to disciplinary

action which may include employment termination.

Compliance with this Code is a material obligation for all AVAX employees, subcontractors, suppliers, outsourcers and other persons acting on its behalf. AVAX reserves the right to impose specific procedures and controls in relation to the business files of each employee, subcontractor, supplier, outsourcer and other person acting on its behalf, in order to verify whether each such person/entity acts in conformance with the rules set out in this Code.

## 9 CODE APPLICABILITY

It is the responsibility of AVAX to ensure that the rules set out in this Code are communicated to every employee, BoD member, salaried personnel, subcontractor, affiliate, consultant, intermediary, lobbyist, outsourcer and other person acting on its behalf, who are expected to understand and to comply with such rules. The Company regularly monitors compliance with the rules in this Code.

The Code of Ethics and Business Conduct is widely distributed to employees, subcontractors and outsourcers and made available to any individual or organization doing business with AVAX.

AVAX and every person acting on its behalf are expected to fulfill their obligations under the present Code and all applicable legislation related to the said principles (in particular the United Kingdom Bribery Act 2010 and the Compliance Guide to the US Foreign Corrupt Practices Act 1977). Further, it is the responsibility of each of the said persons to gain sufficient knowledge on the laws and regulations applicable to its business in order to identify any threats and know when to seek legal advice.

This Code is applicable in parallel with and complementary to the Code of Corporate Governance.

## ANNEX 1

# **AVAX**

## **MANUAL OF COMPLIANCE**

## **WITH COMPETITION LAW**

# MANUAL OF COMPLIANCE WITH COMPETITION LAW



ANNEX  
TO THE CODE OF ETHICS AND BUSINESS  
CONDUCT

Issue: 09/04/2019

## **A MESSAGE BY AVAX MANAGEMENT**

Compliance with European and Greek Legislation on Free Competition is of the utmost importance and a top priority in the agenda of our Company that operates with a keen sense of responsibility and integrity where adherence to the law is concerned. The related legislation is applicable in parallel with other legislative provisions, such as the legislation on Public Works or that on Public Contracts.

At the current economic climate, the Hellenic Competition Commission and the European Commission (Directorate General for Competition) have intensified controls in various business areas in an effort to tackle violations of competition rules under unlawful agreements or concerted practices between companies or under the abuse of the dominant position that an undertaking holds in the market in which it operates.

The violation of the applicable rules may entail a very high cost to a company, given that in addition to severe administrative fines (reaching up to 10% of the total turnover of a company) non-compliance may also lead to the cancelation of contracts, indemnification of third parties affected by the unlawful practices, defamation of the company to customers and investors and considerable management cost in terms of time and resources. Finally, such violations could very well lead to the imposition of imprisonment sentences and personal fines for the persons implicated, and to disciplinary action as well.

The present manual (the “Manual”) includes a review of the rules set out in European and National Competition Law as well as guidelines for handling matters governed by the said rules. AVAX Management is committed to complying with the provisions of competition law and every single one of us is expected to be fully aware that any infringement of the procedures or guidelines set out in this Manual shall be a matter handled with the utmost seriousness.

It is therefore very important to adhere to the applicable legislation and



follow the directives in this manual, which must be applied by all in your daily work.

You are urged to take the time to carefully read the present Manual. If you have any doubt or question about any of the matters referred to in this document, do not hesitate to request further clarifications of your Manager, the Human Resources Director, the Compliance Officer, the Legal Department or me personally.

For AVAX Management

Konstantinos Mitzalis (Signed)

Managing Director

## List of Contents

1. INTRODUCTION
  - 1.1 FREE COMPETITION LAW – WHAT IS IT
  - 1.2 A SUMMARY OF BASIC RULES
  - 1.3 GEOGRAPHICAL REACH OF THE RULES ON PROTECTION OF FREE COMPETITION
2. SANCTIONS FOR VIOLATING COMPETITION LAW
  - 2.1 ADMINISTRATIVE FINES
  - 2.2 CRIMINAL PENALTIES
  - 2.3 LAWSUITS FOR DAMAGES
  - 2.4 INTERNAL DISCIPLINARY ACTION
3. PROHIBITED PRACTICES: RESTRICTIVE AGREEMENTS AND CONCERTED PRACTICES
  - 3.1 PROHIBITED HORIZONTAL AGREEMENT (CARTEL)
    - 3.1.1 TYPES OF PROHIBITED AGREEMENTS
    - 3.1.2 INFORMATION CONSTITUTING SENSITIVE BUSINESS DATA/ STRATEGIC INFORMATION
  - 3.2 SPECIFIC FORM OF PROHIBITED HORIZONTAL AGREEMENTS: BID RIGGING
    - 3.2.1 COMMON FORMS OF BID RIGGING
      - 3.2.1.1 COMPLEMENTARY BIDDING OR COVER BIDDING
      - 3.2.1.2 BID ROTATION
      - 3.2.1.3 BID SUPPRESSION
      - 3.2.1.4 MARKET ALLOCATION
  - 3.3 LEGITIMATE FORMS OF COOPERATION IN THE CONTEXT OF PUBLIC TENDERS
    - 3.3.1 JOINT VENTURES
    - 3.3.2 SUBCONTRACTS PRIOR TO AND AFTER CONTRACT AWARD
4. PARTICIPATION IN PROFESSIONAL UNIONS / ASSOCIATIONS OF UNDERTAKINGS AND OTHER TRADE UNIONS
  - 4.1 PARTICIPATION OF MANAGEMENT/EXECUTIVES/OTHER PERSONNEL IN PROFESSIONAL UNIONS/ ASSOCIATIONS OF UNDERTAKINGS AND OTHER TRADE UNIONS
  - 4.2 TOPICS OF DISCUSSION TO BE AVOIDED IN THE CONTEXT OF MEETINGS / SESSIONS / EVENTS ORGANIZED BY TRADE UNIONS AND ASSOCIATIONS
5. LENIENCY PROGRAMME
6. EXPRESSION AND LANGUAGE
7. DAWN RAIDS BY THE COMPETITION COMMISSION
  - 7.1 ARRIVAL OF INVESTIGATORS AT AVAX
  - 7.2 RESPONSIBILITIES OF THE AVAX DESIGNATED OFFICERS
  - 7.3 INVESTIGATORS' RIGHT TO INSPECT FILES/GET COPIES
    - 7.3.1 LEGAL PRIVILEGE
    - 7.3.2 ELECTRONIC FILES
  - 7.4 QUESTIONS BY INVESTIGATORS TO AVAX EXECUTIVES
  - 7.5 APPROPRIATE ACTION/ACTION TO AVOID DURING A RAID
    - 7.5.1 APPROPRIATE ACTION DURING A RAID
    - 7.5.2 ACTIONS TO AVOID DURING A RAID
  - 7.6 AFTER THE INVESTIGATORS HAVE LEFT



## 1. INTRODUCTION

### 1.1 Free Competition Law – What is it?

Free Competition Law is a set of rules aimed at a more effective operation of the market and, towards this end, restrictions are imposed on the practices of the companies doing business in the relevant market. Effective competition is a prerequisite for the functioning of market economy resulting in benefits for consumers (e.g. low prices, higher product quality and innovation) and in the protection of the free movement of products within the European Economic Area (EEA).

Adherence to Free Competition Law is enforced in the Hellenic Territory by the Hellenic Competition Commission or the European Commission (Directorate-General for Competition), as the case may be, and by the competent Courts as well.

### 1.2 A summary of basic rules

In Greece, Free Competition Law is regulated by Act 3959/2011 on the protection of free competition, which incorporates the relevant provisions set forth in articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU).

Free competition rules are divided into three broad categories:

- Rules on the prohibition of anti-competitive agreements that obstruct/restrict/distort competition between competitors (horizontal agreements, known as cartels) or at different distribution levels (vertical agreements), e.g. agreements for the fixing of prices and other trading terms, the allocation of markets between competitors;
- Rules on the prohibition of dominant position abuse, i.e. a set of restrictions on companies holding a dominant position in the relevant market, aimed at protecting their customers and their competitors. Behavior which is allowed for small undertakings may be disallowed for a

company with a particularly strong (dominant) position in the market;

- Rules on the control of concentrations, under which Competition Authorities are authorized to examine mergers / acquisitions / joint ventures between companies which exceed certain turnover thresholds, in terms of their possible impact on the market. Competition Authorities may prohibit the transaction or impose terms and obligations as a condition to the approval of the transaction.

Corresponding rules are also adopted by countries within the European Union (EU) and outside EU as well, in order to safeguard the good functioning of competition. The present Manual sets forth certain main rules and guidelines with respect to the prohibition of agreements that hamper/ restrict / distort competition between competitors or at different distribution levels. The principal one is set forth in Article 1 of Act 3959/2011 on the protection of free competition, pursuant to which all agreements and concerted practices between undertakings and all decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition in the Hellenic Territory are prohibited, particularly those which:

- a) directly or indirectly fix purchase or selling prices or any other trading conditions;
- b) limit or control production, distribution, technical development or investment;
- c) share markets or sources of supply;
- d) apply dissimilar conditions to equivalent trading transactions, especially the unjustified refusal to sell, purchase or otherwise trade, in a manner that hinders the functioning of competition;
- e) make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such

contracts.

Such agreements and decisions by associations of undertakings shall be automatically void.

By exception, it may be determined that such agreements and decisions are not prohibited (being therefore valid) if they satisfy all of the following conditions:

- a) they contribute to improving the production or distribution of goods or to promoting technical or economic progress;
- b) at the same time they allow consumers a fair share of the resulting benefit;
- c) they do not impose on the undertakings concerned, restrictions which are not indispensable to the attainment of these objectives, and
- d) they do not afford the possibility of eliminating competition or eliminating competition in respect of a substantial part of the relevant market.

It is noted that these conditions for the exemption of practices which are in principle unlawful are strictly followed and, based on the practice adopted so far by Courts and competent Competition Authorities, very serious competition law violations such as participation in a cartel are not expected to be determined as exempted from this prohibition.

### **1.3 Geographical reach of the rules on the protection of free competition**

As mentioned previously, Greek legislation follows the provisions of European legislation, with corresponding arrangements being in place in other countries as well.

More specifically, EU Competition Rules are applicable in all 28 EU Member-States: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Malta, Netherlands, Poland, Portugal, Romania, Spain, Slovak Republic, Slovenia, Sweden and the United Kingdom. Similar rules are also applicable in Norway, Iceland and Lichtenstein, given that the spirit of EU Competition Rules has been adopted by all EEA countries, i.e. the 28 EU Member-States and the said

three countries.

Moreover, these rules may also be applicable in the case of practices or transactions between companies located outside the EU, if they result in the distortion of competition in the common (EU) market in general or in Greece in particular.

What the above practically means for AVAX is that for any business action it may propose to conduct, that could have an effect on competition in the Hellenic Territory, the Company is subject to controls by the Hellenic Competition Commission or, in exceptional circumstances, by the European Commission (Directorate General for Competition) whereas for any such action that could have an effect on competition in any other EEA country the Company is subject to controls by the Competition Authorities of the respective jurisdiction or, in exceptional circumstances, by the European Commission (Directorate General for Competition). Moreover, it cannot be excluded that actions by AVAX Group companies based in a country outside EEA may become subject to controls if determined that they affect competition between companies within EEA.

## **2. SANCTIONS FOR VIOLATING COMPETITION LAW**

For violations occurring within the Hellenic Territory which as a rule are examined by the Hellenic Competition Commission, the applicable legislation provides for sanctions that may be imposed both on AVAX and on its executives. More specifically:

### **2.1 Administrative Fines**

A fine may be imposed on AVAX up to ten percent (10%) of its total turnover. In the case of a Group of companies (being implicated in the violation), the fine is calculated on the Group's aggregate turnover.

Given that responsibility for adhering to the relevant law provisions lies with

the members of the Board of Directors and the persons authorized to implement the relevant decisions:

- The said individuals are liable to the extent of their personal property jointly and severally with the legal entity concerned, for payment of the amount of the fine, and
- The Competition Commission may also impose on them individually a fine ranging from two hundred thousand (200,000) Euros to two million (2,000,000) Euros provided they are proven to have participated in preparatory actions, in the organization or commission of the infringing behavior by the company.

## **2.2 Criminal sanctions**

In addition to the administrative fines, natural persons infringing competition law may be subject to the following penalties:

- Pecuniary penalty of €100,000-1,000,000 and imprisonment of two years minimum in the case of horizontal restrictive practices;
- Pecuniary penalty of €15,000-150,000 in the case of vertical restrictive practices.

Moreover, a penalty of imprisonment of six months minimum is foreseen for obstructing or hampering, in any manner, investigations conducted by the Hellenic Competition Commission, for refusing or obstructing the provision of information, for giving false information or for withholding records or information, for refusing to give testimony or for giving false testimony.

## **2.3 Lawsuits for damages**

A third party, natural or legal person, that has suffered loss as a result of the violation of Free Competition Law, may claim indemnification before the competent Court for full restitution of the loss sustained. This includes direct damages, any loss of profit and interest.

## 2.4 Internal disciplinary action

This Manual sets forth employee responsibilities in respect of Free Competition Law as specified in AVAX Code of Ethics and Business Conduct. AVAX has the right to take action (e.g. disciplinary action) against employees who fail to comply with this Manual and therefore violate the Code of Ethics and Business Conduct.

## 3. PROHIBITED PRACTICES: RESTRICTIVE AGREEMENTS AND CONCERTED PRACTICES

Article 1 of Act 3959/2011 on the protection of free competition and Article 101 TFEU prohibit cartels obstructing / restricting / distorting competition between competitors or at different distribution levels. “Cartel” is understood to include all specific forms of cooperation between undertakings, i.e. agreements between undertakings, decisions by associations of undertakings and concerted practices. These forms complement one another and encompass all forms of collusion:

- Formal agreement (legally binding), written or oral;
- Informal agreement (“gentlemen’s agreement”);
- Non-completed agreement (negotiations stage);
- Concertation (via direct or indirect contact, communication of future intentions) not constituting an agreement (concerted practice).

Therefore a cartel for the purposes hereof is also understood as any informal understanding aimed at reducing competition uncertainty. Such understandings may be reached in the context of professional or social contacts (e.g. telephone communication, business lunches, relaxed discussion).

*Example: A and B, managing directors or executives in two construction companies, meet in an informal agreement to distort competition resulting in the weakening of the competitiveness of*

*event and during a break they talk - individual offers. The competent about a public tender that has caused priority may use this discussion as proof much interest. A proposes to B to law infringement, even though it submit separate bids and the one to arrived at an event outside business win the contract shall appoint the nises and without a written agreement other as its subcontractor. B agrees ng been concluded. and they shake hands.*

The legislation as referred to above establishes a context of general principles. This section of the Manual describes certain individual categories of infringements and specific situations in which you may find yourselves, to enable you to identify an infringing behavior and avoid it.

Should you apply any of the practices which are described as prohibited ones, you may be subject to disciplinary action in conformance with the provisions of AVAX Code of Ethics and Business Conduct. If in doubt about how to handle a particular situation, always seek advice from the Legal Department of the Company.

### **3.1 Prohibited horizontal agreement (Cartel)**

Cartels are the most serious form of anticompetitive practice between competitors. The term is generally used to describe an informal organization or arrangement involving two or more competitor firms. In a cartel, its members discuss and exchange (secret) information on their respective businesses and reach agreements on their future behavior, intending to restrict competition between them and increase their prices or profits.

As a rule cartels are formed covertly and they inevitably make one or more very serious competition restrictions, such as price fixing, bid rigging, allocation of production quotas or restrictions and the sharing of markets. Therefore, it shall most certainly be determined that they infringe Competition Law. The detection and prosecution of cartels and those facilitating the establishment of cartels are top priorities for Competition

Authorities in Greece, in Europe and all over the world.

### 3.1.1 *Types of prohibited agreements*

Common forms of prohibited agreements between competitors considered to place serious restraints on competition include:

- Direct or indirect price fixing (price range, discounts, etc.);
- Agreements on other terms of trading (e.g. credit, terms of delivery)
- Agreements on bid rigging [see section 3.2 below];
- Agreements on distribution or production restriction;
- Exchange of strategic information [see section 3.1.2 below];
- Allocation of markets or customers between competitors (agreement as to the sales to customers within a specific area, customer/product category, etc.);
- Collective boycott (agreement between competitors to refuse to deal with third parties in the market) or agreement to preclude market entry for new competitors.

### 3.1.2 *Information constituting sensitive business data / strategic information*

Strategic information is information that reduces strategic uncertainty in the market and therefore restricts decision-making independence for businesses and by extension lessens their incentives to compete. Strategic information may regard prices (e.g. actual prices, discounts, increases, decreases or refunds), customer lists, production cost, volumes, turnover (prior to disclosure), sales, capacity, properties, trading plans, risks, plans, investments, technologies, research and development plans and their results. In general, information that concerns prices and volumes is the most strategic, followed by information on cost and demand.

The exchange of information having the following characteristics is permitted:



- Public information (in general it is equally accessible to all competitors and customers, particularly in terms of cost of access), e.g. via the internet, and/or
- Sufficiently consolidated information (reflecting an overall picture of the market not permitting individual business data to be perceived), e.g. statistical studies elaborated by independent third parties delivering aggregated results for the market, and/or
- Historic information (information that is sufficiently old to not be used as an indication of the future conduct of competitors).

### **3.2 Specific form of prohibited horizontal agreement: Bid rigging**

Bid rigging occurs when undertakings which would otherwise be expected to compete each other secretly collude to increase prices and lower the quality of goods or services acquired via a bidding process. Public and private organizations often rely on bidding processes in order to achieve optimal utilization of their resources. A competitive process can result in lower prices and/or better quality and innovation only in the presence of true competition between the undertakings (i.e. when they set forth their proposed terms and conditions in an independent and straightforward manner). Bid rigging can be particularly injurious when affecting public contracts. Such schemes deprive the State and taxpayers of resources, compromise the public's confidence in the competitive procedure and undermine the benefits of a competitive market.

It is important to understand that the existence of a legally binding agreement with competitors is not necessary, the mere exchange of confidential information between competitors prior to a contract award suffices to create rebuttable evidence that the respective undertakings have been involved in bid rigging, an illegal practice under the rules of Competition Law.

As an indication, the following types of behavior may cause suspicion to an awarding

authority and lead it to consider that further investigation would be advisable on the existence of a prohibited agreement between the bidders in a tender:

- Two or more bids submitted present identical costs in respect of certain actions/sections of the project;
- The successful bidder repeatedly awards subcontracts to bidders who were not successful in the tender;
- The successful bidder refuses contract award and it is subsequently found that such bidder is a subcontractor in the project;
- It is established that competitors are often present in the same social events or that they hold meetings prior to the tender submission deadline.

### 3.2.1 *Common forms of bid rigging*

Anticompetitive bid rigging agreements may be in various forms, each frustrating the efforts of the buyers (often the State) to acquire products/ services at the lowest price possible. The common objective of such agreements is to increase the amount quoted by the winning bid and therefore the amount to be gained by the successful bidder. Bid rigging often includes mechanisms for the allocation and sharing of the profits derived by the competitors involved, as a result of the higher price of the winning bid. For example, the competitors who agree to not submit a bid or to submit a losing offer may receive from the winning bidder a subcontract and/or cash payments.

The most common forms of bid rigging agreements, found separately or in combinations, are given below:

#### 3.2.1.1 *Complementary bidding or cover bidding*

This practice occurs when there is prior agreement between competitors on the 'winning' bidder of a bidding process and also agreement by the other bidders to submit bids that either feature excessively high prices or fail to meet the criteria set for the tender or contain unacceptable terms so that they will be disqualified. The purpose of the practice is to create the impression that the tender is an open and competitive one, whereas in

reality the bidders have agreed in advance on the ‘winning’ bidder, who will offer an inflated price entailing economic gain for all competitors.

#### 3.2.1.2 *Bid rotation*

This practice occurs when bidders take turns being the designated successful bidder, divvying up tenders and contracts on the basis of various criteria such as project size, bidder’s capacity, project location, or merely observing a chronological order.

#### 3.2.1.3 *Bid suppression*

This practice occurs when firms expected to participate in bidding processes either fail to submit bids or withdraw their bid in order to ensure that the contract shall be “won” by the bidder agreed between them in advance.

The *Subcontracting – Risk Sharing Agreement* may constitute a specific form of this practice; subcontracting may be considered as bid rigging when the cooperation between competitors is an agreement on the basis of which the pre-agreed “winner” enters into a subcontract with the pre-agreed “defeated” bidder to “compensate” such bidder for the “defeat” in the bidding process. In essence this is an incentive for the subcontractor to not compete independently and thus “risk” a drop in the project award price.

However, subcontracting is a common practice in the execution of contract, particularly so when prospective bidders cannot execute the awarded contract on their own. Therefore, a thorough evaluation of the cooperation of competitors in the form of a subcontract is necessary in order to determine whether it constitutes an infringing practice under Competition Law or is compliant with the procedure specified in the legislation on public works.

#### 3.2.1.4 *Market allocation*

This is an agreement between competitors to divide the market so as to not compete each other for specific customers or in specific areas. Competitors

allocate among themselves, for instance, geographic areas in Greece so that one competitor shall not submit bids in tenders held in the areas allocated to the others (or submit a phantom bid) and in return its competitors shall not bid in tenders held within the former's allocated area.

### **3.3 Legitimate forms of cooperation in the context of public tenders**

The manner in which the market of public works and tenders functions requires in many instances that competitors will cooperate for their performance, and Competition Law does not preclude the possibility to conclude lawful agreements under the applicable public works legislation.

A legitimate cooperation exists when two companies combine their resources and capacities for objectively justified business purposes, in order to submit openly a joint offer for a contract, or to discuss the conclusion of a subcontract. The critical difference from a bid rigging/tacit cooperation practice is that the awarding authority is aware of the contemplated cooperation.

In all cases, during discussions among competitors for reaching a cooperation agreement proper action must be taken to restrict the exchange of confidential information, for example about strategic moves, prices, costs, etc. Companies should not discuss about their intention to submit an independent offer, which could directly or indirectly affect the content of a competitive offer.

Caution! It is recommended to consult with the Legal Department about the types of discussions/cooperation you may enter with competitors in the various stages of an auction procedure.

The Company may participate in Joint Ventures and/or Subcontracts provided the following main conditions are satisfied:

#### **3.3.1 *Joint Ventures***

Under the legislation on public works, contracting companies may also participate in auctions in the form of a joint venture with other undertakings.

As an association of economic operators, the joint venture submits a joint offer which must be signed by all economic operators forming part of the joint venture or by a common representative legally authorized to this effect. The offer should define the extent and the type of participation (including how the price offered is to be allocated among the members) of each joint venture member, and designate the joint venture representative/coordinator.

### *3.3.2 Subcontracts prior to and after contract award*

A subcontracting agreement is a services hiring contract between the (prospective) contractor of a public work and a contracting company for the construction of part of the project awarded (or to be awarded) to the contractor.

In the case of subcontracting prior to contract award, pursuant to the legislation on public contracts, in the contractual documents, the awarding authority requires of the bidder to specify in the offer what part of the contract such bidder intends to assign as a subcontract to third parties, as well as the proposed subcontractors.

In the case of subcontracting after contract award, pursuant to the legislation on public contracts, when a subcontract is entered into between the contractor of a public work and another contracting company for the construction of part of the project awarded to the contractor, the subcontractor is deemed to be approved by the project owner or the awarding authority when: (a) the subcontractor has the qualifications necessary for the execution of the subcontracted part of the project, and (b) the contractor has, prior to the subcontractor's installation at the site, notified the project owner or awarding authority of the subcontracting agreement.

During the performance of the contract, the contractor is required to produce the subcontracting agreement. The Supervising Department may set a time period for the contractor, upon the contractor's request, to

produce the subcontracting agreement entered into with the originally proposed subcontractor or another subcontractor properly qualified as shall be judged by the said department, should this be imposed by serious reasons.

To recognize a subcontractor as an approved subcontractor, a joint application by the contractor and the subcontractor is submitted to the Supervising Department together with the agreement –in original form– and a dossier of supporting documents. The subcontracting agreement must specify the works or the part of the project assigned to the subcontractor, as well as the value of the subcontract.

The above is not applicable to subcontracts in which the subcontractor is not a Contracting Company registered with the Register of Public Works Contracting Companies (MEEP).

#### **4. PARTICIPATION IN PROFESSIONAL UNIONS / ASSOCIATIONS OF UNDERTAKINGS AND OTHER TRADE UNIONS**

The same as in other sectors of the economy, there are associations of undertakings and/or unions and/or other trade unions in the public works market, whose mission is to promote the interests of the public works sector. Examples are the Association of Greek Contracting Companies (SATE) and the Association of Technical Companies of the Highest Contracting Classes (STEAT) whose mission is, among others, to draw attention to the important role of the construction industry in the development of the country, to promote and safeguard the interests of their member companies and to provide up-to-date and timely information on global and local developments in the industry. In this setting, a form of legitimate cooperation and communication among competitors is established.

Therefore, AVAX can be represented in such unions and associations by

members of management, executives or other personnel for the purpose of promoting its interests, provided certain internal procedures are adhered to and suitable action is taken to prevent any issue arising from any engagement in discussions that are not about sectoral matters and could be considered to constitute involvement in anticompetitive practices (e.g. unlawful exchange of sensitive business data/strategic information).

An example: In 2010, the Hellenic Competition Commission imposed on the Technical Chamber of Greece (TEE) a fine for violation of the Competition Law given that, under resolutions passed by its Management Board, TEE adopted a minimum project construction cost for the purposes of calculation of the fee of TEE members-engineers aiming at and resulting in an increase in such fee charged by its members (HCC Decision 512/VI/2010).

#### **4.1 Participation of Management/Executives/Other Personnel in Professional Unions / Associations of Undertakings and other Trade Unions**

When attending sessions / meetings / events organized by business and trade unions and associations, the following measures are to be taken for ensuring that no competition law provisions are infringed:

Prior to participation / attendance:

- Obtain the program of the discussion to be held and make sure that minutes will be kept;
- Inform the Manager and/or the Compliance Officer and/or the Legal Department in advance about membership in a trade union / association, participation in a specific meeting / session / event and the program thereof.

During participation / attendance:

- If it is perceived that the topics discussed could result in violation of Competition Law (e.g. how to secure a higher price in the awarding of tenders, so that there is benefit to be had for all [see section 4.2 below], the attending AVAX representative must immediately leave the premises.

having explicitly stated so and asked that it be recorded in the minutes. Remaining in the room where such infringing discussions are held, even without actively participating therein, is evidence of involvement in the violation.

- If no official minutes are kept, the attending AVAX representative should keep notes of the main topics/points of discussion.
- The same care to avoid infringing discussions must also be taken during any breaks.

After participation / attendance:

- Obtain the official minutes and inform the Manager and/or the Compliance Officer and/or the Legal Department. In the event that it is found that the topics discussed could result in violation of Competition Law, the relevant information must be provided promptly.
- If no official minutes were kept, the AVAX representative shall inform as above the soonest possible on the basis of the notes taken on the main topics/ points of discussion, so that this can be recorded in internal communications.

#### **4.2 Topics of discussion to be avoided in the context of meetings / sessions / events organized by trade unions and associations**

AVAX representatives should not actively engage and/or be present in discussions about sensitive business data/strategic information of competitors who are represented thereat. Discussions about upcoming (public) tenders and the intention and/or terms under which AVAX or any competitor plans to participate thereat may lead to violation of Competition Law.

On the contrary, discussions about matters of interest to the industry such as upcoming legislative arrangements (of an environmental/energy nature, public works, tax matters, etc.), public statistics/surveys, health and safety,



and optimization of (red-tape) formalities for a more expedient contract awarding in the case of large projects, are legitimate.

Note: The decision of an association of undertakings having the character of a simple recommendation with no binding effect, may be considered problematic under Competition Law, when reflecting a collective wish by its members to coordinate their action in a specific market and when compliance with such decision can bring about significant adverse effects on competition in the relevant market (even if eventually no coordination occurs in practice). Therefore, AVAX representatives should take care to have their objection to such recommendations explicitly recorded.

## 5. LENIENCY PROGRAMME

The Hellenic Competition Commission (HCC) grants the option of lenient treatment to companies and natural persons having been involved in illegal cartels directly or indirectly affecting prices, market allocation, bid rigging, that cooperate with HCC for bringing to light/investigating such illegal practices. Therefore, the Leniency Programme (“whistle-blowing”) helps in detecting a cartel, being equally available to all who have participated in a prohibited agreement/practice.

The relevant legislation provides for the following, for which conditions apply:

- Total immunity from fines, for the company/individual, and from criminal penalties (on competition) in the case of an individual, when the company or the individual are *first* in handing over the necessary evidence;
- Reduction of fines for the company/individual and mitigating circumstances recognized in respect of the criminal penalties (on competition) in the case of an individual, when they do not qualify for total immunity and the necessary evidence is provided.

Therefore, if you become aware of any activity that could be considered as AVAX participation in a cartel, you should advise the Compliance Officer

and/or the Legal Department so that all options available to the Company be considered in addressing any issues that might arise.

## **6. EXPRESSIONS AND LANGUAGE**

You need to exercise care in the language you use in all business communications, written or oral, during phone calls or meetings. Any careless use of language may create problems for AVAX in the course of an investigation by the competent competition authorities or during proceedings before Courts. An unfortunate expression may give the impression that a legal activity is in fact illegal.

Many internal documents may be examined during an investigation by the competent competition authorities or in view of court proceedings, even if you consider them to be confidential, such as calendars/notebooks, personal notes. In this sense, documents may in addition to printed paper also include computer files, databases, emails but also the content of mobile devices such as smart phones, tables and laptops.

Therefore, in order to avoid errors in your daily communications, you must take the following into consideration:

- If in doubt about recording a communication, seek advice from the Legal Department;
- Whenever you record anything, bear in mind that this may at some point become publicly accessible;
- Do not ever give the impression that there has been an understanding in the construction industry about projects tendered or awarded;
- Do not use phrases such as “destroy/delete after reading”;
- Do not speculate on the legality of an activity;
- Keep only the final versions of documents in your files, otherwise clearly mark a document as “draft/under legal approval/under Management approval”;

- Clearly record the source of information on competitor activity, so as to not give the impression that it may have originated from direct contacts (exchange of information) with competitors;
- Keep accurate notes of your meetings with competitors, so as to not cast any shadow of doubt on the legality of such meetings. If you are in doubt as to whether the discussions held may violate Competition Law, advise promptly the Legal Department about the content of such discussions;
- Avoid language that gives the impression that AVAX applies a predatory strategy towards a competitor.

Emails and other electronic communications may often include more prejudicial statements than formal letters, memoranda and agreements, given that they are often sent informally, under the false impression that they are confidential or may be deleted within a short period of time. In fact they are considered to be a very good source of information, as they are stored according to time and date and provide a full picture of what actually transpired.

Therefore your attention is drawn to the following:

- Treat the sending of an email as formal communication, bearing in mind that at some point it may be read by others;
- Bear in mind that e-mail messages can be recovered by the authorities and be examined even after they are deleted;
- Be particularly cautious with the emails you exchange with people outside AVAX; remember that emails may form part of a chain of correspondence and be forwarded many times.

## **7. DAWN RAIDS BY THE COMPETITION COMMISSION**

A dawn raid is an onsite investigation conducted ex officio or following a complaint by a customer or competitor, by officials of the Directorate

General for Competition of the Hellenic Competition Commission at the premises of the company concerned, without advance notice, for the purpose of checking compliance with Competition Law. This section provides some practical instructions on the procedure to be followed by AVAX executives in case of an investigation by officials of the Competition Commission (“Investigators”) at any of the Company premises.

Adherence to this procedure is of crucial importance in having the investigation conducted in as smooth a manner as possible and safeguarding the interests of AVAX. Moreover, Competition Law provides for the imposition of fines on the company or the individuals who obstruct the investigation by the authority (interfering with the investigation or withholding records or information), in an amount from € 15,000 up to 1% on the turnover of the preceding year, and criminal penalties for individuals who obstruct the investigation (imprisonment of 6 months minimum).

#### **7.1 Arrival of the Investigators at AVAX**

When the Investigators arrive at AVAX premises, the guard and/or receptionist must alert the following persons (“Designated Officers”):

- Compliance Officer: Nikolaos Bouzas
- Legal Department: Cleopatra Papastamatiou
- Chief Information Security Officer: Panagiotis Anagnostou
- Human Resources & Administrative Services Director: Ioannis Koumenos

The Designated Officers must then promptly contact the Managing Director Mr. Konstantinos Mitzalis, and lawyers Anastasia Dritsa and/or Konstantinos Sakellaris and/or Violeta Panagiotopoulou of *Kyriakidis Georgopoulos Law Firm*.

Prior to being admitted to the premises, the Investigators are required to show official authorization and identification documents:

- Investigation Order issued by the President of the Competition

Commission;

- Public Prosecutor Warrant (for a search in private areas)

The Investigation Order indicates: (a) the names of the Investigators instructed by the President to conduct the specific investigation; (b) the name and address of the company site being investigated (e.g. jobsite or head office address), and (c) the subject matter of the investigation, i.e. what is the alleged violation of Competition Law on which the Investigators wish to collect evidence. The investigation order bears the seal of the Competition Commission and the signature of the Commission's President.



*[illustration of the letterhead of the Hellenic Competition Commission]*

The guard and/or receptionist is required to check the Investigators' identity documents to ascertain their authority to conduct the investigation pursuant to the investigation order, and make a copy of the investigation order.

After the above documents have been presented and identification has been ascertained, they cannot be prevented from entering the premises. They may be requested to remain at the reception area until a Designated Officer comes. Waiting time should not exceed 2-3 minutes.

The investigators are not required to wait for the Designated Officers to come; they may immediately proceed with the investigation at the offices of the company executives. For this reason, the procedure for alerting the Designated Officers and external lawyers must be promptly initiated.

## **7.2 Responsibilities of the AVAX Designated Officers**

The Designated Officers are required to see to the internal organization of AVAX in order to ensure that the procedure runs smoothly. This effort is also assisted by the external lawyers, but given the swiftness required, the

party who is in attendance upon the arrival of the investigators should be able to handle the situation towards safeguarding the interests of AVAX. Appropriate action includes:

- Making an enclosed space (e.g. a meeting room) available to the Investigators, where the documents to be inspected shall be provisionally placed and where the necessary consultations on the progress of the process shall be held;
- Informing the Heads of the relevant business units; the investigation may concern a specific activity of the company and the respective competent executives must be alerted;
- Recording the Investigators' questions during the individual stages of the process;
- Cooperation with IT and appointment of personnel to fully supervise the Investigators in all Company premises. The Designated Officers, with the assistance of other employees if necessary, shall accompany the Investigators within Company premises and should never leave them unsupervised.

### **7.3 Investigators rights to inspect records-files / take copies**

The Investigators have the right to request and obtain a copy of every document provided it is relevant to the subject matter of the investigation, as described in the investigation order. The Investigators may look for the documents in the office desk area, cupboards, drawers, briefcases (which must be opened for the Investigators, if locked), even inside vehicles at the parking area of the Company.

Objection to the delivery of documents should only occur for obvious reasons, should be justified and not continuously repeated so as to not be interpreted as delaying tactics and thus as obstructing the investigation. In case of disagreement, the relevant document is placed in a sealed dossier for later determination of the issue.

Justified objection reasons include the following:

- The document regards personal data & sensible personal data;
- The document regards information outside the scope of the investigation, i.e. matters not included in those being investigated as these are reflected in the investigation order;
- The document falls under legal privilege (attorney-client privilege) [see section 7.3.1 below].

AVAX cannot prevent the investigators from taking documents containing business confidential information/professional secrets, if falling within the scope of the investigation. The Directorate General for Competition of the Hellenic Competition Commission has a duty of confidentiality and may, in the context of its authority, take business confidential information/professional secrets into account during a violation investigation.

#### 7.3.1 *Legal Privilege*

AVAX communications with external lawyers, for obtaining legal advice, and notes on such legal advice, fall under legal privilege. Such communications cannot be examined or seized by the public authorities or taken into consideration in the investigation of the Directorate General for Competition or in a lawsuit/complaint.

Caution! Legal privilege does not cover communications with the Legal Department of AVAX.

For the purpose of substantiating legal privilege in respect of AVAX relevant documents, it is proposed to adhere to the following directions in the day-to-day handling of such documents:

- Make sure that the name of the law firm and/or external lawyer is clearly visible at the beginning of the document/email in which legal advice is requested, under the heading “legal privilege”. Do not do the same for

communications with the Legal Department of AVAX.

- When replying to questions of the external lawyer about the legal advice you requested, insert the phrase “legal privilege” at the beginning of the document/email.
- Communications with external lawyers should not be sent to third parties; prior to mentioning the external lawyer’s advice in a communication with a third party, seek the advice of the Legal Department.
- Keep all communications with external lawyers concerning the provision of legal advice in a separate dossier, under the heading “legal privilege”.

### 7.3.2 *Electronic files*

When the files or documents that the Investigators want to inspect are in electronic form, the relevant access passwords or printouts of such files may be requested. The Investigators have the right to seize electronic files (e.g. a laptop or hard disk) and examine them at a later stage. In lieu of seizure, it is highly probable that the Investigators shall get an electronic copy of all files in a computer/laptop/tablet; in such cases a special procedure is followed (“unsealing”) at a later stage at the premises of the Competition Commission in the presence of representatives and/or external lawyers of the Company.

The IT Officer is in attendance and provides information to the Investigators on the information security policies and procedures applied by AVAX, and sees to the making of copies of all electronic files obtained by the Investigators.

### 7.4 **Questions by the Investigators to AVAX executives**

The Investigators may pose questions to Company executives, with respect to specific documents examined onsite or for the purpose of collecting general information on the violation being investigated. The issues on which you may be questioned must result from the investigation order, otherwise you may refuse to answer and your refusal shall be absolutely justified. No unjustified refusal to answer should occur, to avoid AVAX being charged with refusal to cooperate in the investigation.



In all cases, request that a lawyer be present before you answer the investigators' questions (except for practical questions about passwords for accessing files, unlocking a cupboard or a drawer, etc.). You must give clear, concise and accurate answers, request clarification if you do not understand a question, and take notes of the questions posed and the answers given.

## **7.5 Appropriate actions/Actions to avoid during the Investigation**

### **7.5.1 *Appropriate actions during the Investigation***

- ✓ Remain calm throughout the investigation;
- ✓ Alert the Designated Officers and the external lawyer IMMEDIATELY;
- ✓ Be polite to the Investigators;
- ✓ Make sure that each Investigator is accompanied at all times by Company personnel;
- ✓ Make notes of all that is happening during the investigation;
- ✓ Take copies of the documents obtained by the Investigators [see section 7.6 below].

### **7.5.2 *Actions to avoid during the Investigation***

- ❖ Do not volunteer information, documents or oral explanations to the Investigators;
- ❖ Do not provide misleading information to the Investigators or information that you are not sure is correct;
- ❖ Do not answer questions that fall outside your authority;
- ❖ Do not withhold or destroy related documents/e-mails. The Competition Commission employs advanced methods to recover (electronic) files therefore even deleted files can be located, whereas the act of deletion is in itself an act of obstruction of the procedure;
- ❖ Do not sign any document unless so instructed by the external lawyer or the Legal Department;
- ❖ Do not make phone calls and do not discuss internal matters in the presence of the Investigators;

- ❖ Do not discuss the investigation inside or outside the Company (including discussions with press representatives and/or competitors);
- ❖ Do not answer any question on the phone or by e-mail during or after the investigation: immediately contact the Legal Department.

#### **7.6 After the Investigators have left**

The investigation may last from sunrise to sunset. In the event that the investigation is not completed within the day, the Investigators have the right to “seal” a space until they are back to resume the investigation. The “seal” affixed by the Investigators in an area (e.g. the entrance to a room) or in cupboards etc. should not be forced. Large fines are imposed for any such forcing of the seals.

After gathering all documents copies of which are requested by the Investigators, the procedure of their reproduction (photocopying) begins. AVAX should retain additional copies for its records.

Upon completion of the investigation, the Investigators hand a list of all (electronic) documents and files received.

The Compliance Officer or the Legal Department keep the dossier containing the copies of the documents received by the Investigators. A copy of such dossier must be delivered to the external lawyers.

The Designated Officers prepare a report to be submitted to the Board of Directors of the Company, indicating the following:

- Scope of the investigation (with an attached copy of the investigation order);
- A list of the documents given to the Investigators;
- Answers to the questions posed by the Investigators;
- Upcoming actions (supplementary provision of records / unsealing).

*THIS MANUAL IS APPLICABLE IN PARALLEL WITH AND COMPLEMENTARY TO  
THE CODE OF ETHICS AND BUSINESS CONDUCT OF THE COMPANY*