



Anti-Bribery & Corruption Policy

Dear Colleague -

a message from Lutz Schueler

Virgin Media O2 combines the UK's largest mobile platform and fastest broadband network, reimagining connectivity to upgrade the nation.

As a responsible organisation, we are committed to conducting business with integrity and fairness. Our approach to Anti Bribery & Corruption is a key part of this.

This Policy outlines what is expected from all of us across our business and is fully endorsed by me and my Executive Team. Every one of us is responsible for understanding the document and applying it in our daily roles.

To be clear, we as a Executive Team have a zero-tolerance approach to bribery and corruption. Employees must therefore always comply with this policy. Non-compliance may result in disciplinary and/or criminal proceedings against the employee.

Our success begins with you. Virgin Media O2 seeks to set new standards in ethical ways of working. Staying true to the principles of this policy will be key to our success.

Lutz Schueler.

Introduction

Virgin Media O2 is committed to complying with all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010, and conducting our business in an ethical manner.

Allegations of corruption can do serious damage to our business and reputation. Accordingly, Virgin Media O2 has adopted this policy which prohibits anyone employed by or acting on behalf of Virgin Media O2 from paying or accepting bribes.

Virgin Media O2 may amend, terminate, or otherwise modify this Policy at any time. We comply with all applicable laws and regulations while also adhering to our own internal policies.

Virgin Media O2 takes any violation of this Policy very seriously. Failure to observe the requirements set out in this Policy may constitute a disciplinary offence. In some circumstances this could include termination of employment.

Applicability

Unless otherwise stated in this Policy, this Policy applies to all of us, including every director and employee of VMED O2 UK Limited (“Virgin Media O2”) and any trading subsidiaries of Virgin Media O2 (the “Virgin Media O2 Group”). Trading subsidiaries include, but are not limited to, Telefonica UK Limited, giffgaff Limited, Virgin Media Limited, Virgin Media Business Limited, Virgin Media Wholesale Limited, Virgin Media Mobile Finance Limited and Virgin Mobile Telecoms Limited. This policy also applies to each agent, representative, consultant, and independent contractor acting on behalf of Virgin Media O2 or any member of the Virgin Media O2 Group.

Policy Statement

Virgin Media O2 prohibits anyone acting on its behalf from making or receiving payments or taking any other unlawful or improper action. Actions that are unlawful or improper include receiving or paying bribes or giving, offering, promising, or receiving anything of value¹ with the intention of improperly influencing the behaviour or decision-making process to obtain or retain a business advantage or improper benefit. This includes both Public Officials and Private Organisations. Anything of value is not merely money, but may include, business opportunities, improper gifts, meals, travel, political contributions, sponsorships, or offers of employment.

¹ Object of Value: broadly defined as anything of value, tangible or intangible, in any form, including but not limited to: cash, cash equivalents (such as gift cards and product discounts), loans, gifts, invitations, goods, services, jobs for family members, trips, lodging, entertainment, meals, reimbursement of expenses, favours, business or employment opportunities, compliance with a request to deliver something of value to a third party, contributions to charities or other non-profit organisations, and promotional sponsorships.

No Virgin Media O2 funds, facilities or services of any kind may be paid to political parties, officials, or candidates to obtain their support for actions favourable to Virgin Media O2.

All employees are responsible for complying with the UK Bribery Act, the FCPA, this Policy and ensuring that third parties with whom they interact fully understand these requirements in their activities related to Virgin Media O2.

This Policy will help you determine when it is ok to accept or offer gifts and hospitality. However, this Policy does not substitute the need for you to apply good judgment as it will not cover every situation that may arise.

As required by the FCPA, Virgin Media O2 must make and keep books, records, and accounts that accurately and fairly reflect Virgin Media O2's transactions and dispositions of its assets. No undisclosed or unrecorded funds or assets are to be established for any purpose.

Virgin Media O2 must devise and maintain a system of internal accounting controls sufficient to assure management's control, authority, and responsibility over its assets.

Sanctions

Virgin Media O2 takes any violation of this Policy very seriously. Violators may be subject to disciplinary sanctions up to and including termination of employment. In addition, violators, and Virgin Media O2 can face civil and criminal charges that could result in large fines, imprisonment, and exclusion from government contract processes.

Speak Up

Our Anti Bribery & Corruption policy is supported by our Speak Up framework. If you become aware of something that seems to violate this policy or our Code of Conduct you should report it via our Speak channel (<https://speakupvirginmediao2.co.uk>). You can raise it with the Chief Audit Executive, your manager or management team if you feel comfortable doing so. If you really do not feel able to discuss the matter with anyone, please raise it via our Speak Up process. Speak Up allows you to report these concerns (anonymously if you wish) and our procedures include protection of staff who raise concerns from detrimental treatment. Virgin Media O2 does not tolerate retaliation for raising any issues or concerns, making a report in good faith, or participating or supporting an investigation. Retaliation against reporters is treated as a violation of our Code of Conduct.

Concerns reported in bad faith, knowing that they are false or malicious shall be subject to disciplinary procedures.

All staff have a responsibility to report concerns which seems to violate our Code of Conduct, internal policies or acts contrary to the regulations and legislation applicable. Internal Audit is responsible for the effectiveness of the Speak Up process which will also include procedures to identify internal control deficiencies for the improvement of the company's processes through the implementation of the corresponding action plans by the management.

Adequate Procedures

To effectively implement this Policy and to meet our obligation under the UKBA and FCPA, Virgin Media O2 shall maintain an effective risk-based anti-corruption programme designed, implemented, and enforced to prevent and detect bribery and recordkeeping violations.

As a business we must ensure that we have “**Adequate Procedures**” to prevent and detect bribery and corruption from occurring. A range of controls are therefore in place within Virgin Media O2. These are based on the Ministry of Justice’s 6 Principles for Bribery Prevention and include:

1. **Top-level commitment** - the Executive Team have a zero-tolerance approach to bribery and corruption.
2. Clear and **proportionate** Anti-Bribery & Corruption policy and procedures, considering the bribery risk faced.
3. An on-going **risk assessment** of the above, which is documented and periodically reviewed
4. **Due diligence** is undertaken in relation to third parties that will perform services on behalf of the organisation, whether these are contractors providing resource or suppliers providing goods and services.
5. Regular **communication and training** take place to ensure that this policy and associated procedures are embedded and understood.
6. **Monitoring** and review of bribery and corruption prevention procedures, as part of a business wide commitment to continuous improvement in this area.

The above is supported by Compliance oversight of our Anti-Bribery & Corruption Framework. The framework is also periodically reviewed by Internal and External Auditors.

Materiality

Remember that anti-corruption laws do not have a materiality threshold and so even items below nominal value should not be offered if the intent would be to improperly influence or obtain or retain a commercial advantage, and gifts of cash (or cash equivalents) are never permissible, unless such person is threatened with imminent bodily harm, imprisonment or worse.

Private Sector

In relation to the private sector, employees must record every gift or hospitality offered or received above the **internal lower threshold**. Where any gift or hospitality (offered or received) is above **internal higher thresholds** (gift or hospitality) prior written approval must be received from Compliance.

Public Officials

For the purposes of this Policy, Public Officials are all officials, employees, agents and representatives of any branch or level of government (executive, legislative or judicial and whether national, state or local) or of any governmental department or agency (including advisors to such agencies and branches), directors, officers and employees of State-owned or controlled companies² (including their consultants, advisors, agents and other representatives), political parties, party officials and candidates for office, officials and employees of public international organisations such as the European Union or the United Nations, the World Bank (including their consultants, advisors, agents and other representatives), members of royal or ruling families, and leaders or elders of indigenous or aboriginal peoples and their families.

Public officials also include any political party, candidate for political office, or any person acting on behalf of such party or candidate for political office.

Remember that state owned, or controlled companies may even include organisations such as the BBC, other telecom operators such as Swisscom and certain banks.

Public Official – Gifts & Hospitality

- Gifts or hospitality above the nominal amounts detailed below should not be offered to Public Officials
- Gifts below the internal threshold to a specific Public Official are limited to 4 times per annum and must be declared on the Gifts & Hospitality Register
- Meals for a specific Public Official are limited to 4 times a year and subject to a value cap not exceeding the internal threshold per head per meal.
- Events that relate to your engagement with a Public Official (promotional event, product demonstration) require prior written approval from Compliance. Invitations to non-related events (sporting or music events, for example) are prohibited.

The payment or reimbursement by Virgin Media O2 of travel and travel-related expenses of Public Officials can raise issues under applicable anti-corruption laws. Legitimate expenses for the travel, meals and lodging of Public Officials may be paid or reimbursed by Virgin Media O2 if certain requirements are met.

The purpose of the expense must relate directly to the promotion, demonstration or explanation of a product or service of Virgin Media O2 or to the execution or performance of a contract of Virgin Media O2 with a government, government agency or government-owned or government-controlled enterprise. The offer to pay or reimburse and the actual payment or reimbursement of expenses to Public Officials must be fully documented, approved in advance by the General Counsel and must not violate any law applicable to that Public Official. The expenses must be reasonable.

² In this regard, we interpret ownership as > 51% public stake at these companies

How to declare gifts or hospitality

You can make a gifts or hospitality declaration using the links on the intranet. This will then be assessed and recorded by Compliance.

Civic and Charitable contributions

Corporate contributions, whether through the payment of funds or the furnishing of facilities, goods, or services, must:

- Be made to legitimate charitable organisations.
- Receive internal approval from the Chief Communications & Corporate Affairs Officer and be reviewed by Compliance to determine the nature of the relationship and ensure the contribution is not contrary to our Anti-Bribery framework and Code of Conduct

Political Contributions

No funds, facilities, or services of Virgin Media O2 of any kind may be paid or furnished to any political candidate for public office, any political party or official or any form of political campaign.

Competitive Tender & Contract Renewals

Gifts & Hospitality at any point surrounding a tender process or a contract renewal is strictly forbidden. Gifts & Hospitality should not be provided to a customer when Virgin Media O2 is bidding for a contract or be accepted from a supplier when they are bidding for a contract. The same applies to contract renewals whether a tender is being conducted or not.

The tender period commences from when we first become aware of a commercial process/tender taking place. Sometimes this may be before a Request for Proposal (RFP) has been issued, but the restrictions apply from when we first become aware of a process, to the point when a contract has been signed. In cases where you have prior knowledge of an upcoming tender, either through general business discussions with the customer or a supplier or where Pre-Qualification Questions (PQQ) have been issued, then caution must be exercised. The Compliance team should be consulted prior to giving or receiving Gifts & Hospitality in this circumstance. The same principle applies to contract renewals.

In some very limited circumstances, and always subject to prior approval from the Compliance team, it may be acceptable to give or receive Gifts & Hospitality where a tender process or a contract renewal is being conducted by another part of the business, in which the giver and receiver of the Gifts & Hospitality is not directly or indirectly involved.

Incentives

Any Incentive Scheme irrespective of whether it is a Virgin Media O2 funded Scheme or Supplier Incentive must be approved by the appropriate governance committee. This Committee will ensure that any Scheme is aligned with our Code of Conduct and does not encourage improper behaviour. Following the review, the Scheme will either be approved, rejected or recommendations provided.

Books and Records

The maintenance of undisclosed or unrecorded funds or assets for any purpose and records that disguise or misrepresent any aspect of a transaction are prohibited by Virgin Media O2. This applies to all company information. Examples include, but are not limited to:

- Gifts & hospitality declarations and related registers documenting the compliance with this policy
- Numbered foreign bank accounts; bank accounts containing corporate funds but held in the names of individuals;
- Unrecorded petty cash or “black box” funds;
- Real and personal property held by a nominee;
- Records that reflect a payment to “X” when the payment was actually made to “Y”; and
- Records that reflect the payment of a certain amount to an agent when there is an understanding that the agent will pay a portion of this amount to a Public Official or some other person or entity.

Each transaction and disposition of assets by Virgin Media O2 must have proper authorisation, must be timely recorded, must be accurately recorded in all respects, including the substance and purpose of the transaction. No transaction shall be entered into that requires or contemplates the making of false or fictitious entries or records in whole or in part. No accounting balances shall be created or maintained that have no documentary support or that have no reasonable basis in fact.

Except for fully documented escrow arrangements entered in connection with financing or M&A transactions, no third-party accounts, including bank accounts or securities accounts, for Virgin Media O2 shall be established other than in the name of Virgin Media O2 without the prior written approval of the Chief Executive Officer or Chief Financial Officer of Virgin Media O2 or their respective designees.

Adjustments to accounting records must follow established procedures. Once finalised, documents are not to be altered.

Inquiries from Auditors

Any inquiry from the internal or independent auditors of Virgin Media O2 must be responded to fully and promptly.

Prohibited means of payment

No corporate cheque shall be written to “cash”, “bearer” or third-party designees of a party entitled to payment. Wire transfers should only be made to bank accounts in the name of the person entitled to payment and not to a third-party account designated by such person. Other than fully documented petty cash transactions, no transaction in cash should be made. In those situations, the recipient must also be the acting party in a fully documented business relationship with Virgin Media O2.

No payments should be made outside the country of the principal place of business of the person entitled to payment without the prior written approval of the Chief Executive Officer or Chief Financial Officer of Virgin Media O2 or their respective designees.

The person entitled to payment will generally be the person with whom Virgin Media O2 has the documented business relationship. Appropriate exceptions would include payments to the person providing the products or services to Virgin Media O2 where the business relationship is with the parent company of such person (as may be the case for procurement contracts with multi-national companies).

When the business relationship is with an agent or intermediary, a direct payment to the person providing the product or service is permissible and may be the preferred method of payment depending on the circumstances. Other exceptions will require the prior written approval of the Chief Financial Officer of Virgin Media O2 or their designee.

As per the Code of Conduct policy donations to political parties, political party officials and candidates for office are prohibited.

Maintenance and retention of records

Access to systems of accounting or financial records shall not be permitted for individuals without proper authorisation. Record destruction may only be undertaken in compliance with applicable Company policies concerning the retention and destruction of records.

Guidelines for dealing with third parties

Improper activities of an independent agent, local representative, consultant, or independent contractor acting on behalf of Virgin Media O2, joint venture partners or co-investors in a business with Virgin Media O2 or of an entity in which Virgin Media O2 has invested (collectively, “Third Parties”) can result in liability for Virgin Media O2 under applicable anti-corruption policies if Virgin Media O2 failed to take appropriate steps to prevent such activities. A primary risk of a violation of applicable anti-corruption laws may lie in the activities of a local Third Party in another country where illicit payments may be accepted or prevalent. To protect Virgin Media O2 against liability and reputational harm, the steps outlined below should be taken.

To mitigate corruption risk, the first and most critical step is to conduct and document an appropriate due diligence review of the background of potential local Third Parties before the business relationship is formed or renewed or the investment made. The inquiry should be especially probing if local law or practical realities of the circumstances would make it difficult for Virgin Media O2 to sever the relationship or extract itself from the investment.

Special attention is required if certain factors or “red flags” are present. A “red flag” is a set of facts that given the context would give a reasonable person a basis to be concerned that improper activities may be intended or likely to occur. The presence of any of the following “red flags” would suggest that heightened due diligence is necessary and may, depending on the circumstances, preclude the business relationship or investment:

- The country in which the potential Third Party is located or where work is to be performed or business conducted has a history of payoffs for Public Officials;
- The potential Third Party, or a member of management or one of the owners of the potential Third Party has a reputation for questionable activity, for example, making improper or unethical payments;
- The potential Third Party does not appear capable of performing the intended services or there has been a pattern of misrepresentations or inconsistent statements during discussions or negotiations;
- The potential Third Party is related to or has ties to a Public Official or other person who is in a position of potential influence with respect to Virgin Media O2’s business or the business to be invested in or is recommended by a Public Official or other person to be retained or partnered with in connection with the proposed transaction;
- The potential Third Party has a record of or reputation for significant contributions to political parties or candidates for office;
- The potential Third Party requests that payments be directed to a third party rather than to the agent or partner; gives instructions for payment to be made in a third country or requests that Virgin Media O2 provide an invoice substantially more than the actual price for the goods or services supplied;
- The potential Third Party insists on anonymity or a lack of transparency as to the details of how objectives are achieved;
- The potential Third Party refuses to agree to provide documentation for expenses or asks for payment in cash (including a check made out to “cash”) or refuses to disclose relevant accounting records or other financial information;
- The potential Third Party refuses to warrant that it will not take any action in furtherance of an unlawful offer, promise or payment to a Public Official or other person or rejects proposed contractual provisions related to compliance with applicable laws and regulations related to improper inducements or to accounting and recordkeeping;
- The commission structure requested by the potential Third Party agent is unusual or excessive (for example, a substantial upfront payment is requested, or the payments are disproportionate to the expertise of the agent or the services to be performed); or
- Unusual bonuses have been paid to managers of the operations of the potential Third Party.

If any of these “red flags” or any other questionable circumstances are present, the business relationship or investment should not be entered into without the authorization of the Legal Department following a due diligence investigation of the background of the potential agent, partner, or investee, including satisfactory conclusions reached concerning the “red flag” information. The due diligence process should be carefully documented.

The documentation should summarize the sources consulted, which must be reliable, competent, and willing to provide a candid assessment; the results of the review, including any questions raised by the review and how they were resolved or an explanation of why they remain unresolved; and the reasons why the business relationship or investment is prudent, including the evidence supporting the decision (for example, the experience, expertise, and resources of the potential agent)

Contract Provisions and Other Measures

All third-party suppliers must fully adhere to relevant anti-corruption laws and regulations. Appropriate provisions are included in all of the Virgin Media O2's supply contract templates and are available upon request from the Legal Department.

A written agreement cannot by itself eliminate the possibility of prohibited conduct. Therefore, ongoing monitoring of compliance with the terms of the agreement and consistent enforcement is required.

Training and Communications

All employees are required to undertake and pass training and testing in respect of the prevention of bribery and corruption. Individuals are also expected to read and understand all communications on this topic and remain up to date with Virgin Media O2 policies, procedures, and expectations in respect of Anti-Bribery and Corruption.

Policy enforcement

This policy will be enforced through control checks managed by the Compliance team in line with our Anti-Bribery & Corruption framework. The controls will also be subject to independent review by Internal Audit.

As part of the Compliance Monitoring programme, the Compliance team will review:

- The frequency of Gifts & Hospitality provided/received by high-risk departments.
- The frequency of Gifts & Hospitality provided/received by Suppliers.
- Types of businesses and / or individuals receiving/offering Gifts & Hospitality.
- That the correct notification and approval process has been followed in all instances

Output of this review will be provided to Senior Leadership.

An annual review will take place of the Bribery and Corruption risks and planned monitoring activity for the period ahead will be revised in line with the risk assessment.

Where can I get further help and advice?

If you are unsure about anything that has been covered in this Policy, there are several places that you can go such as your Director or a member of Compliance or contact the Compliance Team.



ALL RIGHTS RESERVED

This is an unpublished work. No part of this document may be copied, photocopied, reproduced, translated or reduced to any electronic or machine readable form without prior permission of VMED O2 UK Ltd