



ANTI-BRIBERY POLICY

**Guide to compliance
with the anti-bribery
policy of
CN ROMARM SA**



Foreword:

Dear Colleague,

The performance of the National Company ROMARM is determined by the value of each of us.

Our most precious values such as: honesty, integrity, respect for people, transparency and integrity must be transposed into our daily activity regardless of our environment and area of activity, the relationships we have with our customers and suppliers, the interaction with government authorities and other interested parties.

The success of our company depends on personal conduct. Nothing has a higher priority than being open, fair and honest.

One of our key values is the trust that CN ROMARM SA enjoys from our customers and collaborators. We must all make efforts to ensure that we do everything we can to protect this value, which we have built over many years of activity in the defense industry. One of the ways we can do this is through strict compliance with all laws and regulations.

We must all commit to promoting integrity in accordance with the highest ethical standards, especially through tools to prevent and identify corrupt practices.

*Our commitment to the phenomenon of corruption is imperative and strict: „**Zero tolerance for bribery and corruption**”.*

We are aware that we operate in difficult environments and that we are faced with different cultures where corruption is widespread, but this can never be used as an excuse. It is essential to ensure that ROMARM personnel and those who work on behalf of our company understand their responsibilities and conduct themselves in accordance with our values and our anti-bribery and anti-corruption policies.



Following the implementation of the regulatory acts on the prevention and fight against bribery and corruption, our company has strengthened its anti-corruption procedures and continues to review and update them according to changes in the legislation over time. This is done not only to comply with anti-bribery and anti-corruption laws, but also to protect ourselves and maintain our commitment to conducting our operations fairly, honestly and openly, in accordance with the highest ethical standards.

Corruption would expose CN ROMARM, its employees and other persons acting on behalf of our company to the risk of criminal prosecution, fines, exclusion from bidding for contracts and other sanctions, aspects in complete contradiction with everything we and our brand represent and want.

By respecting our values, we ensure that CN ROMARM's Anti-Bribery Policy is not just words written on a piece of paper, but is an attitude taken by all our employees, regardless of the place and environment in which they operate, in their daily professional activity.

By putting these principles, values and policies into practice by the company's employees, we will continue to make ROMARM a company we can be proud of.

The CN ROMARM Anti-Bribery Policy Compliance Guide provides a detailed overview of how to apply the company's anti-bribery and anti-corruption policies.

The Guide has been developed to provide you with the tools and knowledge necessary to help you identify and prevent bribery and corruption practices.

We must adopt this Policy within the company and it is our responsibility to read it carefully and familiarize ourselves with its content and associated guidelines, to ensure that each of us understands our role and obligations with regard to these particularly important aspects.

The responsibility of each employee of CN ROMARM also implies a commitment to carry out our activity according to high ethical standards. This Policy has been created precisely with the aim of supporting us in doing this.

There are several important steps that we must take to maintain high standards of integrity in our activity:



- Familiarize yourself with our company's Anti-Bribery Policy;
- Apply it in everyday situations;
- Always try to do what is right and legal;
- Ask for help if you are not sure what to do.

It is a well-known expression that: "There is no right way to do something wrong".

Acting legitimately and with integrity is an essential requirement for all company employees as well as for those who work on behalf of our company, as well as for our customers and business partners.

Conducting business in an ethical manner contributes immensely to our good reputation and our continued success.

We must work together to ensure that our company's reputation remains impeccable.

Respectfully yours,

*General Manager
CN ROMARM SA
Gheorghe STOICA*



Why is this policy important for you and for the activity we carry out?

The CN ROMARM SA Anti-Bribery Policy Compliance Guide establishes the requirements and procedures imposed by the company policy in order to ensure compliance with applicable anti-corruption and anti-bribery legislation. It is extremely important that you carefully analyze and adhere to the principles indicated in this anti-bribery policy for the following reasons:

- To act in accordance with CNR values;
- To protect CNR's reputation;
- To demonstrate CNR's commitment to the communities in which it operates;
- To ensure compliance with all anti-corruption and anti-bribery laws applicable to CNR;
- To contribute to the international implementation of anti-corruption and anti-bribery legislation and to raise awareness in this regard.

What do we need to do to comply with the Anti-Bribery Policy and how do we use this guide?

Every person in the National Company ROMARM must comply with standards of conduct that minimize the risk of bribery for the company. All our interactions with public officials or private individuals or companies must be open, transparent and conducted properly, following our business processes. This will ensure that no acts of bribery or corruption will take place and will lead to the avoidance of any allusion or suggestion that we are behaving inappropriately.

To ensure compliance with this policy, you must keep in mind the following rules:

- You must participate in all mandatory training programs. CNR organizes mandatory training programs annually to ensure that its employees understand and comply with all applicable anti-corruption and anti-bribery legislative provisions. These training programs have been developed by the General Inspection Structure, Anti-corruption together with the Legal structure of the company in order to cover certain risks specific to each region. It is imperative that you participate in these training programs. In addition, CNR is in the process of introducing a new electronic training method that all employees must participate in periodically;

- You must take reasonable steps to reassure yourself that the agency, intermediary or other business partner with whom you wish to do business is honest and can be reasonably expected to refrain from acts of bribery;



- You must obtain approval. Under the Policy, certain actions – particularly the provision of anything of value (money) or advantages to government officials – require prior written approval from the relevant legal counsel and the compliance officer. Always use approved commercial channels to make payments – never use cash or foreign accounts;

- When in doubt, seek guidance. If you are ever unsure how to respond to a situation or whether a particular behavior may be inappropriate or in violation of this policy, you should always seek guidance from the relevant legal counsel before taking action.

- You must express your concerns. If you observe conduct that concerns you or that may constitute a violation of our anti-bribery policy, you must immediately report this to the relevant legal counsel and the integrity officer. This allows CNR to take a position on the situation and correct it, ideally before it constitutes a violation of the law or a risk to the company's reputation. Actions suspected of constituting a serious violation of the Anti-bribery Policy, such as those involving CNR management, significant amounts of money or alleged criminal activity, must be reported immediately to the integrity officer.

Retaliation, in any form, against anyone who reports a concern is strictly prohibited.

You will never be penalized for refusing to pay a bribe. No employee will be penalized, either through performance evaluation, loss of compensation, or any other method, for refusing to pay a bribe. Likewise, your professional performance will not be negatively evaluated in case of delay or financial loss as a result of your refusal to pay a bribe. However, developing plans in advance is part of the legitimate evaluation of employee performance; therefore, you should always plan in advance so that you do not find yourself in a situation where you need to pay a bribe to expedite the resolution of a request.

The National Company ROMARM has a "zero tolerance" attitude for all violations of this policy. All employees are obliged to comply with the ethical standards imposed by the Anti-Bribery Policy and must take responsible measures to prevent its violation. In case of voluntary violation of the policy or if you fail to submit a report when you have knowledge of a violation of the Anti-Bribery Policy, you will be warned and/or dismissed.

Violations may also be reported to the authorities and may result in criminal proceedings being initiated against you. Taking or giving a bribe is a crime punishable by imprisonment.



Practical example: A company finance employee was asked by his manager to process a bank transfer of funds to the personal account of a government official. When the employee asked the manager what the purpose of the payment was and whether he had received approval from the legal structure to make the payment, the manager replied that “it’s none of his business.” The employee expressed his concerns, but the manager told him that he did not care what the anti-bribery policy said and that he would take full responsibility if there were any problems with the payment. The finance employee is concerned that the manager will take action against him if he reports the situation.

What to do: The employee should immediately report the situation to the relevant legal counsel and the integrity officer. If the employee follows the manager’s instructions and does not comply with the anti-bribery policy, both of them are violating the policy and possibly the law. The CNR will protect the official from any repercussions that the submission of his report in good faith may have.

General considerations:

Bribery is seen as a form of corruption in almost all countries of the world. Corruption has always been and will continue to be a subject that must be considered in the context of any commercial activity.

The fight against bribery and corruption in general are some of the greatest challenges for the development of society and the increase in living standards worldwide.

The consequences of corruption can be catastrophic for the economy, infrastructure, health, education, quality and safety.

Corruption leads to phenomena such as poverty, food shortages, disease, crime and obstructs society and individuals from achieving their goals. Corruption is one of the main causes that hinder economic and social development. Corruption distorts the rule of law and the basic principles on which CN ROMARM was founded.

Bribery is a scourge that has spread throughout the world and has deep roots in human history.



Because of this, the phenomenon raises serious political, social, economic and moral concerns. Bribery distorts competition, increases the costs of doing business, introduces uncertainty into commercial transactions, increases the cost of goods and services and reduces their quality, which can lead to loss of life and property, destroys trust in institutions and interferes with the correct and efficient functioning of markets, erodes justice and undermines human rights.

Over the past two decades, many countries have made efforts at national and international levels to combat bribery and corruption. Treaties have been signed and legislation has been improved so that many countries can now condemn the crimes related to bribery and bribery. Governments have made remarkable progress in the fight against bribery and corruption through international agreements such as the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted by the Organization for Economic Cooperation and Development and the United Nations Convention against Corruption, and through their own national legislation.

The fight against bribery and corruption has become a priority, both in Romania and in other European countries.

The OECD Convention against Bribery, the United Nations Convention against Corruption, ratified by the Romanian Parliament through Law no. 365/2004, the Criminal Code, Law no. 78/2000 for the prevention, detection and sanctioning of acts of corruption, as well as the establishment of specialized structures in the fight against corruption, represent ways of approaching this scourge in order to eradicate it and attract criminal liability.

With the adoption of the new Criminal Code, the criminal norms applicable to the criminal liability of legal entities were established. According to these provisions, legal entities, with the exception of the state and public authorities, are criminally liable for offenses committed in the performance of their business activities or in the interest or on behalf of the legal entity. At the same time, the criminal liability of legal entities does not exclude the criminal liability of natural persons who contributed to the commission of the same ac.

However, there is still much work to be done, the law alone is not enough to solve this problem, and the responsibility to proactively contribute to combating bribery lies with organizations, through the commitment of management to create a culture of integrity, transparency, openness and compliance and to implement an anti-bribery management system. The culture promoted within organizations is of essential importance in terms of the success or failure of an anti-bribery management system.

As a preventive measure within organizations, the implementation of the SR ISO 37001/10.04.2017 Standard, which is identical to the international standard ISO 37001/20016 - Anti-bribery Management Systems, is recommended.



The standard complements other standards regarding management systems, such as ISO 9001, ISO 14001, ISO 22000, ISO 26000, ISO 31000, cât și ISO 19600.

At the organizational level, bribery affects tenders and contract implementation and increases costs and risks. One way organizations can help address this issue is by implementing anti-bribery management controls, equivalent to those for quality or safety.

Compliance with all applicable laws and regulations, including anti-bribery and anti-corruption laws, as well as the highest professional, moral and ethical standards, is a core value for CN ROMARM. All employees are expected to comply with the letter and spirit of the company's anti-bribery policy.

Furthermore, a corporate anti-bribery and anti-corruption policy, however comprehensive it may be, will never cover all possible activities nor will it take into account all relevant factors.

Acting at all times in accordance with generally accepted ethical and moral standards is a key requirement for those working for or collaborating with CN ROMARM.

CN ROMARM is committed to respecting the standards of conduct defined by Romania and the European Union as well as the laws against corruption and money laundering in all countries in which it operates.

Relevant legislation:

Anti-bribery laws may vary from country to country and it is very important that all employees are aware of and comply with the anti-bribery laws of the countries in which they operate.

International anti-bribery and anti-corruption laws and regulations include: the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA), and the anti-bribery and anti-corruption laws and regulations of other countries in which the Company operates or intends to operate, regardless of local practices, customs or competitive conditions.

At the national level, the laws and regulations regarding integrity, anti-bribery and anti-corruption include: Law 78/2000 on the prevention, detection and sanctioning of acts of corruption, Law no. 161/2003 on some measures to ensure transparency in the exercise of public dignities, public functions and



in the business environment, prevention and sanctioning of corruption prevention and sanctioning of corruption, with subsequent amendments and completions, GEO no. 66/2011 on the prevention, detection and sanctioning of irregularities arising in the obtaining and use of European funds and/or national public funds related to them, Law no. 176/2010 on integrity in the exercise of public functions and dignities, Law no. 251/2004 on some measures relating to goods received free of charge on the occasion of protocol actions in the exercise of the mandate or function, GEO 74/2013 on some measures for the improvement and reorganization of the ANAF activity, as well as for the amendment and completion of some normative acts approved by Law 144/2014, GD No. 520/2013 on the organization and functioning of the National Agency for Fiscal Administration, Law no. 61/2013 on the organization and functioning of the Department for the fight against fraud, with subsequent amendments and completions – DLAF, GD no. 738/2011 for the approval of the Regulation on the organization and functioning of the Department for the fight against fraud-DLAF, Law no. 18/2008 for the accession of Romania to the Cooperation Agreement between the European Community and its Member States, on the one hand, and the Swiss Confederation, on the other hand, in order to combat fraud and any other illegal activity to the detriment of their financial interests, signed in Luxembourg on 26 October 2004, GEO no. 123/2007 on some measures to strengthen judicial cooperation with the Member States of the European Union, with subsequent amendments and completions, GD no. 875/2011 for the approval of the Methodological Norms for the application of the provisions of GEO no. 66/2011, GD no. 583/2016 on the approval of the National Anti-Corruption Strategy for the period 2016-2020, the sets of performance indicators, the risks associated with the objectives and measures in the strategy and the sources of verification, the inventory of institutional transparency and corruption prevention measures, the evaluation indicators, as well as the standards for publishing information of public interest and the Criminal Code.

Acts defined as corruption offenses in the Criminal Code:

Chapter I, Title V of the Criminal Code incriminates the following as corruption offenses:

- Being bribed (Art. 289)

(1) The act of a public official who, directly or indirectly, for himself or for another, demands or receives money or other benefits that are not due to him or accepts the promise of such benefits, in connection with the performance, failure to perform, acceleration or delay of an act that falls within his official duties or in connection with the performance of an act contrary to these duties, is punishable by imprisonment from 3 to 10 years and the prohibition of exercising the right to hold a public office or to exercise the profession or activity in the performance of which he committed the act.

(2) The act provided for in paragraph (1), committed by one of the persons provided for in art. 175 paragraph (2), constitutes a crime only when committed in connection with the failure to perform, delay of an act regarding



his legal duties or in connection with the performance of an act contrary to these duties.

(3) The money, valuables or any other goods received are subject to confiscation, and when they are no longer found, confiscation by equivalent is ordered.

- Giving bribery (Art. 290)

(1) The promise, offer or giving of money or other benefits, under the conditions set out in art. 289, shall be punishable by imprisonment from 2 to 7 years.

(2) The act provided for in par. (1) shall not constitute a crime when the briber was coerced by any means by the person who took the bribe.

(3) The briber shall not be punished if he denounces the act before the criminal investigation body has been notified of it.

(4) The money, values or any other goods given shall be returned to the person who gave them, if they were given in the case provided for in parag. (2) or given after the denunciation provided for in parag. (3).

(5) The money, values or any other goods offered or given shall be subject to confiscation, and when they are no longer to be found, confiscation by equivalent shall be ordered.

- Influence peddling (Art. 291)

(1) The demand, receipt or acceptance of the promise of money or other benefits, directly or indirectly, for oneself or for another, committed by a person who has influence or gives the impression that he has influence over a public official and who promises to determine him to perform, not to perform, to expedite or to delay the performance of an act that falls within his official duties or to perform an act contrary to these duties, is punishable by imprisonment from 2 to 7 years.

(2) The money, valuables or any other goods received are subject to confiscation, and when they are no longer found, confiscation by equivalent is ordered.

- Influence peddling (Art. 292)

1) The promise, offer or giving of money or other benefits, for oneself or for another, directly or indirectly, to a person who has influence or gives the impression that he has influence over a public official, (in order to induce him to perform, not to perform, to expedite or to delay the performance of an act that falls within his official duties or to perform an act contrary to these duties,



shall be punished by imprisonment from 2 to 7 years and the prohibition of exercising certain rights.

(2) The perpetrator shall not be punished if he denounces the act before the criminal investigation body has been notified of it.

(3) The money, valuables or any other goods shall be returned to the person who gave them, if they were given after the denunciation provided for in parag. (2).

(4) The money, valuables or any other goods given or offered shall be subject to confiscation, and if they are no longer found, confiscation by equivalent shall be ordered.

- Attempt (Art. 32)

(1) An attempt consists in the execution of the intention to commit the crime, execution which was however interrupted or did not produce its effect.

(2) There is no attempt when the impossibility of consummating the crime is the consequence of the way in which the execution was conceived.

- Punishment of Attempt (Art. 33)

(1) Attempt shall be punished only when the law expressly provides for it.

(2) Attempt shall be punished with the punishment provided for by law for the completed offense, the limits of which shall be reduced by half. When the law provides for the completed offense to be punishable by life imprisonment, and the court would be inclined to do so, the attempt shall be punished with imprisonment from 10 to 20 years.

- Desistance and prevention of the production of the result (Art. 34)

(1) The perpetrator shall not be punished if, before the discovery of the act, he has desisted or informed the authorities of the commission of the act, so that its completion could be prevented, or if he himself has prevented the completion of the offence.

(2) If the acts carried out up to the moment of desisting or preventing the production of the result constitute another offence, the punishment for this offence shall be applied.

- General Provisions (Art. 135)

Conditions for Criminal Liability of Legal Entities



(1) A legal person, with the exception of the state and public authorities, shall be criminally liable for offences committed in the performance of its object of activity or in the interest or on behalf of the legal person.

(2) Public institutions shall not be criminally liable for offences committed in the exercise of an activity that cannot be the subject of the private domain.

(3) The criminal liability of a legal person shall not exclude the criminal liability of a natural person who contributed to the commission of the same act.

- Penalties applicable to legal entities (Art. 136)

(1) Penalties applicable to legal entities are principal and complementary.

(2) The principal penalty is a fine.

(3) The complementary penalties are:

- a) dissolution of the legal entity;
- b) suspension of the activity or one of the activities of the legal entity for a period of 3 months to 3 years;
- c) closure of some workplaces of the legal entity for a period of 3 months to 3 years;
- d) prohibition to participate in public procurement procedures for a period of one to 3 years;
- e) placement under judicial supervision;
- f) display or publication of the conviction.

- Criminal Law (Art. 173)

Criminal law means any provision of a criminal nature contained in organic laws, emergency ordinances or other normative acts which had the force of law at the date of their adoption.

- Committing a crime (Art. 174)

By committing a crime or committing a crime is meant the commission of any of the acts that the law punishes as a completed crime or as an attempt, as well as participation in their commission as a co-author, instigator or accomplice.



- Public official (Art. 175)

(1) A public official, within the meaning of the criminal law, is a person who, on a permanent or temporary basis, with or without remuneration:

- a) exercises duties and responsibilities, established by law, for the purpose of exercising the prerogatives of the legislative, executive or judicial power;
- b) exercises a public office or a public office of any nature;
- c) exercises, alone or together with other persons, within an autonomous government, another economic operator or a legal person with full or majority state capital, duties related to the achievement of its object of activity.

- General Provisions (Art. 15)

Essential Features of a Crime

(1) A crime is an act provided for by criminal law, committed with guilt, unjustified and attributable to the person who committed it.

(2) A crime is the sole basis for criminal liability.

- Guilt (Art. 16)

(1) The act constitutes a crime only if it was committed with the form of guilt required by the criminal law.

(2) Guilt exists when the act is committed intentionally, negligently or with excessive intent.

(3) The act is committed intentionally when the perpetrator:

- a) foresees the result of his act, seeking its occurrence by committing that act;
- b) foresees the result of his act and, although not seeking it, accepts the possibility of its occurrence.

(4) The act is committed negligently when the perpetrator:

- a) foresees the result of his act, but does not accept it, considering without reason that it will not occur;
- b) doesn't foresee the result of his act, although he should and could foresee it.

(5) There is an excess of intent when the act consisting of an intentional action or omission produces a more serious result, which is due to the fault of the perpetrator.

(6) The act consisting of an action or omission constitutes a crime when it is committed with intent. The act committed through negligence constitutes a crime only when the law expressly provides for it.

- Committing a commission offence by omission (Art. 17)

A commission offence which involves the production of a result is considered to be committed also by omission, when:



a) there is a legal or contractual obligation to act;

b) the author of the omission, through a previous action or inaction, created a state of danger for the protected social value that facilitated the production of the result.

- Diversion of public auctions (Art. 246)

The act of removing, by coercion or corruption, a participant from a public auction or the agreement between participants to distort the award price is punishable by imprisonment from one to 5 years.

- Sanctioning the attempt (Art. 248)

Attempting the crimes provided for in art. 239 parag. (1), art. 241 and art. 244-247 is punishable.

- Computer fraud (Art. 249)

The introduction, modification or deletion of computer data, the restriction of access to such data or the obstruction in any way of the functioning of a computer system, in order to obtain a material benefit for oneself or for another, if damage has been caused to a person, is punishable by imprisonment from 2 to 7 years.

- Fraudulent financial transactions (Art. 250)

(1) Carrying out a cash withdrawal, loading or unloading an electronic money instrument or transferring funds, by using, without the consent of the holder, an electronic payment instrument or the identification data that allow its use, is punishable by imprisonment from 2 to 7 years.

(2) The same penalty is imposed for carrying out one of the operations provided for in paragraph (1), by the unauthorized use of any identification data or by the use of fictitious identification data.

(3) The unauthorized transmission to another person of any identification data, in order to carry out one of the operations provided for in paragraph (1), is punishable by imprisonment from 1 to 5 years.

- Acceptance of fraudulent financial transactions (Art. 251)

(1) Acceptance of a cash withdrawal, loading or unloading of an electronic money instrument or transfer of funds, knowing that it is carried out using a counterfeit electronic payment instrument or used without the consent of its holder, shall be punishable by imprisonment from one to 5 years.

(2) The same penalty shall be imposed for accepting one of the transactions provided for in paragraph (1), knowing that it is carried out through the unauthorized use of any identification data or through the use of fictitious identification data.



- Penalty for Attempt (Art. 252)

Attempt to commit the crimes provided for in this chapter shall be punished.

- Concealment (Art. 270)

(1) The receipt, acquisition, transformation or facilitation of the exploitation of an asset by a person who either knew or anticipated from the concrete circumstances that it came from the commission of an act provided for by criminal law, even without knowing its nature, shall be punished by imprisonment from one to 5 years or by a fine.

(2) The punishment imposed on the concealer may not be greater than the punishment provided for by law for the act committed by the author.

(3) Concealment committed by a family member shall not be punished.

- Abuse of office (Art. 297)

(1) The act of a public servant who, in the exercise of his official duties, fails to perform an act or performs it defectively and thereby causes damage or injury to the legitimate rights or interests of a natural person or a legal person is punishable by imprisonment from 2 to 7 years and the prohibition of exercising the right to hold a public office.*)

- Negligence in office (Art. 298)

The negligent violation by a public servant of a duty, by failing to perform it or by performing it defectively, if this causes damage or injury to the legitimate rights or interests of a natural person or a legal person, is punishable by imprisonment from 3 months to 3 years or a fine.

- Usurpation of office (Art. 300)

The act of a civil servant who, during his service, performs an act that does not fall within his duties, if this has resulted in one of the consequences provided for in art. 297, is punishable by imprisonment from one to 5 years or a fine.

- Using office to favor certain persons (Art. 301)

(1) The act of a civil servant who, in the exercise of his duties, has performed an act by which a patrimonial benefit was obtained for himself, for his spouse, for a relative or a close relative up to the second degree inclusive is punishable by imprisonment from one to 5 years and the prohibition of exercising the right to hold a public office for a period of 3 years.



(2) The provisions of paragraph (1) shall not apply in cases where the act or decision refers to the following situations:

a) the issuance, approval or adoption of normative acts;

b) the exercise of a right recognized by law or in the fulfillment of an obligation imposed by law, in compliance with the conditions and limits provided for therein.

- Illegal obtaining of funds (Art. 306)

(1) The use or presentation of false, inaccurate or incomplete documents or data, in order to obtain the approvals or guarantees necessary for the granting of financing obtained or guaranteed from public funds, if it results in the unjust obtaining of these funds, shall be punishable by imprisonment from 2 to 7 years.

(2) Attempt shall be punished.

- Misappropriation of funds (Art. 307)

(1) Changing the destination of funds or material resources allocated to a public authority or public institution, without complying with the legal provisions, is punishable by imprisonment from one to 5 years.

(2) The same punishment is also imposed for changing, without complying with the legal provisions, the destination of funds derived from financing obtained or guaranteed from public funds.

(3) Attempt is punished.

- Forgery of credit securities or payment instruments (Art. 311)

(1) Forgery of credit instruments, instruments or payment instruments or any other similar instruments or values is punishable by imprisonment from 2 to 7 years and the prohibition of exercising certain rights.

(2) If the act provided for in paragraph (1) concerns an electronic payment instrument, the punishment is imprisonment from 3 to 10 years and the prohibition of exercising certain rights.

(3) Attempt is punishable.

- Material forgery in official documents (Art. 320)

(1) Forgery of an official document, by counterfeiting the writing or the signature or by altering it in any way, likely to produce legal consequences, is punishable by imprisonment from 6 months to 3 years.

(2) The forgery provided for in paragraph (1), committed by a public official in the exercise of his duties, is punishable by imprisonment from one to 5 years and the prohibition of the exercise of certain rights.

(3) Tickets, receipts or any other printed matter producing legal consequences are assimilated to official documents.

(4) Attempt is punishable.



- Intellectual forgery (Art. 321)

(1) Forgery of an official document on the occasion of its preparation, by a public official in the exercise of his official duties, by attesting to facts or circumstances that are not in accordance with the truth or by knowingly omitting to insert some data or circumstances, is punishable by imprisonment from one to 5 years.

(2) Attempt is punishable.

- Forgery of documents under private signature (Art. 322)

(1) Forgery of a document under private signature by any of the methods provided for in art. 320 or art. 321, if the perpetrator uses the forged document or entrusts it to another person for use, in order to produce a legal consequence, is punishable by imprisonment from 6 months to 3 years or a fine.

(2) Attempt is punishable.

- Use of forgery (Art. 323)

The use of an official document or one under a private signature, knowing that it is forged, in order to produce a legal consequence, is punishable by imprisonment from 3 months to 3 years or a fine, when the document is official, and by imprisonment from 3 months to 2 years or a fine, when the document is under a private signature.

- Failure to notify (Art. 267)

(1) A public official who, upon becoming aware of the commission of an act provided for by criminal law in connection with the service in which he performs his duties, fails to immediately notify the criminal investigation bodies is punished by imprisonment from 3 months to 3 years or a fine.

(2) When the act is committed through negligence, the punishment is imprisonment from 3 months to one year or a fine.

Acts defined as corruption crimes in Law 78/2000 on the prevention, detection and sanctioning of corruption acts:

General Provisions (Art. 1)

(1) This law establishes measures to prevent, detect and sanction acts of corruption and applies to the following persons:

- a) who exercise a public function, regardless of the manner in which they were invested, within public authorities or public institutions;
- b) who perform, permanently or temporarily, according to the law, a function or task, to the extent that they participate in decision-making or can influence them, within public services, autonomous governments, commercial companies, national companies, national societies, cooperative units or other economic agents;



- c) who exercise control powers, according to the law;
- d) who provide specialized assistance to the units provided for in letters a) and b), to the extent that they participate in decision-making or can influence them;
- e) who, regardless of their capacity, carry out, control or provide specialized assistance, to the extent that they participate in decision-making or can influence them, with regard to: operations involving capital circulation, banking, foreign exchange or credit operations, investment operations, in stock exchanges, in insurance, in mutual investment or regarding bank accounts and those assimilated to them, domestic and international commercial transactions;
- f) who hold a management position in a party or a political formation, in a union, in an employers' organization or in a non-profit association or foundation;

other natural persons than those provided for in letters a)-f), under the conditions provided for by law.

- Offences assimilated to corruption offences:

- (Art. 10)

The following acts constitute crimes and are punishable by imprisonment from 3 to 10 years and the prohibition of certain rights, if they are committed for the purpose of obtaining money, goods or other undue benefits for oneself or for another:

- a) intentionally setting a value that is lower than the real commercial value of assets belonging to economic operators in which the state or a local public administration authority is a shareholder, committed within the framework of a privatization or forced execution, reorganization or judicial liquidation action or during a commercial operation, or of assets belonging to the public authority or public institutions, within a sale or forced execution action, committed by those who have management, administration, management, forced execution, reorganization or judicial liquidation duties;
- b) granting subsidies in violation of the law or failure to monitor, according to the law, compliance with the destination of subsidies;
- c) the use of subsidies for purposes other than those for which they were granted, as well as



the use for other purposes of credits guaranteed from public funds or to be reimbursed from public funds.

- (Art. 11)

(1) The act of a person who, having the task of supervising, controlling, reorganizing or liquidating a private economic operator, carries out any task for it, mediates or facilitates the performance of commercial or financial operations or participates with capital in such an economic operator, if the act is of a nature to bring him directly or indirectly an undue benefit, constitutes a crime and is punishable by imprisonment from one to 5 years and the prohibition of certain rights.

(2) If the act provided for in paragraph (1) was committed within a period of 5 years from the termination of the task, the punishment is imprisonment from 6 months to 3 years or a fine.

- (Art. 12)

The following acts are punishable by imprisonment from 1 to 5 years, if they are committed for the purpose of obtaining for oneself or for another money, goods or other undue benefits:

a) carrying out financial operations, as acts of trade, incompatible with the function, attribution or assignment that a person performs or concluding financial transactions, using information obtained by virtue of his function, attribution or assignment;

b) using, in any way, directly or indirectly, information that is not intended for publicity or allowing unauthorized persons access to this information.

- (Art. 13)

The act of a person who holds a leadership position in a party, in a trade union or employer's association or within a legal entity without a patrimonial purpose, of using his influence or authority in order to obtain for himself or for another money, goods or other undue benefits, is punishable by imprisonment from one to 5 years.

- (Art. 13^1)

In the case of the crime of blackmail, provided for by art. 207 of the Criminal Code, in which a person from those provided for in art. 1 is involved, the special limits of the punishment are increased by one third.

- (Art. 13^2)

In the case of the crimes of abuse of office or usurpation of office, if the public official has obtained for himself or for another an undue benefit, the special limits of the punishment are increased by one third.

- (Art. 15)

Attempting the crimes provided for in this section is punishable.



- (Art. 16)

If the acts provided for in this section constitute, according to the Criminal Code or special laws, more serious crimes, they shall be punished under the conditions and with the sanctions established in these laws.

- (Art. 18¹)

(1) The use or presentation in bad faith of false, inaccurate or incomplete documents or declarations, if the act results in the wrongful obtaining of funds from the general budget of the European Union or from the budgets administered by it or on its behalf, shall be punished by imprisonment from 2 to 7 years and the prohibition of certain rights.

2) The penalty provided for in paragraph (1) shall be imposed for the failure to provide, knowingly, the data required by law for the obtaining of funds from the general budget of the European Union or from the budgets administered by it or on its behalf, if the act results in the wrongful obtaining of these funds.

(3) If the acts provided for in parag. (1) and (2) have produced particularly serious consequences, the special limits of the penalty are increased by half.

- (Art. 18²)

(1) Changing, without complying with the legal provisions, the destination of funds obtained from the general budget of the European Union or from budgets administered by it or on its behalf shall be punishable by imprisonment from one year to 5 years and the prohibition of certain rights.

2) Illegally changing the destination of resources from the general budget of the European Union or from budgets administered by it or on its behalf shall be punishable by the penalty provided for in parag. (1).

3) If the acts provided for in parag. (1) and (2) have produced particularly serious consequences, the special limits of the penalty shall be increased by half.

- (Art. 18⁴)

Attempting the crimes provided for in art. 18¹-18³ is punishable.

- (Art. 18⁵)

Negligent breach by the director, administrator or person with decision-making or control powers within an economic operator of a duty, by failing to perform it or performing it defectively, if the act resulted in the commission by a person under his/her subordination and who acted on behalf of that economic operator of one of the offences provided for in art. 18¹ - 18³ or the commission of a corruption or money laundering offence in relation to European Union funds, is punishable by imprisonment from 6 months to 3 years or by a fine.



Special provisions regarding the discovery and prosecution of crimes

- (Art. 23)

(1) Persons with control powers are obliged to notify the criminal investigation body or, as the case may be, the body for ascertaining the commission of crimes, empowered by law, regarding any data from which there are indications that an illicit operation or act has been carried out that may attract criminal liability, according to this law.

(2) Persons with control powers are obliged, during the performance of the control act, to proceed to secure and preserve the traces of the crime, the corpus delicti and any means of evidence that may serve the criminal investigation bodies.

- (Art. 24)

The persons referred to in art. 1 lett. e), who are aware of operations involving the movement of capital or other activities, referred to in art. 1, concerning sums of money, goods or other values that are presumed to originate from corruption offences or similar offences or from offences related to them, are obliged to notify the criminal investigation bodies or, as the case may be, the bodies for ascertaining the commission of the offence or the control bodies, empowered by law.

- (Art. 25)

(1) The good faith fulfillment of the obligations provided for in art. 23 and 24 doesn't constitute a breach of professional or banking secrecy and does not entail criminal, civil or disciplinary liability.

(2) The provisions provided for in parag. (1) shall apply even if the investigation or trial of the reported acts has led to the non-initiation or termination of criminal prosecution or to acquittal.

(4) The bad faith failure to fulfill the obligations provided for in art. 23 and 24 constitutes a crime and is punishable by imprisonment from 6 months to 5 years, unless the act constitutes a more serious crime.

(5) If the act provided for in parag. (4) was committed negligently, the punishment shall be imprisonment from 3 months to 2 years or a fine.



Definitions and general notions regarding corruption:

Legal definition (criminal law) – corruption represents those limiting acts regulated by law, such as taking and giving bribes, receiving undue benefits, trading in influence, etc.; it constitutes illicit activities carried out for the purpose of obtaining material or moral advantages, high social or political positions. Corruption includes the violation of the norms regarding the duties of a public official, as well as the failure to fulfill legal obligations by economic agents, having a high degree of social danger, with profound negative consequences on the entire social system.

Corruption can be:

- professional, economic corruption or economic-financial or business crime,
- political corruption, which includes various activities such as illegal financing of electoral campaigns, the promotion of individuals, especially in government positions, solely on political grounds.

Definition according to DEX 1998 - corruption, corruptions, s.f. 1. State of deviation from morality, from honor, from duty.

Definition according to Transparency International - corruption is the abusive use of entrusted public power, for obtaining personal benefits. It is not only about benefits of a financial nature, but also about advantages of any other nature.

The definition according to the ONU (from the Code of Conduct for Law Enforcement Officials) – corruption is the commission or omission of an act relating to or in connection with their duties, in response to the offer of a bribe, promises, material incentives requested or accepted, or the improper performance thereof; (from the Global Programme against Corruption) – the essence of the phenomenon of corruption consists in the abuse of power committed for the purpose of obtaining personal gain, directly or indirectly, for oneself or for another, in the public or private field.

The UN Convention against Corruption obliges member states to provide as crimes the following: corruption, trading in influence, abuse of office, illicit enrichment (including from the private sector), laundering of the proceeds of crime, concealment, obstruction of the proper functioning of justice. The Convention also requires the criminalization of acts of corruption committed by legal entities and acts of participation in, preparation for, or attempt at such crimes.



Definition according to the United Nations Development Programme (Strategia Fighting Corruption to Improve Governance 1998) - corruption is the abuse of public power, position or authority for private gain - through bribery, extortion, influence peddling, "dirty" money or embezzlement.

Definition according to the International Monetary Fund - corruption is the abuse of public power or trust, for private gain.

The definition according to the INTERPOL Corruption Expert Group - corruption is the act of causing an act to be performed or not performed by individuals or public or private organizations, in violation of the law and trust for profit or benefit.

The definition according to the Council of Europe (Civil Convention on Corruption) - corruption is the act of requesting, offering, giving or accepting, directly or indirectly, an illicit commission or other undue advantage or the promise of such an undue advantage that affects the normal exercise of a function or the behavior required of the recipient of the illicit commission or undue advantage or the promise of such an undue advantage.

Corruption includes activities such as bribery, blackmail and offering inducements, trading and buying influence, receiving undue benefits, conflict of interest.

Definitions and general notions regarding bribery:

Legal definition (criminal law):

Being Bribed is a crime that consists of the act of an official (in the broad sense, an employee in public institutions) who, directly or indirectly, demands or receives money or other benefits that are not due to him, or accepts the promise of such benefits or does not reject it, in order to perform, not perform or delay the performance of an act related to his official duties or in order to do an act contrary to these duties;

Bribing somebody is a crime that consists of the act of a natural or legal person to promise, offer, give, directly or indirectly, money or other benefits to an official in order to perform, not perform or delay the performance of an act related to his official duties, or in order to do an act contrary to these duties.

Definition according to DEX - Bribe, *bribes*, f.n. Amount of money or objects given or promised to a person, with the aim of determining them to violate their job obligations or to fulfill them more conscientiously; grease, graft – din sl. **mito**.



Definition according to the SR ISO 37001 Anti-Bribery Management Systems standard: - **Mituirea** - Bribery is the offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly and regardless of location(s), in violation of applicable law, as an inducement or reward to a person to act or refrain from acting in connection with the performance of that person's duties.

Even if a bribe is refused or does not have the intended effect, it still constitutes bribery.

In summary, we must remember that: ***Bribery is the promising, offering, giving, soliciting or accepting, either directly or through a third party, of any advantage, intentionally, to induce or reward, improper behavior (illegal, immoral or a breach of responsibility) of an official or a person in order to obtain a business advantage or other improper benefit.***

Advantages may be financial or non-financial and may include, but are not limited to, the following: money, expensive gifts and excessive hospitality, vacations, entertainment, loans, consulting contracts, donations (including charitable donations), employment contracts, business incentives, preferential treatment, services, illicit commissions or investment opportunities, confidential information, meals or forms of protocol, credits, discounts, reimbursement of travel expenses, any other advantage or benefit that is intended to, or is perceived to be of value to, the recipient or another person (e.g. a relative or friend of the recipient).

Key concepts to understand the scope of the policy:

Blackmail (definitions):

Legal definition (criminal law) – blackmail **is a** crime provided for in the Penal Code, which consists of the act of compelling a person, by violence or threat, to give, do, refrain from doing or suffer something, if the act is committed in order to unjustly obtain a benefit, for oneself or for another. When the coercion consists of the threat of revealing a real or imaginary act compromising the threatened person, for their spouse or for a close relative, the punishment is harsher.

Definition according to DEX - BLACKMAIL, *blackmails*, n. n. (legal) Crime that consists of the act of compelling a person, by violence or threat, to give, do, refrain from doing or suffer something, with the aim of obtaining a benefit for oneself or for another. ♦ Means used for this purpose. [Pl. also: *blackmails*] – From fr. **chantage**.



Incentive (definition):

Incentive – two parties agree that a portion of the sales proceeds or a portion of the profits will be improperly granted, deducted, or offered as an incentive to the buyer in exchange for completing the transaction.

Influence peddling (definitions):

Legal definition (criminal law) - influence peddling is the crime by which a person called a promisor, who has influence or gives the impression that he has influence over a public official, demands money or other benefits from a natural or legal person, in order to solve a problem by persuading the public official to do or not do an act that falls within his job duties.

Definition according to DEX - *to trade in influence* = to derive illicit benefits from the influence that someone has over someone, from the passage that one enjoys near someone.

To summarize, we must remember that: *trading in influence represents the granting of undue advantages to a person in order to make that person influence the actions or duties of a third party.*

Influence peddling (definition):

Influence peddling is a corruption offense consisting of promising, offering or giving money or other goods to another person who has influence or gives the impression that he has influence over a public official, with the aim of determining him to do or not to do an act that falls within his official duties or to influence a decision of his.

Receiving undue benefits (definition):

Legal definition (criminal law) - **receiving undue benefits** represents the receipt by an official, directly or indirectly, of money or other benefits, after having performed an act by virtue of his position and to which he was obliged under it.

Receiving undue benefits differs from taking a bribe in that the benefits are given after the performance of the act and did not condition its issuance, being an illegal increase in salary for his activity.

Conflict of interest (definitions):

Legal definition (criminal law) – conflict of interest is a crime that consists of the act of the public official



who, in the exercise of his/her official duties, performs an act or participates in making a decision that directly or indirectly provides a material benefit for himself/herself, his/her spouse, a relative or a close relative up to the second degree inclusive, or for another person with whom he/she has had commercial or employment relations in the last 5 years or from whom he/she has benefited or is benefiting from services or benefits of any kind.

Definition according to recommendation 10/ 2000 of the Committee of Ministers of the Council of Europe - Conflict of interest arises when the public official has a personal interest which influences or appears to influence the impartial and objective performance of his official duties. The private interests of the public official may include a benefit for himself or for his family, for his close relatives, for friends, for persons or organisations with whom the public official has had political or business relations. The personal interest may also refer to any debts that the public official has towards the persons listed above.

Concealment (definitions):

Legal definition (criminal law) - concealment is a crime that consists of receiving, acquiring or transforming an asset or facilitating its exploitation, knowing that the asset comes from the commission of an act provided for by criminal law, if this was done with the aim of obtaining, for oneself or for another, a material benefit.

Definition according to DEX - concealment, *concealment*, f. n. The action of *concealing* and its result; hidden agreement; secret advice. ♦ Crime that consists of receiving or transferring an asset or facilitating its exploitation, knowing that the asset comes from an action sanctioned by criminal law and with the aim of obtaining a material benefit. – V. **conceal**.

Abuse of office or abuse of power (definitions):

Legal definition (criminal law) - abuse of office is the act of a public official who, in the exercise of his or her official duties, fails to perform an act or performs it defectively and thereby causes damage or injury to the rights or legitimate interests of a natural person or a legal entity.



Definition according to DEX - abuse, *abuses*, n. n. Violation of legality; (concr.) illegal act. *Abuse of power* = crime committed by someone by exceeding their powers.

In conclusion, abuse of power or abuse of office represents the intentional use by a public person of the position of office, for material or other personal interests, if this has caused considerable damage to public interests or the rights and interests protected by law of natural or legal persons.

Money laundering (definitions):

Legal definition (criminal law) - money laundering is a crime that consists of committing one of the alternative normative variants: the exchange or transfer of goods, knowing that they come from the commission of crimes, for the purpose of concealing or disguising the illicit origin of these goods or for the purpose of helping the person who committed the crime from which the goods come to evade prosecution, trial or execution of the sentence; the concealment or disguising of the true nature of the origin, location, disposition, circulation or ownership of goods or the rights over them, knowing that the goods come from the commission of crimes; the acquisition, possession or use of goods knowing that they come from the commission of crimes.

Definition according to DEX - money laundering f.n. in sint.s. *money laundering* = Investing „dirty” money, obtained illegally, in „clean”, legal businesses.

In conclusion, money laundering involves the set of economic and financial techniques and methods by which money or other assets obtained from illicit, fraudulent activities, such as the underground economy or corruption, are separated from their origin, in order to then give them an apparent legally and economically justified origin, with the aim of investing them in the real economy.

In summary, money laundering involves the conversion or transfer of assets in order to conceal or disguise their illicit origin.

The term assets means any kind of assets, corporeal or incorporeal, movable or immovable, tangible or intangible, as well as legal acts or documents that attest ownership of these assets or other rights relating to them. The concept of assets also includes money.



Illicit Enrichment (Definition):

Definition according to ONU - Illicit enrichment is a crime and represents a substantial increase in the assets of a public official that he cannot reasonably justify in relation to his legitimate income.

Government Officials (Definition):

Definition for the purposes of this policy – the term government official interpreted broadly means persons who meet the following conditions:

- are employees or representatives of a government, government-owned or government-controlled entity anywhere in the world, including high-ranking government employees or not. “Government” refers to all levels and subdivisions of governments (e.g., local, regional, or national). Government-owned or controlled entities include, but are not limited to, central banks, sovereign wealth funds, state-owned companies, state-owned hospitals, state-owned educational institutions, and any other businesses owned or controlled by a government entity;
- holds a legislative, administrative or judicial office, whether appointed or elected to hold such office;
- are candidates for public office;
- are officials in a political party or candidates for political office;
- are officials, employees, representatives or agents of a public international organisation, such as the United Nations, the European Commission, the World Bank, etc.;
- are members of the royal family;
- are the child, spouse, parent, sibling or relative of any person who meets the above conditions;
- any person is otherwise classified as a government official under the law;

You should note that it is your responsibility to know whether a person with whom you are doing business is a government official. If in doubt, consult the company’s legal department.

Purpose of the Anti-Bribery Policy:

The purpose of this Policy is to establish standards of conduct that minimize the risk of bribery for the Romarm National Company.



Anti-Bribery Policy Objectives:

1. The National Company ROMARM as a responsible enterprise guides and develops its business, through a set of policies that define its organizational culture and objectives and that cultivate trust in the minds of: customers and suppliers, shareholders and employees, the communities in which it operates, people whose trust is essential to achieving success.

CNR must act prudently in communicating and collaborating with business people and partners involved in business relationships for or on behalf of the company. ***We do not offer bribes - neither to do business, nor to maintain business relationships, nor to gain access or for any other reason, and we expect everyone who works on our behalf to do so.***

2. CNR's anti-bribery policy requires each of us to avoid giving, taking bribes and corruption in all activities of the company and its subsidiaries and in any place where we operate. ***For us, activities that involve giving, taking bribes and corruption are never the right measures.***

3. Laws around the world prohibit acts of corruption, bribery and kickbacks and regulate activities related to contacts and relationships with governments, their officials and agents. ***CNR's anti-bribery policy encourages directors, employees, subsidiaries, agents, consultants to avoid illegal and corrupt activities, as well as bribery and kickbacks.***

4. All of us, who represent the interests of the company, must act in such a way as not to allow corruption to become an integral part of any type of commercial operation or business activity undertaken by the National Company ROMARM. Fulfilling this goal implies ***compliance with all legislation, national or foreign, prohibiting abusive payments, attentions or incentives of any kind, offered or received from any person, including public or private sector officials, customers and suppliers.***

Scope:

CNR's Anti-Bribery Policy strictly applies, globally, to directors, officers, directors, all employees of the company and its subsidiaries as well as any third party acting on behalf of CN ROMARM (who provides or receives products or services in relation to CNR). Intermediaries or other contractual partners must behave in an ethical manner and may be required to comply with this Policy in all their dealings with and for CN ROMARM.



Responsibilities:

All employees and third parties acting on behalf of the National Company ROMARM and its subsidiaries must familiarize themselves with the company's anti-bribery policy and must always comply with all applicable sections of this policy.

Any violation of this Policy, or any procedure implementing it, will be considered serious by CN ROMARM and may result in disciplinary action, including dismissal and reporting to the competent authorities. Compliance with this Policy will help protect you from numerous fines and possible prison sentences, but will also protect the National Company ROMARM from possible fines and considerable damage to its image, as well as from the degradation of commercial relations and any nature thereof.

The management of CN ROMARM will be responsible for implementing all measures regarding the prevention and identification of corruption, bribery and conflicts of interest as defined in this policy.

Policy Statement:

CN ROMARM is against all forms of bribery and corruption and is committed to respecting the highest ethical standards and not tolerating bribery in any form. CNR will comply with anti-bribery and anti-corruption laws and regulations applicable in Romania and in the countries where it operates.

All employees and collaborators of the National Company ROMARM agree to comply with the company's anti-bribery policy and procedures.

CN ROMARM will organize mandatory training programs annually to ensure that its employees understand all applicable anti-corruption and anti-bribery legislative provisions and comply with them.

Policy:

CN ROMARM has a zero tolerance policy for bribery and corruption and requires all directors, officers, employees, and any third party acting on behalf of the Company to fully comply with applicable anti-bribery and anti-corruption laws and regulations.

CNR policy prohibits involvement in activities that could be interpreted as giving or taking bribes and is committed to conducting business with integrity and acting ethically and legally.

The National Company ROMARM believes that it is its duty to compete in the business environment based on the quality and value of its products and services, not allowing payments to obtain professional advantages.



No person associated with the ROMARM National Company (namely: employees, administrators, officials, agents, representatives, vendors, suppliers, distributors and all other business partners) will offer, pay, promise to pay or authorize the payment or transfer of any amount of money, attention or any thing of value to officials (in the broad sense, an employee in public institutions), dignitaries or any employee of a state-owned or state-controlled entity or a commercial entity: to influence certain actions or decisions; to persuade an employee or official to use his or her influence to change certain actions or decisions or to obtain advantages in order to support ROMARM National Company to obtain or sustain a business, respectively to influence any situation in favor of the company.

Directly or indirectly – if you have been prohibited from directly granting any payments, gifts, offers or promises, it is also prohibited to do these things indirectly. You may not instruct, authorize or permit a third party to make a prohibited payment on your behalf, and you may not make a payment to a third party knowing or having reason to believe that it is likely to be made improperly.

Target of Bribery:

The target of a bribery act can be anyone who could potentially provide a substantial or non-substantial advantage to the person, company or organization initiating the bribery act or who benefits from the bribery act (passive corruption).

Attempted Bribery:

Attempted bribery could be committed by: any employee of CN ROMARM regardless of seniority or position anywhere in the world or by any other person performing services on behalf of CNROMARM.

Attempted bribery could be committed in both the private and public sectors.

The CN ROMARM Anti-Bribery Policy Compliance Guide provides below a detailed presentation of how to apply the company's anti-bribery and anti-corruption policies to ensure that each of us understands our role and obligations regarding the particularly important aspects of CN ROMARM's anti-bribery policy, that the policy will be understood, applied and respected in each sector of activity and by each employee of the company.



CN Romarm Sector Policies on Bribery and Corruption:

CNR Policy on Bribery of Government Officials:

While you should never offer a bribe to anyone and you should not accept a bribe from anyone, you should be especially vigilant and not engage in bribery or illicit dealings with government officials. Do not offer, promise, give or authorize the giving of any financial or other advantage or thing of value to any person (including family members, relatives or persons associated with a government official) if the circumstances could create the appearance that you are trying to influence that official to obtain or retain business or an advantage in the course of your business.

CNR Policy on Facilitation Payments:

The National Company ROMARM prohibits facilitation or “grease” or “kickback” payments because they constitute bribery and are illegal.

Facilitation payments, “grease”, “kickback”, “tip” are small amounts of money given to secure or expedite routine actions, usually performed by public officials.

These routine actions include the issuance of permits, authorizations, licenses and other official documents; obtaining visas and work permits; providing services such as police protection, obtaining correspondence or scheduling inspections, or expediting the release or release of goods in the possession of customs authorities.

This prohibition applies to employees and third parties acting on behalf of the Company.

If you are unsure whether a payment would be considered an emergency payment, make the payment only if the public official or third party can provide you with an official receipt confirming in writing that it is lawful.

Also, if you are in doubt as to whether a payment is a facilitation payment or not, you should contact your immediate supervisor or line manager and the relevant legal counsel.

Extortion payments should be reported immediately after they are made.

However, if you are asked to make such a payment and you feel that you are in danger of physical harm or there is a real risk to your safety if you refuse to make such a payment, you should make the payment and then report this immediately, verbally and in writing, as soon as possible to your immediate supervisor or line manager, the relevant legal counsel and the Ethics and Compliance Officer.



Even if you ultimately manage to avoid making the payment, you should still notify your direct superior of this request, so that you can identify in the future where such problems have been noted.

Without exception, any such payments made under the influence of blackmail must be clearly highlighted and precisely justified in the company's books and records, as follows: its recipient and the purpose of such payment.

The company's management must immediately notify the competent authorities of the blackmail request and the related payment.

A payment obtained through blackmail is not a payment facilitation.

In exceptional circumstances and in extremely rare cases, the Board of Directors may authorize the making of certain payments that require prior authorizations for a regular action by government authorities.

All requests for such advance authorizations for payments must be submitted in writing to the Board of Directors and must contain at least the following:

- identify the recipient of the amount and his/her position in government;
- describe in detail the exceptional circumstances justifying the making of such a payment, including the government authorities' action obtained through such a payment;

When making this decision, the Board of Directors must consider the current laws in the area where the payment is requested, the location where the payment is to be made, and must consider the risks associated with the payment. At its discretion, the Board of Directors may seek legal advice from qualified local counsel and/or consult with external anti-corruption counsel.

The Board of Directors' decision must be in writing.

CNR Policy on Payments for Improper Advantages or Benefits:

The acceptance and granting of benefits, correlated with the business activity of the National Company ROMARM, is subject to substantial restrictions, as well as the avoidance of corruption cases. These provisions affect both the acceptance and granting of benefits within the public sector and transactions within the private sector.

The National Company ROMARM has no interest in influencing the business decisions or professional conduct of third parties by offering benefits to obtain favors for the company. CNR attaches great importance to attracting business partners only through its quality products and services.



Therefore, any appearance of improper influence or the ability to be influenced in making decisions or in business actions, in connection with the granting and receiving of benefits, must be avoided. Regardless of the tax obligations that may arise as a result of accepting benefits, the granting and acceptance of benefits must be thoroughly documented over the time, occasion, value, provider and recipient of that benefit. The granting and offering of benefits in secret is not permitted.

It is prohibited to grant or offer an advantage or something of value to a government official to influence the making of a discretionary decision by such official, such as the outcome of a government audit or inspection, a decision to enter into or continue a business relationship, the development or adoption of a tax or legislative provision, as this constitutes bribery.

It is also prohibited to make any similar offers to a person who is not a government official if you have reason to believe that they will be used for the benefit of a government official. This category includes relatives and close friends of the government official.

Members of the public sector are not allowed to receive benefits of any kind, directly or indirectly, from employees of the National Company ROMARM, as this could create doubts about the independence of the business interests of the CNR.

The provision of benefits is also subject to legal restrictions in the private business sector. CNR employees are not allowed to offer, promise or grant benefits to business partners in the private sector, as a counter-service, in order to influence a business decision in favor of the company or for the performance of a business activity. Granting benefits to business partners is allowed only in certain situations, and only if the possibility of influencing a business decision or activity that the recipient would carry out on behalf of a business partner, with the aim of favoring the National Company ROMARM, by virtue of the occasion or the moment in which that benefit was offered is excluded.

Regardless of the permissibility of laws or the CN ROMARM Policy regarding payments for improper advantages or benefits, benefits may not be promised, offered or granted to customers, business partners and members of the public sector, if the person granting that benefit knows that the recipient cannot or would not accept it due to any policies or rules applicable to him, taking into account the timing, occasion or specific value of that benefit.

În cazul în care există îndoieli – în special în cazul acordării de beneficii membrilor sectorului public – permisibilitatea trebuie strict evaluată.



Practical example: A customs officer stops shipments of goods imported by the National Company ROMARM for a routine inspection and subjects the cargo to lengthy and difficult inspections.

The customs officer suggests that if CNR agrees to pay him small amounts of money or other valuable goods and services, he will treat his shipments of goods in the same way as he treats certain other shipments and will not conduct the inspection.

How to proceed: Do not offer money, services, or anything of value to the government official.

Providing benefits or anything of value to a government official is improper and illegal behavior even if the official unreasonably subjects the National Company ROMARM shipments to inspections and treats CNR differently from other companies.

In conclusion, employees of the National Company ROMARM **must not**:

- offer or give, directly or indirectly, anything of value to any representative, intermediary or employee of another company or a public official for the purpose of influencing the recipient's activity in his field of activity or in connection with the company's business or field of activity;
- offer or give, directly or indirectly, any improper advantage such as improper commissions, brokerage, sums of money, discounts or other payments to an agent, representative, intermediary or employee of another company or to a public official;
- deprive another company of honest and faithful services from its agents, representatives, intermediaries or employees. In this regard, CNR will not provide protocol, gifts and entertainment that are excessive in scope and frequency and that could give the appearance of improper conduct. All protocol, gifts and entertainment must be reasonable, appropriate and in accordance with the requirements for approving expense claims. Where there is doubt – particularly in the case of granting benefits to members of the public sector – permissibility must be strictly assessed.



Employees of the National Company ROMARM must:

- have fair, open and honest dealings and not in a corrupt manner;
- the laws against commercial bribery in the countries in which they operate or work.

CNR Policy on Gifts, Hospitality and Entertainment:

With regard to hospitality, gifts and entertainment provided by the National Company ROMARM or its employees, you should note that entertainment, hospitality and gifts are goods of value. They can take many forms, including but not limited to meals, prizes, transportation, travel, visits to company headquarters and branches, use of vacation facilities, vouchers, calendars, gift or sponsorship vouchers, tickets to major sporting events, concerts, theaters and other cultural events.

As previously stated, CN ROMARM is required to comply with the anti-corruption laws of the countries in which it does business. For this reason, protocols, gifts and entertainment should not be offered before consulting local anti-corruption laws and the CN ROMARM SA Anti-Bribery Compliance Guide.

Gifts received by CNR employees from external persons are not subject to this policy. For further details on this subject, please refer to the Internal Regulations, the Code of Ethics and the procedure of the Commission for the Evaluation and Inventory of Goods Received Free of Charge on the Occasion of Protocol Actions in the Exercise of the mandate or position.

It is also important to be aware that entertainment and gifts could be used as bribes. Even if the intention is not one of corruption, there is still a risk that the recipient will be improperly influenced or that he will perceive the gift or entertainment offered as an attempt by CNR to obtain an undue advantage or to improperly influence him. Improper gifts or entertainment can put the National Company ROMARM in embarrassing situations and can damage our reputation (in addition to risking criminal liability).

Any attempt to influence government officials or private individuals directly or indirectly with the aim of granting commercial incentives to CNR or to make any other decision in favor of CNR by offering gifts or entertainment is strictly prohibited.



Gifts:

You must not give gifts to a government official in exchange for a benefit or favorable treatment or to influence a government decision.

In certain, very rare circumstances, it is possible to give modest gifts to government officials, but only to the extent that it is appropriate and reasonable, exclusively for legitimate business purposes. You must not give gifts to government officials who have the ability to influence a pending matter concerning the ROMARM National Company. You must never give gifts of money to any person, directly or indirectly, even if such gifts are permitted under local law or acceptable under local practices.

You must always obtain written approval from the relevant company legal counsel before giving a gift to a government official and maintain all relevant records related to such expense.

Practical example: The head of the agency that issues import and export licenses for the National Company ROMARM invites you to his son's birthday party and asks you to give the junior a state-of-the-art smartphone.

How to proceed: Politely explain to him that according to company policy, you are not allowed to give him gifts directly or indirectly, especially of such a value, and immediately report his request to the relevant company legal counsel.

Meals:

You may provide a meal to a government official, but only within reasonable limits, if such conduct is appropriate. You may not provide a government official with an extravagant and lavish meal.

You must always obtain written approval from your relevant legal counsel before providing any form of hospitality to a government official and maintain all relevant records of such expenses.



Practical example: Several government officials are scheduled to attend the launch of a new product of one of the branches of the National Company ROMARM. After the meetings, the company's Sales Director wants to take the government officials to the best restaurant in town and give each of them an expensive branded pen. It is not uncommon for other companies to treat government officials in this way.

How to proceed: Providing a meal and expensive pens to government officials is inappropriate behavior. The policy allows the Company to provide modest gifts (e.g. pens, diaries, calendars, umbrellas, etc.), especially if they bear the company's logo or brand, or meals, if they are a courtesy. For this, you must obtain the prior written approval of the relevant company legal counsel and all relevant records related to the respective expenses must be maintained.

Entertainment Activities:

Romarm National Company must not provide entertainment activities to government officials or pay the costs related to such activities, unless such costs are reasonable and appropriate under the circumstances, are not extravagant, are permitted under the regulations of the government official's employer or applicable regulations in the jurisdiction, and are related to a business purpose.

You must obtain the prior written approval of relevant legal counsel before making such payments and maintain all relevant records related to such expenses.

Special Events:

It is permissible to invite a government official to a special event, such as a classical music concert, in order to cultivate good relations with the official in question, provided that the event is not excessive, the associated expenses are reasonable under the circumstances, and you do not extend the invitation with the intention of inducing the official to act biasedly or inappropriately toward the company.



You must obtain prior written approval from your legal counsel before providing a government official with tickets to the event. You must also maintain all relevant records related to such expenses.

Transportation and accommodation:

The ROMARM National Company cannot pay or reimburse transportation expenses, such as airfare, hotel accommodations, or meals for government officials, unless such expenses are incurred for a legitimate purpose, as explained above.

You must obtain prior written approval from your legal counsel before agreeing to make such payments to a government official and must maintain all relevant records related to such expenses. In addition, such expenses must be disclosed to the government official's employer prior to incurring them. The National Company ROMARM and its employees must never comply with a request to keep such payments or reimbursements confidential. Travel and accommodation expenses must be modest and in accordance with the government agency's own restrictions applicable to missions to another location or country.

Travel and accommodation expenses must be paid directly to the third-party provider. In certain circumstances, when it is not possible to make payment directly to the third-party provider, payment may be made directly to the government official's employer.

You should never provide funds directly to a government official to cover travel and accommodation expenses, except in exceptional circumstances and only after obtaining prior written approval from the relevant legal counsel. No per diems will be paid to government officials.



Practical example: A government official travels from out of town to one of the Company's factories to attend two days of meetings to inspect products that are to be purchased by the institution he represents. The government official requests that the Company pay for the hotel expenses for the visit.

How to proceed: The Company may pay the hotel expenses of the government official if they are reasonable, if the payment of the expenses has been approved by the official's authority to ensure transparency in the process, if the payment is not made with the intention of improperly influencing the official, and if it is in accordance with local law and practice. In addition, you must first obtain written approval from the relevant legal counsel of the Company and retain all relevant documents related to the expenses. Please note that payment must be made directly to the hotel by the Company's payments department.

Visits to company branches to promote their products and service packages:

From time to time, employees of the commercial department of the National Company ROMARM may invite government officials to the company's premises to organize visits or demonstrations of our products. The anti-bribery policy does not prohibit the payment or reimbursement of expenses made in good faith and within reasonable limits, such as transportation and accommodation expenses, incurred by or on behalf of the relevant government official for the purpose of such a visit, provided that: all expenses are directly related to legitimate business purposes such as promotion, product demonstrations, explaining the characteristics of the company's products or organizing visits to its locations; the payment of such expenses by companies is a widely accepted, customary practice and in accordance with local law.

The company must not select government officials to visit the locations on behalf of the relevant agency or government. In addition, at the time of the visit in question, there should be no issues pending with the relevant government agency (e.g. granting of a license or approval), except for routine ones.



You must obtain prior written approval from the relevant legal counsel before making such payments and all payments must comply with the restrictions set out in the anti-bribery policy. You must maintain all relevant records relating to such expenditures.

You must never provide any gift, entertainment or hospitality to a public official in the event of an open government tender.

In summary, please note that, subject to the above, there are some examples of gifts, entertainment or hospitality that are commonly permitted:

- a small attention or souvenir offered after the purchase decision is made to show the company's gratitude (for example, a bouquet of flowers or an office item to commemorate the completion of the project);
- promotional items, such as umbrellas, caps, pens and calendars bearing the CNR logo/sign;
- catering provided during business meetings and negotiations provided that a proportion is observed between the meal provided and the function or position of the recipient. Only persons involved in the meetings or negotiations should be invited. Depending on the circumstances, such meals may take place in a meeting room or restaurant located nearby. Transportation to and from the restaurant may be provided;
- transportation expenses, including airfare, hotel protocol for civil servants, for example when a visit to a Romarm National Company location is required to demonstrate CNR's technical capabilities or when, according to the contract, training of government client personnel is required at a company location.

Prior written approval from CNR management is required for any entertainment, gift or protocol provided to a public official, family member or business associate of a public official, regardless of value, except for meals and refreshments not exceeding 200 euros if provided to a public official in connection with a meeting on company premises.

Examples of entertainment, gifts and hospitality that are generally prohibited (but are not limited to) include:

- cash payments;
- invitations to dinners or other forms of entertainment;
- extravagant forms of hospitality, such as luxury resorts;
- payment of expenses for shopping trips;



- payment of travel expenses when the travel is not directly related to business. Vacations taken during visits to NRC offices or facilities are not permitted. First class airfare should be avoided;
- advance payments should be avoided and per diems should not be paid directly to the recipient, but rather to the government organization or state-owned company subject to further approval by the Board of Directors and relevant legal counsel;
- Any gift or entertainment provided to partners or other individuals with a close personal relationship with the government official, other than token gifts or souvenirs, promotional items and activities mentioned above.

CNR Policy on Cooperation with Customs Authorities:

You must not make payments or provide any other benefits to customs officials other than those required by law or local regulations to ensure that goods are cleared or that customs formalities are completed in a timely manner. You may be required to interact with customs officials when importing raw materials, packaging, equipment or other goods or when exporting products of the National Company ROMARM.

Be careful: Be very cautious when a customs official asks you if you want to benefit from a “fast track” process, as this wording can be a form of bribery. Also, be very cautious when working with service providers who tell you that they can solve customs problems with the help of their connections. Offering bribes directly to government officials or indirectly through third parties is strictly prohibitedă.

Planning ahead: To avoid this type of situation, you need to proceed as follows:

- you must ensure that you have enough time to complete customs formalities for your goods shipments;
- inform yourself and prepare all the necessary documentation in advance to complete customs formalities without any problems;
- make sure that at each stage of the process the National Company ROMARM submits all the necessary documents as soon as possible and that you keep in touch with the local authorities to be always informed about the status of the goods shipment. You must ensure that the process is not delayed due to an overly relaxed attitude or because things are going very slowly;
- try to avoid scheduling deliveries during busy periods when unavoidable delays occur due to backlogs of orders;



- identify alternative points of entry into the country where customs formalities are carried out more quickly and/or where bribes are not required;
- you must have an adequate stock of parts and consumables that need to be imported so that delivery delays do not have a negative impact on the company's business;
- collaborate with the local chamber of commerce to find solutions to the problems that arise.

Practical example: Even though you are convinced that everything is in order, a customs officer claims that certain information or essential aspects are missing in order to complete customs formalities for a shipment of special products that is to be carried out from the airport by an aircraft that has just arrived and is scheduled to take off on a well-established schedule that cannot be delayed. He claims that he can make an exception if you offer him 200 USD to expedite the release of the shipment. Otherwise, the aircraft will leave empty, the situation generating significant losses for the company.

How to proceed: You should politely refuse to pay a sum of money to expedite customs formalities and mention that the policy of the National Company ROMARM does not allow such payments. Then urgently consult the relevant legal counsel of the company on the next steps to be taken.

CNR Policy on Official Approvals, Permits and Licenses:

You must not make payments or provide any other benefits to government officials other than those required by law or local regulations, in order to obtain a permit, license or other necessary approval. This situation can sometimes arise when the company wants to build or expand a location or obtain certain permits for the conduct of its business (for example, to expand the company's parking lot, or to modify the roof).

Beware of: Situations where an inspector offers to perform an undocumented inspection on the spot for a certain amount of money.

Advance planning: To avoid this type of situation, you should proceed as follows::

- You should be informed about the requirements related to obtaining the respective approval and the progress made by the National Company ROMARM in fulfilling it;



- resolve issues proactively and in this way you will have enough time to obtain the approvals, without being subjected to the pressure of an investigation;
- try to maintain good relations with the authorities;
- make it very clear that under no circumstances can Romarm National Company offer and does not offer bribes as a business practice;
- ensure that an employee who violates this rule is himself subject to a disciplinary investigation procedure within the company;
- collaborate with others in the industry who are facing similar issues and who adhere to similar ethical standards;
- ensure that you are well informed about the structure of the relevant regulatory body, so that you are prepared to challenge the decision to a higher hierarchical government official in order to resolve the issue;
- be prepared to justify the reasons why Romarm National Company is entitled to obtain the requested approval or license, mentioning, among other things, the benefits brought by the project and the company's presence in the region to local communities.

Practical example: The company is constructing a new building for the opening of a new plant. The construction site is visited by the local government official whose agency is responsible for the technical supervision of the construction work and the approval of the commissioning. The official suggests that in order to facilitate the approval of the commissioning of the building, you should promise to employ his wife when the plant opens.

What to do: You should tell the official in question that his wife will not receive any preferential treatment. You should then report the incident to the relevant company legal counsel before having any further discussions with the person.

CNR Policy on Work Permits, Visas, and Registrations:

You must not pay money or offer any other advantages to government officials to obtain



a work permit, visa or registration for you or another employee of the National Company ROMARM. Similarly, if a third party obtains a work permit, visa or registration on your behalf and you suspect that they intend to pay a bribe to obtain the document you requested, you should clearly communicate to the third party in question that they should not offer a bribe and terminate the relationship with the service provider.

Beware of: Requests for “surcharges” for issuing visas for the family of employees of the National Company ROMARM. Plan ahead: To avoid this type of situation, you should proceed as follows.

Planning ahead: To avoid this type of situation, you should:

- know the local rules and regulations;
- be familiar with the relevant government agency staff;
- make sure that each work permit or visa application is completed correctly from the start and that no time is wasted because the company employee has not fulfilled their obligation;
- contact the local embassy of the employee who is trying to obtain the visa. Sometimes the embassy can provide assistance;
- if the company is applying for multiple work permit or visa applications within a given period of time, try to apply for all permits/visas in one go (if permitted). It may be more difficult for the government agency to deny a set of applications for improper reasons than to deny an individual application for the same reason.

Practical example: A newly appointed expatriate General Manager at one of the company's representative offices cannot bring his family to the new country where he is working without a work permit. The local immigration authorities refuse to issue such a permit unless an unofficial “surcharge” for employment is paid. Delaying the official transfer of the employee and the start of his activity in the respective country causes significant problems, especially since this moment occurs during the preparation of the business plan for the following year.

How to proceed: You should politely explain that the policy of the National Company ROMARM does not allow the payment of surcharges, and the incident should be reported immediately and the next steps to be taken will be discussed with a representative of the company's legal department.



CNR Policy on Inspections/Controls and Fines:

You must not pay money or offer any other advantage to government officials to avoid an inspection/control, to influence the results of an inspection/control or to avoid a fine.

How to behave: During an inspection/control activity, you must be polite to the government official conducting it, but do not offer anything of value or any advantage before, during or after the inspection/control. Such an offer, even if the value is very small, can be interpreted as an attempt to influence the official's conclusions regarding the inspection/control.

How to avoid this situation: To avoid this type of situation, you must proceed as follows:

- prepare for the inspection in advance so that the government official has no reason to be dissatisfied with the company's location or products;
- you must be aware of local rules and regulations;
- you should be familiar with the employees of the relevant government agency;
- if you suspect that an inspector may ask for a bribe, you should ask other people to accompany you during the inspection because their presence may discourage the official in question from asking for a bribe.

Practical example: An occupational health and safety inspector has arrived at your company. He wants you to offer him free repair services for a self-defense product as a sign of good faith.

How to proceed: You should never offer anything of value or provide an advantage to a government official without the prior written consent of the company's legal department.

**CNR Anti-Money Laundering Policy:**

As previously stated, money laundering is the process by which individuals or companies attempt to conceal illicit funds by giving them the appearance of legitimacy, resorting to various financial maneuvers to conceal their criminal origin. It is important to know and comply with all laws and regulations that relate to the prohibition of money laundering. We must be vigilant and apply sound judgment when faced with unusual transactions in relation to customers or subcontractors. The National Company ROMARM will not tolerate, facilitate or support money laundering.

CNR Policy on Trade Restrictions:

Certain states or groups of states, the European Union and the United Nations sometimes impose restrictions on exports/imports and other transactions with certain countries, legal entities or individuals. Such restrictions prohibit the National Company ROMARM from entering into business relations with restricted (embargoed) countries, as well as with certain individuals and legal entities. CNR will not enter into business relations with companies under embargo. Failure to comply with these restrictions may result in severe penalties such as fines, revocation of export/import rights and even conviction. CN ROMARM complies with all national and international laws and regulations.

CNR Policy Regarding Political and Charitable Contributions:

The National Company ROMARM does not make political contributions of any kind, whether in cash or in kind. However, CNR recognizes the right of its employees to participate as individuals in political processes, provided that such participation is made in their own name and without involving the company in such activities.

With regard to CNR employees who are personally involved in such activities, they are neither encouraged nor discouraged from making contributions to political parties, candidates or campaigns for public office.

As part of our commitment to promoting corporate social responsibility, CNR supports certain categories of charitable donations that contribute to noble causes and support the community.



Additionally, the company supports certain corporate sponsorships that are likely to promote the company's presence in the business community. These contributions may be made in the form of goods or services, technical assistance or training, financial support or event sponsorship.

Unfortunately, even legitimate donations and sponsorships can sometimes give the impression of bribery and corruption. For this reason, great care must be taken to ensure that the recipient of the contribution is a genuine charity, regulated and monitored as such by the competent authorities, and that there is no reason to believe that it could be exploited directly or indirectly for the personal benefit of a government official. Also, before making donations, sponsorships, charitable contributions on behalf of CNR, these must be approved in advance by the company's Board of Directors and by the relevant legal counsel.

If a government official serves as a director or executive officer of a charitable organization, is closely associated with the organization, or requests that the National Company ROMARM make a donation to that organization, you must notify the legal department, which will inform the company's management of any investigations or procedures necessary to ensure that the contribution will not be used to make a prohibited payment.

All donations, sponsorships, and charitable contributions made on behalf of the CNR must be accurately recorded in the CNR's books and records.

Practical example: A high-ranking government official with whom you have regular contact asks the National Company ROMARM to make a donation to a charity for people with disabilities resulting from the work he carried out within the security and defense forces.

How to proceed: You should consult the legal department, which will inform you of the prior checks and investigations that must be carried out to ensure that the charity in question is a genuine organization and that the contribution will not be used for any other purposes.



CNR Policy on Lobbying Activities:

You must obtain prior written approval from the relevant legal counsel before engaging in lobbying activities. All lobbying activities and measures must be fully and carefully documented and clearly indicate in detail the retention agreements, invoices issued by the lobbyist and written documentation of the respective actions. Do not approach lobbyists until their due diligence has been completed in accordance with the provisions of the Anti-Bribery Policy. In addition, periodic detailed audits of the way lobbying is organized should be conducted.

A Government Official in the exercise of his/her function should never be engaged to lobby or carry out activities in support of political interests on behalf of the National Company ROMARM.

If you engage a lobbyist, the relevant legal counsel must ensure that all requirements stipulated by lobbying laws and any regulations, guidelines or codes of procedure are met, including local requirements regarding necessary records and reports.

CNR Policy on Conflict of Interest:

CNR employees share the company's objective of increasing its value. This objective can only be achieved if the National Company ROMARM manages to build and maintain permanent and profitable business relationships with its customers and business partners.

In order to maintain a profitable and permanent business relationship, all CNR employees must act with integrity and legitimately in the performance of their professional activities and direct their professional conduct exclusively towards the general good and the economic benefit of the company, its customers and business partners.

Situations in which the personal interests and professional interests of employees intersect, and may conflict (conflict of interest), endanger the ability to achieve the common goal. As a result of this, the first priority is to prevent the occurrence of conflicts of interest in all situations in which they can be prevented. Thus, all employees are required to separate personal interests from the interests of CN ROMARM.



However, if a conflict of interest cannot be avoided, the employee, in his/her personal interest, is obliged to act in accordance with the following three principles:

- to notify the hierarchical superior, as well as the ethics advisor, of the occurrence of any conflict of interest, who will in turn inform the Legal and Human Resources structures;
- să documenteze în scris existența oricărui conflict de interese;
- to document in writing the existence of any conflict of interest; to act in accordance with legal regulations, as well as CNR policies.

The Compliance Team will analyze and evaluate each case separately and will respond to the respective person in writing, stating whether he/she is obliged to resolve the situation that led to the conflict of interest or whether he/she will have other obligations (e.g.: not to participate in any way in financial transactions between the ROMARM National Company where the employee works and the company where he/she has personal interests).

Conflict of interest resulting from secondary activities. Secondary activity represents any activity in which employees work for third parties, individuals or legal entities, in addition to their main occupation within CNR, regardless of whether :

- are paid for their work (as employees with an employment contract or as authorized individuals, or any other type of contract);
- if they are a partner or shareholder of the company in question.

Conflict of interest resulting from competitive secondary activity. Competitive secondary activity is any personal commercial activity or participation in a company, which competes with the activities of CNR. If there is even a suspicion that a conflict of interest could harm the reputation and interests of the National Company ROMARM, employees are not allowed, being prohibited, to participate in or obtain any kind of interests or to be employed in any form, or to obtain or participate in a business activity, respectively a business of any kind that is in competition with CNR and/or any other natural or legal person that cooperates with CN ROMARM in any form (suppliers, clients, etc.).

If such competitive activity is carried out by the employee's spouse or relative up to the third degree, the employee must report this situation to his/her line manager and



the Compliance Team.

Conflict of interest resulting from non-competitive secondary activity. Employees of the National Company ROMARM are required to inform the company of any future non-competitive secondary activities, so as to avoid a potential conflict of interest. Voluntary, unpaid secondary activity carried out by the employee in his or her free time is permitted, without any obligation to report it.

Conflict of interest resulting from political activity or participation in various boards. The National Company ROMARM respects the desire of its employees to work in specific positions in the area of public relations or to participate in social or political activities. However, the employee who participates in such activities must do so outside of working hours and must also not associate or allow the company name to be associated with another similar activity, without having the prior written consent of the CNR. In accordance with the provisions of existing legislation, as well as the provisions of CN ROMARM policies, approval is considered to be granted exceptionally for participation in employee union activities.

Conflict of interest resulting from private financial investments. Private transactions, especially financial ones, of members of the Board of Directors and other committees or commissions, of employees or external consultants of CNR and affiliated companies, must not conflict with the interests of the National Company ROMARM. Specifically, employees cannot participate in the Boards of Directors of Joint Stock Companies (S.A.), respectively cannot be administrators within Limited Liability Companies (S.R.L.), without having the prior written consent of the National Company ROMARM. The refusal to grant such approval must be justified.

In conclusion, potential conflicts of interest must be avoided or, if this is impossible, carefully managed. In all cases, they must be disclosed to the hierarchical superior and discussed openly, promptly and directly and must also be documented in writing.

CNR's policy on procurement and tendering processes:

Corruption is more prevalent in certain areas and countries than in others. Operating in these high-risk areas and countries requires increased attention from the company. It is important that CNR can demonstrate that procurement decisions were made on merit and not through improper influence over government officials.



Procurement regulations usually include specific rules regarding the period and procedure for ensuring the security of information and documents for tenders, and you must ensure that you act in accordance with these rules. You should never request/seek confidential information that is not public, thereby violating these regulations.

During the tender process, there are usually strict regulations regarding conflicts of interest and interactions and communications with officials involved in the tender process. During the tender process, you should not engage in organizing protocol events, providing gifts, benefits or any other similar activities for any official or any other person involved in the tender process.

No CNR employee is permitted to engage in price-fixing and bid-rigging arrangements.

To avoid any violations of these laws you should identify and review local procurement guidelines and rules and, if necessary, consult CNR's Legal and Compliance structure.

CNR policy regarding the provision of hospitality to non-government officials (customers, suppliers, other business partners):

The provision of hospitality to non-government officials (i.e. persons employed by wholly private entities), entertainment or protocol (including refreshments, meals or attendance at a performance) must meet the following conditions:

- be directly related to the business of the National Company ROMARM such as the marketing of its products and services or must directly support the business interests of CNR;
- be both legal and reasonable in amount and under the circumstances;
- be not improper in any way;
- be approved in advance by the relevant legal advisor, except in the case where the value of the entertainment or gift is less than 100 Euro/person.



In situations where advance authorization is required for any entertainment, gift or protocol, the request must be approved by the Board of Directors.

The information provided in the request must provide a substantial description of the recipients, the value, nature, business motivation and other circumstances related to the expense request.

Requests so completed will ultimately be reviewed and approved by the compliance team.

All requests for reimbursement must be supported by documentation, including original third-party invoices or, in the case of non-public officials, appropriate receipts evidencing the expense for which reimbursement is requested. All requests for reimbursement must include the date the expense was incurred, the names and business affiliations of all those present and the business motivation for the expense.

Please note that expenses that do not have the required approvals in accordance with the rules set forth above may not be reimbursed.

All expenses related to entertainment, protocol, gifts, training or promotions in good faith, expenses related to the contract must be accurately recorded in the books and records of CNR.

In conclusion, we must remember that it is permissible to offer gifts, entertainment, protocol or travel and accommodation tickets in connection with business of a nominal value as long as they comply with CNR's anti-bribery policy, the policies of the intended recipient's organization, laws regarding the granting of gifts and financial limits, as applicable.

The CN ROMARM SA Anti-Bribery Compliance Guide prohibits the offering of gifts or favors outside the normal course of business to current or potential customers, to their employees or agents, or to any other person (including, but not limited to, "government officials") with whom the respective group company has a contractual relationship or intends to negotiate the conclusion of a contract.

Providing Gifts, Meals, Entertainment:

It is often customary to exchange gifts, meals, and entertainment with customers, suppliers, and other business partners. The key in these cases is to maintain a professional relationship.

Avoid expensive or extravagant gifts, meals, and entertainment that may give the appearance of exerting improper influence.

You should always consider whether the meal, gift, or entertainment you plan to provide or



receive could be considered extravagant or inappropriate or could create or imply an obligation.

You should also take into account the following relevant aspects:

- Gifts and entertainment provided to customers, potential customers and suppliers must serve the legitimate business interests of CN ROMARM, be within reasonable limits and be appropriate to the circumstances. You must always show understanding of the rules of customers and suppliers regarding the receipt of gifts and entertainment. If in doubt, always seek prior written approval from the relevant legal advisor;
- no gifts of cash or cash equivalents will ever be given;
- you must keep all records of such expenses.

Special Events:

Offering a customer, supplier or business partner the opportunity to attend a special event is acceptable as long as it does not involve persuading the person to act with partiality or not adequately perform their professional duties.

For example, inviting a customer to attend a special event as part of a public relations action intended to help establish good relations or improve information about the ROMARM National Company is permitted.

Product promotions and visits to company locations and branches:

From time to time, employees may invite customers, suppliers or other business partners to Company locations and subsidiaries to participate in visits or demonstrations related to our products. The Company's anti-bribery policy does not prohibit the payment or reimbursement of reasonable expenses incurred in good faith, such as transportation and lodging expenses incurred by or on behalf of the customer, supplier or business partner for the purpose of the visit in question, provided that: such expenses are directly related to legitimate business interests, such as the promotion, demonstration or explanation of the Company's product features or visits to its locations and subsidiaries; and the payment to cover such expenses is widely accepted, customarily practiced and permitted by local law. All payments made must comply with the restrictions set forth in the section below.



Transportation and accommodation:

Romarm National Company may not pay or reimburse transportation expenses, such as airfare, hotel accommodations, meals, or other related expenses of customers, suppliers, or other business partners unless they are related to a permitted purpose as set forth above. Such expenses must be disclosed to the individual's employer before they are incurred. CNR and its employees must never comply with a request to keep such payments or reimbursements confidential. Transportation and accommodation costs must be modest and within reasonable limits.

Transportation and accommodation costs must be paid directly to the third-party provider. In certain circumstances, when payment cannot be made directly to the third-party provider, it may be made directly to the individual's employer. You should never provide funds to cover transportation and accommodation costs directly to the individual except in exceptional circumstances and only after obtaining the prior written approval of the relevant legal counsel. Per diems will not be paid to such individuals.

You must keep all records related to the expenses incurred.

Practical example: A major customer wants to visit a plant of the National Company ROMARM to see where the products they purchase are manufactured. They have requested that CNR pay the expenses associated with the visit.

How to proceed: If the expenses are within reasonable limits, if it is customary for companies to pay the costs associated with such visits, if they are brought to the attention of the customer's employer, and if this is not intended to improperly influence the customer's business decisions, then the company can pay the reasonable transportation and hotel expenses. CNR must pay the customer's transportation and accommodation expenses directly to the hotel and to the company providing the air/rail/road transport.

CNR policy regarding the acceptance of benefits by company employees:

It isn't permitted to receive gifts, gratuities, entertainment, services or other items with a monetary value exceeding a symbolic or conventional value from business partners and persons acting on their behalf in connection with activities performed for CNR.



Acceptance of benefits by CNR employees offered from the private business environment, from clients and business partners, is permitted only if the possibility of influencing a business decision or other business activities carried out by the employee within the company is eliminated, depending on the value, occasion or time of granting that benefit.

Business decisions and activities carried out by employees of the National Company ROMARM must be oriented exclusively towards the interest and good of the company. CNR employees cannot demand, receive promises or accept benefits from a business partner in exchange for making a business decision or for performing a professional service in favor of a business partner.

Employees of the National Company ROMARM must also refuse gifts and gratuities from people who work or seek to work with CNR, such as suppliers or potential suppliers, with the exception of promotional items of small value.

Cash gifts are prohibited and, if offered, must be refused.

Receiving Gifts, Meals and Entertainment:

When you are in a position to receive gifts, meals and entertainment, you should carefully consider the situation and adopt the following conduct:

- don't accept gifts, meals or entertainment in exchange for taking action or promising to take action for the benefit of a customer, supplier or other business partner;
- don't solicit gifts, meals or entertainment from customers, suppliers or other business partners;
- don't accept gifts of cash or cash equivalents, such as gift cards, under any circumstances; Do not accept extravagant gifts, meals or entertainment. This is an area where your judgment is essential. For example, a modest gift during the holiday season, given by a supplier in accordance with local customs and for the purpose of increasing goodwill on a legitimate business relationship, is usually okay. But an expensive weekend getaway is not acceptable. Sometimes it's hard to define what is extravagant, and customs and things considered acceptable differ from country to country.



- in some cases, modest individual gifts may be considered extravagant due to their overall value and relevant circumstances. If in doubt, always seek prior written approval from the relevant legal counsel;
- gifts of symbolic value, such as trophies, plaques and statuettes inscribed in recognition of a business relationship, may be accepted only if received occasionally and in circumstances appropriate for giving gifts;

When you are offered a gift, meal or entertainment that goes beyond those set out in the above guidelines, politely decline and explain to the person concerned the rules of the National Company ROMARM. If returning a gift could be considered offensive to the person giving it or the circumstances in which it is given prevent its return, you should notify the relevant legal counsel, who will assist you in either donating the gift to a charitable organization, distributing the gift or organising a raffle with a larger number of employees participating.

Practical example: A supplier with whom you want to strengthen your relationship, knowing that you practice skiing, invites you and your spouse to Sapporo to spend a week on the slopes of this beautiful mountain resort in Japan. The transportation and accommodation costs (at the 5-star hotel where he made the reservation), which, compared to other locations in the world, are expensive, are to be paid by the host. A high-class ski instructor in the field of skiing will also be available to help you perfect your skiing technique.

How to proceed: Since this event does not seem to have any business interest and is extravagant, you should politely decline the invitation. However, if the event in question serves important professional interests for the National Company ROMARM, you may accept the invitation on condition that you receive prior written approval from the relevant legal advisor and that the company covers your transportation and accommodation costs. Transportation and accommodation expenses for your spouse will be borne by you.



CNR recordkeeping policy:

Failure to maintain proper financial records and books violates the laws of several countries, including Romania, even if no bribery is committed. Each employee of the Company must comply with procedures regarding internal controls, financial reporting and document retention to ensure that the Company can always prove its compliance with anti-bribery laws and regulations.

Accounting requirements:

CN ROMARM SA prohibits the use of false documents and invoices as well as the making of inadequate, equivocal, deceptive accounting records. It is also prohibited to use any other accounting procedure, technique or process that would hide or disguise in any way illegal payments.

Accurate bookkeeping and records:

All payments and expenses must be fully and properly recorded in accordance with the company's applicable accounting rules.

These include, but are not limited to, the following:

- gifts;
- transportation and entertainment expenses;
- charitable contributions;
- sponsorship expenses;
- political contributions;
- payments to third parties, suppliers and service providers;

Records must be maintained in accordance with all prior measures and relevant approvals required under this policy.

CN ROMARN SA will keep accurate and complete books and records and will perform appropriate internal audits. No money or assets belonging to CN ROMARM SA will be used, directly or indirectly, for any illegal, improper or unethical purpose.

CN ROMARM SA will keep its books, records and accounting statements as detailed and accurate as possible, so as to fairly reflect all transactions and asset values.

It is unacceptable for our company to mischaracterize or omit a transaction in the company's books or to perform inadequate audits, resulting in a mischaracterization or omission.



We consider it essential and mandatory to maintain detailed and accurate descriptions of all payments and expenses.

As an employee of the company, you must comply with the standards, principles, rules and practices of CN ROMARM SA applicable to accounting and financial reporting procedures. The preparation of all reports and records by employees, in particular, must be carried out in full and without delay. With regard to interactions with public or government officials and other international commercial transactions explained in this policy, employees must obtain all necessary approvals from the persons responsible for granting such approvals, as applicable.

Before making or authorizing a payment to a government official, employees or agents of CN ROMARM SA will ensure that no part of such payment will be made for any purpose other than that which must be fully and accurately described in the company's books and records.

No confidential or unrecorded accounting statements will be made within CN ROMARM SA for any purpose.

No false or artificial entries shall be made in the books and records of CN ROMARM SA for any reason.

No personal funds shall be used to undertake actions prohibited by CN ROMARM SA policy and the Code of Business Conduct adopted by the company.

Practical example: You want to give a modest Christmas gift to a loyal customer. Since you believe that organizing the purchase through CN ROMARM would be difficult and time-consuming, you want to buy the gift yourself, with the money later being reimbursed by the company.

How to proceed: Any gifts or entertainment given or received must be properly accounted for in the relevant records of the National Company ROMARM. Even if you choose to purchase the gift at your own expense and do not claim any reimbursement later, it will be given by you as a representative of the National Company ROMARM. Therefore, you must ensure that such expenses are properly recorded.



CNR Policy on Due Diligence When Hiring or Contracting with Third Parties:

To ensure proper use of company assets and to minimize the risk of corruption and other conflicts of interest, special care must be taken in selecting and monitoring external consultants, agents and intermediaries who are involved in business activities. All relevant contracts must include provisions on the avoidance of corruption.

This policy prohibits illegal offers, promises or payments made through third parties acting on behalf of the National Company ROMARM. The Company is responsible for bribes paid by third parties acting on its behalf or for bribes paid by its employees or other persons performing services for the Company. Therefore, you must never authorize or request employees or third parties to pay a bribe to any person (including government officials) or to receive a bribe from anyone. You also cannot ignore activities carried out by third parties acting on behalf of the National Company ROMARM that you suspect may be in conflict with this Anti-Bribery Policy. You have a duty to immediately bring these matters to the attention of the company's legal department.

You should be especially careful when evaluating a potential employee or third party who may act on behalf of the National Company ROMARM, especially if that person will interact with government officials on behalf of the company. You must obtain the prior written approval of the company's legal department before hiring a third party who may interact with government officials on behalf of the National Company ROMARM. You should not hire personnel, third-party agents, or consultants if you have reasonable grounds to believe that the person may be tempted to offer bribes.

New employees and third parties hired by the National Company ROMARM must receive a copy of the company's Anti-Bribery Policy and be informed of their obligation to comply with it.

Examples of third parties and other intermediaries:

“Third parties” generally mean any person or entity with whom CNR does business.

The following types of persons may be considered third parties who perform services for or on behalf of the National Company ROMARM and whose actions may be attributed to the company:

- agents, representatives, consultants and other intermediaries;
- persons who bring new business to the National Company ROMARM;
- contractors and service providers;
- lobbyists;



- law firms and advisors;
- public relations and marketing consultants and advisors;
- real estate contractors;
- sales and marketing firms;
- subsidiaries, including those in which the National Company ROMARM holds less than 50% of the shares;
- suppliers that provide services for the National Company ROMARM and do not act as simple sellers of products.

All payments made to third parties involved in commercial transactions must be appropriate, legal and reasonable in nature and value in relation to the goods and services provided by such third parties. CNR employees are required to carefully select each third party acting on behalf of the company and to act with due diligence in accordance with the procedures of the National Company ROMARM. In addition, contracts concluded with third parties must, to the extent possible, include provisions to mitigate the risk of potential illicit payments.

Prior verification measures when hiring personnel or third parties:

To ensure that bribery does not occur, it is necessary to proceed carefully and conduct prior checks when hiring personnel or selecting third parties who will act on behalf of the Company.

It is the obligation of CNR to inspect/audit the third party in this regard before starting any collaboration.

You should only work with qualified and reputable individuals or firms. To ensure this, you should identify the candidate's qualifications and the legitimate professional reasons for selecting them, interview the candidate, meet with them, and investigate their reputation in the field. If the person or firm is from a high-risk country where bribery is practiced, the investigation of the person or firm in question should be even more thorough. You should check to ensure that the candidate does not have relatives or other relationships with government officials who are responsible for the field in which he/she is to perform his/her potential duties; hiring such a person/firm could be interpreted as an attempt by the ROMARM National Company to obtain an improper advantage. Each stage of the investigation should be documented. You should also ensure that the proposed remuneration is reasonably commensurate with the services provided.



Beware of: During the due diligence process, you should be alert to any signs that may indicate that the potential employee or third party should not be hired:

- requesting an inappropriate payment method, for example, requesting indirect payments in a country other than the one in which the entity operates, cash payments, or payments made to a hidden or secret account or to a third party account;
- the candidate is reluctant to sign a contract;
- promises of unusually fast results;
- apparent lack of qualifications or experience for the position or function;
- allegations made against the candidate in the past or instances where the candidate has engaged in inappropriate business conduct;
- the candidate is unwilling to provide the requested information;
- solicitation of a payment or gift for themselves or another person.

If due diligence uncovers any issues that raise suspicions, you should seek advice from relevant legal counsel and management to clarify your concerns before hiring the staff member or third party in question.

With respect to third parties, your due diligence obligations do not end when the third party is selected and hired. You should continue to monitor ROMARM National Company's relationships with third parties and conduct periodic due diligence on any contracted third parties.

Contractual Clauses:

All employees must sign a declaration indicating that they have read and understood the Policy and that they agree to comply with it. The employee statement is included in Appendix 1.

Similarly, you should never enter into a relationship with third parties unless they sign a contract that states that they do not and will not engage in bribery. An example of the contractual language that should be used in this case is included in Appendix 2.



Contracts concluded with third parties must include the anti-corruption clause according to the model in Appendix 3.

Organizational responsibilities and duties:

The management of the National Company ROMARM will be responsible for all measures regarding the prevention and identification of corruption and conflicts of interest as defined in this policy.

The personnel of CN ROMARM must observe and comply in particular with the general and special requirements with the diligence and conscientiousness of a business person/executive, being obliged to comply with all legal regulations in force without limitation, as well as to comply with the internal regulations that apply to it.

The competent internal structures, e.g. General Inspection, Anti-Corruption, Legal, must be consulted in case of uncertainties and doubts regarding the applicability, validity and effectiveness of the legal requirements.

These responsibilities include the following organizational duties:

The Board of Directors and the executive management of CN ROMARM SA and its subsidiaries will guarantee:

- clear organizational structures;
- clear responsibilities;
- clear delimitations and limitations regarding the internal hierarchy;
- avoiding training dependencies in the event of (potential) divergent interests and compliance with the principles corresponding to a good delegation of tasks and obligations;
- careful selection, information (training/informing) and monitoring of the activity of those responsible;
- obtaining and complying with the legal recommendations provided by the internal Legal department regarding all relevant legal situations;
- assignment of tasks according to the responsibilities and substantive competences;
- compliance with the principle of cross-checking of individual decisions by representatives of the company's general inspection structure;
- clear representation of the company and rules on signatures;
- monitoring through the internal audit structure and external auditors;
- control by the general inspection structure, anti-corruption;
- regular, or whenever necessary, reporting on cases of corruption and other conflicts of interest that arise in the company and its branches.



The company's management must consider the following basic principles when delegating tasks:

- choosing the appropriate level of responsibility;
- avoiding the transfer of duties and responsibilities to the lowest level in the hierarchy;
- training those in charge in an unambiguous, clear and complete manner;
- periodically monitoring the specialist knowledge and reliability of those in charge;
- intervening in the event of the fault of those in charge by ascertaining the facts, investigating and taking measures to eliminate the sources of problems in the future.

Measures to avoid corruption and conflicts of interest:

The following rules on the avoidance of corruption and conflicts of interest involve common methods for avoiding risks related to corruption and conflicts of interest. They are mainly focused on persons responsible for management or organization. As regards special measures applicable to employees, they must comply with legal norms and internal rules, in particular the right to confidentiality and legislation on employee participation.

Risk Analysis

A systematic collection and analysis of existing and investigated risks on the one hand or the detection of cases of violation of applicable rules, on the other hand, represents an important basis for an effective and efficient defense against corruption and conflicts of interest.

In order to identify risks related to Compliance, the Compliance Team of the National Company ROMARM SA, with the support of the various functions and committees within the CNR (e.g. Procurement, Human Resources, Accounting, Legal, Risk Management Team, Monitoring and Development Committee of the CIM System), will carry out an annual assessment of corruption-related risks based on the results of the controls carried out to detect and prevent corruption and conflicts of interest, but not only, in the relevant area and will establish appropriate and recommended measures to reduce or eliminate the risks identified in the corporate structure and operations.

**Prevention:**

When they are hired or change jobs within the National Company ROMARM SA, employees must be made aware of the risks of corruption and conflicts of interest and trained on the actions to be taken, in accordance with legal norms and internal regulations, against them in the event of such violations. As for the possible risks, employees must also be made aware of them subsequently.

If they are involved in organizational functions with an increased risk of corruption and conflicts of interest, employees must be reminded of this and training specific to their work responsibilities must be provided at regular intervals.

Internal functions responsible for training and professional development, as well as staff development, will include the subject of “risk management” in their programs.

The trust and personal integrity of employees is an important factor in reducing the risks due to corruption and other conflicts of interest in all structural entities of the CNR. Position filling processes should therefore be designed to allow a reliable assessment of the skills and suitability of the candidate's personal profile for the job. Management functions are responsible for human resources management and control regarding the verification of the continuity and development of skills and the suitability of the personal profile, which must be assessed at regular intervals or when deemed necessary, as the case may be. The rules that apply to the employee's right to participation (including, among others, participation in human resources development programs, hearing before company committees, which are responsible for changing jobs or transferring positions, etc.) remain unaffected.

In those areas where, according to the final results of the risk assessment, high risk factors such as personal and functional distrust arise given the length of the employee's performance in carrying out the same activities over time, special attention should be paid when recruiting the eligibility of applicants, based on specific professional criteria (functions sensitive to corruption). Thus, in these areas, in accordance with the legal norms in force and taking into account, at the same time, the personal interest of employees, periodic change of job should be considered as a measure to reduce the risk of corruption or other conflicts of interest. Also, the right of participation of employee representatives in company committees or commissions, which are responsible for changing jobs or transferring the workforce, etc., as well as the relevant provisions applicable in national legislation, should be taken into account.

Control mechanisms:

Starting from the desire that business decisions must be transparent at every stage,



including the preparatory phase in decision-making, we must ensure that every transaction related to projects, negotiations and information must always be carefully documented in writing. For this, it is necessary that operations are always accompanied by documents, which are described in the relevant processes, and stored/archived appropriately.

During the planning of the relevant processes, appropriate measures for transaction control must be incorporated. These measures must serve to protect employees and it must be made clear that these measures are taken to avoid any violation of applicable law/procedures. In areas where there is a high risk of corruption and other conflicts of interest, according to the results of the risk analysis, particularly strict control measures are required. The implementation of control mechanisms must be documented in such a way that they can be verified.

During the selection and assignment of tasks, control mechanisms (e.g.: cross-checking principle, four eyes principle) will be taken into account so that the risks are mitigated.

The anti-bribery compliance function is assigned to the General Inspection Service, Anticorruption. This does not relieve the highest-level management of their tasks and responsibilities regarding the implementation and compliance of the anti-bribery management system at the level of CNR and its branches.

The National Company ROMARM has implemented an internal accounting control system that it undertakes to maintain and improve on an ongoing basis in order to provide reasonable assurance that:

- transactions are carried out in accordance with the general or specific approval of management;
- transactions are recorded in such a way as to: allow the preparation of financial statements in accordance with generally accepted accounting principles or any other criteria applicable to such situations, and to maintain accountability for the accounting of assets;
- access to assets is permitted only in accordance with the general or specific approval of management;
- accounting records relating to assets are compared with existing assets at reasonable intervals and that appropriate measures are taken in the event of differences.

All subsidiaries within the National Company ROMARM must have implemented internal controls and procedures that comply with these criteria and that help to comply with this Guide to Compliance with the CNR Anti-Bribery Policy.

One of the elements of an effective internal control system is that the personnel with control and audit responsibilities within the company and its subsidiaries and units and those in the financial management control and preventive financial control structures verify transactions and expenses/payment requests to find possible red flags that indicate an inappropriate commercial basis or excessive risks for corruption activities.



Red flags for corruption activities:

Red flags are situations that draw the attention of a responsible person or third party to a risk of illegal or improper conduct that has occurred or may occur in the future. When we detect such a situation, we need to do additional analysis, carry out prior checks and consultations before taking any action.

The following are the most common red flags, generated by the existence of certain types of activities that could raise suspicions about a person with whom CNR has done business or with whom it is proposed to do business or may indicate a risk in terms of relations with third parties:

- the transaction participant has a business, family or other personal relationship with a customer or government official, has been a customer or government official in the recent past, or has been accepted solely based on the customer's influence over a customer or government official;
- a customer or government official recommends or insists on using the transaction participant;
- transactions in which money or goods are brokered by a consultant or representative of a government official in order to obtain certain government actions;
- the use of consultants or representatives who have a close relationship with the government or a political party in the country in which CNR operates;
- the transaction participant refuses to accept anti-corruption contractual clauses, uses a shell company or other unethical corporate structure, insists on unusual or suspicious contracting procedures, refuses to disclose the identity of its owners, or requests that its acceptance be backdated or altered in a way that falsifies information;
- third parties about whom we don't have much information, e.g. those with an uncertain business history, who provide very limited (insufficient), false or contradictory information or who do not provide any information about the company at all (such as companies formed in a jurisdiction where corporate details about shareholders, directors, etc. are not publicly available) during due diligence, or newly formed companies;
- the transaction participant has a questionable business reputation or has been accused of bribery, fraud or other crimes or there is information about formal or informal investigations by state authorities concerning it or has unsatisfactory references or from non-existent third parties;
- the transaction participant doesn't have the necessary capacities, personnel or qualifications to perform the services in question;



- the expense/request for payment is unusual, is not accompanied by proper documentation, is unusually large or disproportionate to the services to be provided, does not meet the general terms of a contract or involves the use of cash or bearer or postal money order instruments;
- requests for unusually large expenses, or expenses of associates or family members;
- the expense/request for payment involves an off-the-books account, is made in a jurisdiction outside the state in which the services are being or will be provided, or is made in a form that does not comply with local law;
- requests for unusually large fees, deposits and unusual payment characteristics;
- the expense/request for payment is described as being necessary to “obtain business” or to “make the necessary arrangements”;
- repeated or excessive insistence on gifts, hospitality, entertainment and the like;
- hospitality that has no legitimate connection to the promotion or demonstration of products or services;
- requests for, or unusual transfers of funds from and to countries: that have strict banking secrecy laws or weak money laundering controls, where crime and/or corruption are widespread or where there is a high risk of corruption as measured by Transparency International’s Corruption Perceptions Index or similar indices;
- payments to/from government officials or individuals who may be politically exposed;
- requesting a third party to structure a transaction to evade accounting and/or reporting requirements, or to structure it in such a way as to appear to be a legitimate business transaction;
- money transactions, money requests, bank transfers that do not correspond to the business activities of the person concerned;
- a hesitation on the part of the third party concerned to provide any information requested for the purposes of correct identification and prior checks;



- a third party that opens multiple accounts under one or more names and requests that payments be distributed between these accounts or deposited into these accounts in small installments;
- payments through a third party (other than a bank) that does not have a contractual relationship with CNR;
- transactions with third parties that have unknown addresses, PO box addresses or that provide insufficient or false information;
- gifts or gratuities for public officials, representatives of political parties, candidates for political office, their clients or relatives;
- when there are signs that the third party is not acting in its name, but is trying to hide the identity of the true beneficiary;
- transactions that have as an intermediary shell companies, especially those based in tax havens;
- extravagant entertainment for government officials, party leaders or their families;
- plăți indirecte către clienți, oficiali guvernamentali sau rude ale acestora;
- indirect payments to clients, government officials or their relatives; use, without legitimate justification, of CNR facilities (or CNR offices) by government officials/clients;
- transactions involving multiple individuals and companies that do not appear to have a relationship with each other;
- requesting an agent or representative for an unusual payment method or payments to a third country;
- appointment of a paid representative when an authorization decision is imminent;
- the refusal of the third party to allow past or future compliance with the business principles set forth in the laws relating to corruption, bribery, money laundering and terrorism in the countries in which CNR does business;
- any suggestion that CNR's laws, regulations, procedures or policies should not be followed;
- any suggestion that illegal conduct is acceptable as a result of the norm or custom in a particular country;



- refusal to enter into a written contract or a request to perform services without a written contract when such is required;
- requests for advance payments or increases in amounts paid, such as bonuses or success fees;
- sharing amounts to be paid with other entities whose identity is not disclosed;
- refusal to provide proper invoices or provision of suspicious invoices;
- offering to provide or providing false invoices;
- requests for the award of subsequent services for which that entity does not have the capacity to perform.

The above list is not exhaustive and red flags will vary depending on the nature of the transaction or expense/payment request and the geographic market or industry. Employees can always assess whether additional common red flags exist in a given situation.

If an employee has any information about any of these “red flags”, he/she should immediately contact the Chief Compliance Officer or the Help Desk.

Finding the facts:

If there is a concrete reason to suspect acts of corruption or conflicts of interest, as defined in this policy, the circumstances must be investigated regardless of the reputation of the suspect and his position within the National Company ROMARM SA. In this regard, the circumstances, both incriminating and exculpatory, must be established.

If there is a suspicion of corruption and conflicts of interest, the management function, after a relevant notification, is obliged to immediately inform the company's compliance team which, in turn, will involve, for the necessary support to investigate and find the respective facts, the relevant functions.

Information on identified violations:

The functions responsible for identifying potential violations must immediately notify the company's Compliance Team, which in turn will notify, at regular or ad-hoc intervals, the persons responsible for overseeing identified cases of corruption and other conflicts of interest for the implementation of measures taken in this regard.



Any public announcements of identified cases will be made only through the responsible persons within the CNR Communication Department, after prior approval by the Legal Service and the Company's Compliance Team.

By notifying the Company's functions, employees and persons concerned must not compromise the internal establishment of the facts and the investigations carried out by the criminal prosecution authorities. Thus, appropriate measures must be taken for the transmission of this information, in order to avoid affecting the legitimate interests of all persons involved.

Reporting irregularities, incidents, concerns and actual or suspected violations:

Any actual or suspected deviations from the policies outlined in the Anti-Bribery Compliance Guide of CN ROMARM should be reported immediately to the management of CN Romarm and the General Inspection, Anti-Corruption Service of the company. Any reported activities that appear to not comply with this policy will be investigated accordingly.

Employees, business associates and persons acting on their behalf in connection with activities performed for the National Company Romarm are expected to express their concerns regarding possible violations of international anti-bribery and anti-corruption principles, the law and the policies outlined in the Anti-Bribery Compliance Guide of CN ROMARM and to promptly report deviations from these principles, regulations and procedures.

Non-Retaliation and Confidentiality:

The National Company ROMARM appreciates the support of employees who identify potential risks that need to be addressed. CNR will take all possible measures to ensure the confidentiality of reported situations, including the confidentiality of the identity of the person reporting them. The issues reported will be investigated in the most confidential manner possible. Persons reporting (“whistleblower”) / persons investigating such reports under this policy are assured that there will be no retaliation against them as a result of reporting/investigating.



The National Company ROMARM does not tolerate any form of retaliation against employees who, in good faith, report violations or violations of the policies in the Anti-Bribery Compliance Guide or any aspect of illegal behavior. CNR takes complaints regarding retaliation in such cases very seriously.

Allegations of retaliation are investigated and followed up with appropriate action.

CNR is committed to ensuring that employees can report their suspicions and concerns in an environment of complete trust and complete confidentiality. All reports are taken very seriously and will be investigated with the utmost seriousness; retaliation, in any form, against an employee who reports fraud is strictly prohibited. If:

- you are aware of an act of bribery or corruption or if you suspect that this has occurred or may occur, anywhere within (or in connection with) CNR, you must report this immediately;
- you have reason to believe that any employee of the company or anyone else working on behalf of CNR has engaged in actions that violate ethical or legal rules, you must promptly report the incident;
- you are approached or asked to conceal the identity of the other party to a transaction or to participate in an illegal payment, an “off the books” payment, a cash payment or a payment to a third party or bank account outside the country where the services are provided, you must refuse to participate in such action and you must immediately report the incident;
- you are aware of situations that draw the attention of a responsible person or third parties to a risk of illegal or improper conduct that has occurred or may occur in the future according to the list of red flags for corruption activities, report this to the compliance team as urgently as possible;
- you are offered a bribe, or are asked to offer a bribe, or if you suspect that an act of bribery, corruption or other violation of this policy has occurred or may occur, anywhere within, or in connection with, RMG, you must immediately report this to the compliance team.

Reports can be made to the main point of contact within the ROMARM National Company at: adresa de e-mail petitie@romarm.ro, integritate@romarm.ro, the mailbox on the company premises for reporting irregularities and possible acts of corruption, by phone or fax at: 0372189433.



You should also contact the General Inspection Service, Anti-Corruption, the relevant legal counsel, or the CNR Compliance Team if you have any general questions about the CNR Anti-Bribery Compliance Guide, or about how the rules apply in different circumstances.

Every CNR employee is encouraged to address questions regarding the CNR Anti-Bribery Compliance Guide to: the Ethics and Compliance Team, the General Inspection Service, Anti-Corruption and the Legal Service.

Employees and business partners, including customers, can report concerns through the integrity communication channels. There are three main ways: by mailbox, by telephone or through the web portal. Telephone numbers and access codes (if required), as well as email addresses are available by accessing the CNR website, the CNR Anti-Bribery Compliance Guide or the CNR Integrity Plan.

What happens if you do not comply with the policy?

Under Romanian law and many other countries, bribery is a criminal offense. If anti-corruption laws are violated, CNR, its employees and business partners may be subject to civil, criminal and administrative sanctions, and the reputation of the National Company Romarm may suffer significant public relations losses.

Even the appearance of misconduct can seriously damage the Company's reputation. The Company may be prohibited from conducting transactions with the federal government if it is found guilty of misconduct.

If convicted, you could face unlimited fines and up to ten years in prison. In addition, CN ROMARM SA may also face serious sanctions, including unlimited fines, third-party claims and exclusion from bidding for government contracts.

Your compliance with this policy and all applicable anti-bribery and corruption laws is therefore essential to protect both you and the ROMARM National Company.

You therefore have a personal responsibility to comply with this policy and the standards set out in the Anti-Bribery and Corruption guidelines and the Gifts and Hospitality standards. Any breach will be considered a disciplinary matter by CNR and its subsidiaries and may result in disciplinary action



(in accordance with local law if applicable) including termination of employment without notice. CNR and its subsidiaries may also report a breach to the responsible authorities.

If a business partner does not comply with this policy, CN ROMARM may request the termination of the business relationship.

Quality management:

Internal or external auditors verify the quality of the processes relating to compliance with this policy, at regular intervals or upon request, in accordance with the effective legal norms in force and the internal regulations and rules of CNR. In this regard, the auditors mentioned above may have access to the results of the corruption risk assessment process.

Disciplinary actions:

Directors, employees or business partners who make improper payments to government officials will be subject to the company's disciplinary measures and will also bear the legal consequences of violating applicable laws.

Disciplinary action will be taken against individuals who:

- know that others are intent on violating this policy and fail to report it to company management, compliance or the General Inspection Service, Anti-Corruption;
- know that this policy has been violated by them or other employees and fail to report it to company management, compliance or the General Inspection Service, Anti-Corruption;

Failure to comply with this policy and related procedures will be taken seriously and may constitute grounds for sanctions, including termination of employment for cause.

Guidance:

If you have any questions about what this policy or any of its annexes entail, seek clarification and guidance before acting. Do not attempt to resolve uncertainties on your own. Participate in training courses and complete assessments and obtain appropriate certifications.



Implementation and contractual aspects:

CNR periodically monitors its anti-corruption program, through various methods, including the risk assessment of partners. CNR requires that certain partners be assessed in detail before they are allowed to start or renew a business relationship with the National Company ROMARM or any of its subsidiaries.

Contracts between CNR and its partners generally include mandatory anti-corruption clauses.

Entry into force:

This policy enters into force on 01.01.2018. On the occasion of any necessary changes, the CNR Compliance Team will be informed in order to review and agree on the proposed amendments.

Approved

General Manager CN ROMARM SA
Eng. Gheorghe STOICA

Elaborated

Anti-Bribery Policy Development Committee
Coordonator Dr. Eng. Dipl. Ulise TOADER



**STATEMENT MADE BY THE EMPLOYEE FOR THE PURPOSE OF CONFIRMING
ACCEPTANCE OF THE ANTI-BRIBERY POLICY OF ROMARM NATIONAL COMPANY**

Name and Surname _____

Position _____

Place of work (directorate/service/office/compartment) _____

(If you cannot declare in good faith everything set forth in this certificate, unconditionally and without exception, you should consult the relevant legal advisor.)

I have read and understood the CN ROMARM SA Anti-Bribery Policy Compliance Guide (the “Policy”), am fully familiar with its contents and agree to respect and follow the provisions of this Policy as a condition of my employment.

All employees of CN ROMARM and those of its subsidiaries who are subordinate to me have been informed and received a copy of the Policy.

I am not aware of any gift, payment, offer, promise, agreement or authorization prohibited by this Policy and of any violation of the requirements regarding accounting, record keeping or financial inspections provided for in this Policy or the Code of Business Conduct.

I am not aware of any fact that would constitute sufficient reason to suspect that a violation of the Company Policy Statement has been committed by a person falling under its scope.

Date: _____

Employee signature: _____



**PROVISIONS REGARDING AGREEMENTS
CONCLUDED WITH THIRD PARTIES / CONTRACTORS**

[Third Party] acknowledges receipt of the Anti-Bribery Policy Compliance Guide (“Policy”) of CN ROMARM SA and its subsidiaries and agrees that all of its directors, officers, employees, representatives, subcontractors and agents must comply with this Policy in the performance of their duties, to the extent applicable to them.



Anti-Corruption Clauses Model

The Contractor agrees to fully comply with all applicable anti-corruption laws, including those of the jurisdiction where it is registered and the jurisdiction where the contract will be performed (if different) and to comply with the CN ROMARM SA Anti-Bribery Policy Compliance Guide.

The Contractor declares that:

- he or she or, as the case may be, the legal representatives of the contractor are not currently, and throughout the duration of the contract will not become, government officials or officials of a political party in the state in which the agreement is performed;
- he/she/they will immediately inform CN ROMARM SA of such appointment;
- any such appointment will result in immediate termination of the agreement.

The Contractor agrees that all payments made to it shall be made only upon receipt by CNR of a detailed and accurate invoice accompanied by detailed records. CNR shall make all payments under the said contract in local currency only by check or bank transfer (not in negotiable currency or by bearer payment instrument) to the Contractor's bank account opened with a financial institution in the local jurisdiction.

The Contractor agrees to keep detailed books, accounts, records and invoices and agrees that CNR has the right, through external auditors if it deems necessary, to audit all books, accounts, records, invoices and supporting documents of the Contractor for compliance with any applicable anti-corruption laws and that it will cooperate fully in the event of such audit.

The Contractor agrees not to subcontract the contract in whole or in part to any other individual or entity without obtaining the prior written consent of CNR.

Failure by the contractor to comply with any anti-corruption laws or the CNR Anti-Bribery Policy Compliance Guide shall be considered a material breach of the agreement, and CNR shall have the right to terminate the contract. In such event, the contractor shall waive any claim for payment under the contract, including payment for services previously performed. CNR may also terminate the contract or suspend or withhold payment if it believes, in good faith, that the contractor has violated, intends to violate, or has caused a violation of the anti-corruption laws. CNR shall not be liable for any claim, loss or damage arising out of or in connection with the contractor's failure to comply with such laws or this anti-corruption clause or in connection with the termination of the contract under this clause, and the contractor shall indemnify and hold CNR harmless from and against any such claim, loss or damage.